



**Independent Auditor's Report
To the Members of DVK Investments Private Limited**

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of DVK Investments Private Limited (the company), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014 and the Companies (Indian Accounting Standards) Rule, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India under, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the



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For Fermenta Biotech Limited
Srikant Sharma
Company Secretary

reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2020;
 - (b) In the case of the Statement of Profit and Loss, of the profit including other comprehensive income for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Ind AS financial statements;



- (ii) The company has made provision as at March 31, 2020, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended March 31, 2020.

For Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants



Anil A. Dikshit

Proprietor

Membership No.: 036706

Place: Thane

Date: November 30, 2020



Annexure – A referred to in paragraph 9 our report of even date to the members of DVK Investments Private Limited on the accounts of the company for the year ended March 31, 2020.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a). The Company has does not have fixed assets, and therefore, the provisions of Para 3(1) of the Order are not applicable to the Company;
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the provisions of Clause 3(ii) of the Order are not applicable to the Company;
- iii. The company has granted loans, secured or unsecured to one Company covered in the register maintained under section 189 of the Act.
 - a) In respect of the aforesaid loan, the terms and conditions under which the loan was granted, is not prejudicial to the interest of the Company;
 - b) The schedule of repayment has been stipulated;
 - c) There is no amount overdue for more than 90 days;
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of the loans and investments made and guarantees and security provided by it;
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and rules framed there under to the extent notified;
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act;
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes;
- viii. According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the company;
- ix. The company has not raised any moneys by way of public offer and term loans during the year under review. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the company;
- x. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across any instance of any fraud on the Company by its officers or employees, noticed or reported during the course of our audit, nor have we been informed of any such instance by the Management;



- xi. The company has not paid any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the company;
- xii. As the company is not a Nidhi company and the Nidhi Rules 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company;
- xiii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards;
- xiv. The company has not made any preferential allotment or private placement of shares or partly or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the company;
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the company;
- xvi. The company, as explained to us, is registered under Section 45-I of the Reserve Bank of India Act, 1934.

For Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants

Anil A. Dikshit
Proprietor

Membership no.: 036706

Place: Thane

Date: November 30, 2020



Annexure - B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

- 8 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anil A. Dikshit & Co.

Firm registration number: 100410W

Chartered Accountants



Anil A. Dikshit

Proprietor

Membership no.: 036706

Place: Thane

Date: November 30, 2020



DVK INVESTMENTS PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

	Notes	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
ASSETS			
Non-current assets			
a) Investments	3		
i) Investments in equity instruments of subsidiaries		16,86,62,075	12,81,80,027
ii) Investments in associates		1,30,00,000	1,30,00,000
iii) Investments in government securities		-	-
b) Financial assets			
i) Investments	4	29,04,530	49,66,436
iii) Share application money	5	80,00,000	80,00,000
c) Non-current tax assets (net)	6	9,01,407	8,55,380
d) Other non-current assets	7	-	-
Total non-current assets		19,34,68,012	15,50,01,843
Current assets			
a) Financial assets			
i) Investments	8	1,29,24,458	1,86,98,753
ii) Cash and cash equivalents	9	97,98,991	40,45,903
iii) Loans	10	34,50,000	2,84,50,000
vi) Other financial assets	11	-	38,79,124
Total current assets		2,61,73,448	5,50,73,780
TOTAL ASSETS		21,96,41,461	21,00,75,623
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	6,52,16,650	6,52,16,650
b) Other equity	13	15,43,11,967	14,48,08,555.86
Total equity		21,95,28,617	21,00,25,206
Liabilities			
Current liabilities			
b) Other current liabilities	14	1,12,844	50,417
Total current liabilities		1,12,844	50,417
Total liabilities		1,12,844	50,417
TOTAL EQUITY AND LIABILITIES		21,96,41,461	21,00,75,623

See accompanying notes 1 to 31 to the standalone financial statements

In terms of our report attached

As per our report of even date
 For Anil A. Dikshit & Co
 Firm Registration No. 100410W
 Chartered Accountants

Anil A. Dikshit
 Proprietor
 Membership No : 036706

Place : Thane
 Date : November 30, 2020



For and on behalf of the Board of Directors of
 DVK Investments Private Limited

KRISHNA DATLA
 Director

SONIA GÜPTE
 Company Secretary

Place : Thane
 Date : November 30, 2020

SATISH VARMA
 Director



DVK INVESTMENTS PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Income:			
Revenue from operations	15	4,74,64,941	1,37,69,469
Other income	16	(3,52,959)	3,52,959
Total Income		4,71,11,982	1,41,22,428
Expenses:			
Employee benefits expense	17	5,92,879	6,72,193
Other expenses	18	70,16,033	8,72,060
Total expenses		76,08,912	15,44,253
Profit before tax		3,95,03,070	1,25,78,175
Tax expense:			
Current tax		-	-
- For the year		-	-
- Short provision of tax for earlier years		-	-
Total tax expense		-	-
Profit for the year		3,95,03,070	1,25,78,175
Earnings per equity share (nominal value per equity share ₹ 10 each)			
Basic (in ₹)	19	6.06	1.93
Diluted (in ₹)		6.06	1.93

See accompanying notes 1 to 31 to the standalone financial statements

In terms of our report attached

As per our report of even date

For Anil A. Dikshit & Co

Firm Registration No. 100010W

Chartered Accountants

Proprietor

Membership No : 036706

Place : Thane

Date : November 30, 2020



For and on behalf of the Board of Directors of
DVK Investments Private Limited

KRISHNA DATLA

Director

SONIA GUPTA

Company Secretary

Place : Thane

Date : November 30, 2020

SATISH VARMA

Director



DVK INVESTMENTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	3,95,03,070	1,25,78,175
Adjustments for:		
Net gain on sale / fair valuation of investments through profit and loss	(61,36,229)	(3,52,959)
Interest income	(4,60,273)	(26,92,603)
Dividend income	(4,70,04,668)	(1,10,76,866)
Provision for doubtful debts and advances		
Operating loss before working capital changes	<u>(1,40,98,100)</u>	<u>(15,44,253)</u>
Movements in working capital :		
Decrease/(increase) in trade receivables	-	-
(Increase)/decrease in other assets	(2,49,96,000)	(74,21,343)
Increase in other liabilities	62,427	(17,233)
	<u>(3,90,31,673)</u>	<u>(89,82,829)</u>
Income taxes paid	(46,027)	(2,69,260)
Net cash generated from / (used in) operations (A)	<u>(3,90,77,700)</u>	<u>(92,52,089)</u>
B. Cash flows from investing activities		
Interest received	4,60,273	26,92,603
Proceeds from sale of non-current investments	-	-
Purchase of investments		
In others	(4,70,50,357)	(25,18,763)
Other current investments	57,74,296	(11,39,525)
Proceeds from sale/redemption of investments		
Non-current investments	25,06,020	-
Dividend received	4,70,04,668	1,10,76,866
Net cash (used in) / generated from investing activities (B)	<u>86,94,900</u>	<u>1,01,11,181</u>
C. Cash flows from financing activities		
Dividend paid (including Dividend Distribution Tax)	2,99,99,659	-
Net cash (used in) / generated from financing activities (C)	<u>2,99,99,659</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	<u>57,53,088</u>	<u>12,12,051</u>
Cash and cash equivalents at the beginning of the year	<u>40,45,903</u>	<u>28,33,852</u>
Cash and cash equivalents at the end of the year	<u>97,98,991</u>	<u>40,45,903</u>
Components of cash and cash equivalents		
Cash on hand	1,62,984	1,63,999
Balances with banks in current account	96,36,007	38,81,904
Total cash and cash equivalents (Refer note 9)	<u>97,98,991</u>	<u>40,45,903</u>

See accompanying notes 1 to 31 to the standalone financial statements

In terms of our report attached
As per our report of even date
For Anil A. Dikshit & Co
Firm Registration No. 100410W
Chartered Accountants


Anil A. Dikshit
Proprietor
Membership No : 036706

Place : Thane
Date : November 30, 2020



For and on behalf of the Board of Directors of
DVK Investments Private Limited


KRISHNA DATLA
Director


SATISH VARMA
Director


SONIA GUPTA
Company Secretary
Place : Thane
Date : November 30, 2020



DVK INVESTMENTS PRIVATE LIMITED

Notes to standalone financial statements for the year ended March 31, 2020

1. Corporate information

DVK Investments Private Limited ('the Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1913. The registered office of the Company is located at A- 1601, Thane One, DIL Complex, Ghodhunder Road, Majiwada, Thane (West) 400610. The Company is engaged in the business of a residuary Non-Banking Financial Institute. The Company has strategic long-term investments in subsidiary companies primarily in the business of renting properties, motion picture production and distribution, manufacturing of bulk drugs. The Company is an investment Company as defined under the provisions of the Reserve Bank of India Act, 1934. It has not accepted any deposits from public within the meaning of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998

These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 24, 2019.

2. Significant accounting policies

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2018.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

(b) Operating cycle

Based on the nature of activities of the Company, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(c) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Notes to standalone financial statements for the year ended March 31, 2020

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(d) Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax, and goods and services tax are excluded from revenue.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognized on receipt of the refund order.

Dividend income is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

- 1 Debt instruments at amortised cost
- 2 Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest revenue calculated using the EIR is included in other income in the Statement of profit and loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').



DVK INVESTMENTS PRIVATE LIMITED

Notes to standalone financial statements for the year ended March 31, 2020

Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement; in that case the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

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. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



DVK INVESTMENTS PRIVATE LIMITED

Notes to standalone financial statements for the year ended March 31, 2020

Compound financial instruments:

The components parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substances of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instruments as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retain earnings. No gain or loss is recognized in the Statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity components are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the

Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities fair valued through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities fair valued through profit or loss are recognised immediately in profit or loss

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

it has been incurred principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently recognised in profit or loss. Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at FVTPL are recognised in Statement of profit or loss.

Fair value is determined in the manner described in note 29.

Financial liabilities at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial



DVK INVESTMENTS PRIVATE LIMITED

Notes to standalone financial statements for the year ended March 31, 2020

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit and loss.

Offsetting of financial instruments

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

(f) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate

(g) Investments in equity instruments of subsidiaries:

Investments in equity instruments of subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(h) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows "when the effect of the time value of money is material".

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(i) Earnings per share

The Company presents basic and diluted earnings per shares data for its equity shares

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. The Company does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.



DVK INVESTMENTS PRIVATE LIMITED

Notes to standalone financial statements for the year ended March 31, 2020

(j) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash with banks 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.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(k) Use of estimates and Judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Useful lives of property, plant and equipment and intangible assets :

The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets and obligations relating to employee benefit:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense : [refer note 2(c)]

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Provisions: [refer note 2(h)]

Contingencies (refer note 2(h))

(l) Recent Accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect of adoption of Appendix B to Ind AS 21 is expected to be insignificant.

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"



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NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 3- Investments-(Non-current)		
i) Investments in subsidiaries- in equity instruments Unquoted (Fully paid up) (At cost less impairment in the value of investments, if any)		
a) Fermenta Biotech Limited (quoted) *** (Formerly known as DIL Limited) 1,50,75,318 (March 31, 2019 - 49,44,940 shares) Equity shares of ₹. 5/-	16,86,62,075	12,81,80,027
	<u>16,86,62,075</u>	<u>12,81,80,027</u>
Aggregate amount of unquoted investments before impairment	16,86,62,075	12,81,80,027
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
ii) Investment in associates - In equity instruments Unquoted (Fully paid up) (At cost less impairment in value of investments, if any)		
a) Silk Road Communications Private Limited 5,18,834 [(March 31, 2019 - 5,18,834)] Equity shares of ₹ 10 each	1,30,00,000	1,30,00,000
	<u>1,30,00,000</u>	<u>1,30,00,000</u>
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 4 -Investments (Non-current):		
Equity instruments:		
Unquoted Investments (all fully paid up)		
<u>Investments in equity instruments at FVTPL</u>		
Biodil Marsing Private Limited 30,000 (March 31, 2019 - 30,000) Equity shares of ₹ 10 each	3,00,000	3,00,000.00
Less: Provision for diminution in the value of investments	<u>(3,00,000)</u>	<u>(3,00,000)</u>
Island Veerchemie Private Limited 12 (March 31, 2019 - 12) Equity shares of ₹. 15,000 each fully paid-up	1,80,000	1,80,000
Quoted Investments (all fully paid up)		
HDFC Bank Limited 840 [(March 31, 2019 - 420) Equity shares of ₹. 2 each fully paid-up	7,24,080.00	9,72,930
ICICI Bank Limited 2,156 (March 31, 2019 - 1,960) Equity shares of ₹. 2 each fully paid-up	6,00,230.40	7,81,746
Polyplex Corporation Ltd. 2,000 (March 31, 2019 - 2,000) Equity shares of ₹. 10 each fully paid-up	5,99,000.00	10,33,200
Jain irrigation Systems Limited 1,800 (March 31, 2019 - 1,800) Equity shares of ₹. 2 each fully paid-up	5,940.00	1,06,110
Mahindra Lifespace Developers Limited 2,200 (March 31, 2019 - 2,200) Equity shares of ₹. 10 each fully paid-up	4,19,760.00	7,90,570
Piramal Enterprises Limited 400 (March 31, 2019 - 400) Equity shares of ₹. 2 each fully paid-up	3,75,520.00	11,01,880
	<u>29,04,530.40</u>	<u>49,66,436</u>
Total aggregate Investments (A)	<u>29,04,530.40</u>	<u>49,66,436</u>
Aggregate carrying value of unquoted investment before	4,80,000	4,80,000
Aggregate amount of impairment in value of investments	3,00,000	3,00,000
Aggregate book value of quoted investments	47,86,436	27,87,876
Aggregate market value of quoted investments	47,86,436	27,87,876



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 5 - Share application money		
Jomaange Innovative Market Solutions Private Ltd	80,00,000	80,00,000
	<u>80,00,000</u>	<u>80,00,000</u>
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 6 - Non-current tax assets (net)		
Advance income-tax (Net of provision for tax)	9,01,407	8,55,380
	<u>9,01,407</u>	<u>8,55,380</u>
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 7 - Other non-current assets		
Advance for supply of goods and services	-	-
Prepaid expenses	-	-
	<u>-</u>	<u>-</u>
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 8 - Investments (Current)		
In Mutual funds*		
a) Franklin India Bluechip Fund Dividend Reinvestment** 3,00,873.050 (March 31, 2019 - 2,76,597.040) units of ₹.10 each	74,69,113.29	1,05,58,715
b) HDFC Medium Term Debt Fund** [Formerly named HDFC High Interest Fund - Short Term Plan] 1,14,335.409[(March 31, 2019 - 3,37,613.785) units of ₹.10 each	12,07,393.35	35,81,542
c) Franklin India Low Duration fund** 4,54,924.778[(March 31, 2019 - 4,38,996.514) units of ₹.10 each	42,47,951.10	45,58,496
	<u>1,29,24,457.74</u>	<u>1,86,98,753</u>
* Investments in mutual funds have been fair valued at the closing net asset value (NAV).		
** Denotes dividend reinvested in the respective funds		
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 9 - Cash and cash equivalents		
Balances with banks in current accounts	96,36,007	38,81,904
Cash on hand	1,62,984	1,63,999
	<u>97,98,991</u>	<u>40,45,903</u>
	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 10- Loans (Current)		
Unsecured, considered good		
Loans and ICDs to related parties (Refer note 21 and below)	20,00,000	2,70,00,000
Loans to others	14,50,000	14,50,000
	<u>34,50,000</u>	<u>2,84,50,000</u>
Loans to related parties include		
Amount outstanding as at the year end		
- DIL Limited - ICD	-	2,50,00,000
- Loans to Directors	20,00,000	20,00,000
Maximum amount outstanding during the year		
- DIL Limited - ICD	-	2,50,00,000
- Loans to Directors	20,00,000	20,00,000
The ICD has been given to DIL Limited for the purpose of their business.		



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 11 - Other financial assets (Current)		
Interest accrued but not due from banks and others	-	38,79,124
	<u>-</u>	<u>38,79,124</u>

	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 12 - Equity share capital		
Authorised share capital:		
65,30,000 (March 31, 2019 - 65,30,000) Equity shares of ₹ 10/- each	6,53,00,000	6,53,00,000
	<u>6,53,00,000</u>	<u>6,53,00,000</u>
Issued, subscribed and fully paid up shares:		
65,21,665 (March 31, 2019 - 65,21,665) Equity shares of ₹ 10/- each.	6,52,16,650	6,52,16,650
	<u>6,52,16,650</u>	<u>6,52,16,650</u>

a) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder Equity shares of ₹ 10/- each fully paid,	As at March 31, 2020		As at March 31, 2019	
	No of shares in lakhs	% holding in the class	No of shares in lakhs	% holding in the class
Mr. Krishna Datla	32.66	50.08%	32.66	50.08%
Mr. Satish Varma	14.84	22.75%	14.84	22.75%
Ms. Preeti Thakkar	8.86	13.59%	8.86	13.59%
Ms. Anupama Datla Desai	8.86	13.58%	8.86	13.58%

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2020, the amount of per share dividend recommended by the Board of Directors for distribution to equity shareholders is ₹. 4.60 (March 31, 2019: ₹. Nil)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Reconciliation of shares outstanding at the beginning and at the end of the year

There is no movement in the number of issued, subscribed and paid up equity shares at the beginning and at the end of the financial year.

	As at March 31, 2020 ₹.	As at March 31, 2019 ₹.
Note 14 - Other current liabilities		
Statutory dues	-	5,417
Others	1,12,844	45,000
	<u>1,12,844</u>	<u>50,417</u>

	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Note 15 - Revenue from operations		
Dividend Income from investments:	4,70,04,668	1,10,76,866
Interest on intercorporate deposit to subsidiary	4,60,273	26,92,603
	<u>4,74,64,941</u>	<u>1,37,69,469</u>



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Note 16 - Other income:		
Net (Loss)/gain arising on financial assets measured at fair value through profit and loss	(3,52,959)	3,52,959
	<u>(3,52,959)</u>	<u>3,52,959</u>
	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Note 17 - Employee benefits expense		
Salaries and wages	5,92,879	6,72,193
Staff welfare expenses	-	-
	<u>5,92,879</u>	<u>6,72,193</u>
	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Note 18 - Other expenses:		
Rent	35,400	35,400
Rates and taxes	3,000	-
Travelling and conveyance	-	60
Legal and professional charges	2,49,780	2,53,910
Diminution in value of investments	61,36,229	-
Payment to auditors (Refer note below)	45,000	45,000
Loss on sale/redemption of current investments	6,020	-
Donation	5,00,000	5,00,000
Printing and stationery	700	-
Self-assessment Tax [2018-19]	22,640	-
Miscellaneous expenses	17,264	37,690
	<u>70,16,033</u>	<u>8,72,060</u>
	Year Ended March 31, 2020 ₹.	Year Ended March 31, 2019 ₹.
Payment to auditors (excluding statutory levy)		
For audit	45,000	45,000
	<u>45,000</u>	<u>45,000</u>

Note 19 - Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss for the year used for computation of basic and diluted earnings per share (₹ in Lakhs)	3,95,03,070	1,25,78,175.13
Weighted average number of equity shares used in calculating basic and diluted EPS	65,21,665	65,21,665.00
Basic earnings per equity share [nominal value of share ₹ 10 (2019: ₹ 10)]	6.06	1.93
Diluted earnings per equity share [nominal value of share ₹ 10 (2019: ₹ 10)]	6.06	1.93



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

(a) Equity share capital:	₹.	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning and end of the year	6,52,16,650	6,52,16,650

(b) Other equity

	Reserves and surplus				Total
	General reserve	Securities Premium	Special Reserve under RBI Act	Retained earnings	
Balance as at April 01, 2018	1,96,30,480	1,02,85,050	4,19,71,273	6,03,43,578	13,22,30,381
Profit for the year	-	-	-	1,25,78,175	1,25,78,175
Payment of dividend (including dividend distribution tax)	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer to special reserve under RBI Act	-	-	25,15,635	(25,15,635)	-
Balance as at March 31, 2019	1,96,30,480	1,02,85,050	4,44,86,908	7,04,06,118	14,48,08,556
Balance as at April 01, 2019	1,96,30,480	1,02,85,050	4,44,86,908	7,04,06,118	14,48,08,556
Profit for the year	-	-	-	3,95,03,070	3,95,03,070
Payment of dividend (including dividend distribution tax)	-	-	-	(2,99,99,659)	2,99,99,659
Transfer to general reserve	-	-	-	-	-
Transfer to special reserve under RBI Act	-	-	79,00,614	(79,00,614)	-
Balance as at March 31, 2020	1,96,30,480	1,02,85,050	5,23,87,522	7,20,08,915	15,43,11,967

* Represents remeasurement of defined benefit plan

(c) Total equity	₹.	
	As at March 31, 2020	As at March 31, 2019
Total equity [(a)+(b)]	21,95,28,617	21,00,25,206

See accompanying notes 1 to 31 to the standalone financial statements

In terms of our report attached


As per our report of even date
For Anil A. Dikshit & Co
Firm Registration No. 100410W
Chartered Accountants

Anil A. Dikshit
Proprietor
Membership No : 036706

Place : Thane

Date : November 30, 2020


For and on behalf of the Board of Directors of
DVK Investments Private Limited


KRISHNA DATLA
Director


SONIA GUPTE
Company Secretary

Place : Thane

Date : November 30, 2020


SATISH VARMA
Director



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 13 - Other equity

₹.

	Reserves & Surplus				Total
	General reserve	Securities Premium	Special Reserve under RBI Act	Retained earnings	
Balance as at April 01, 2018	1,96,30,480	1,02,85,050	4,19,71,273	6,03,43,578	13,22,30,381
Profit for the year	-	-	-	1,25,78,175	1,25,78,175
Payment of dividend (including dividend distribution tax)	-	-	-	-	-
Transfer to general reserve	-	-	25,15,635	(25,15,635)	-
Transfer to special reserve under RBI Act	-	-	-	-	-
Balance as at March 31, 2019	1,96,30,480	1,02,85,050	4,44,86,908	7,04,06,118	14,48,08,556
Balance as at April 01, 2019	1,96,30,480	1,02,85,050	4,44,86,908	7,04,06,118	14,48,08,556
Profit for the year	-	-	-	3,95,03,070	3,95,03,070
Payment of dividend (including dividend distribution tax)	-	-	-	(2,99,99,659)	(2,99,99,659)
Transfer to general reserve	-	-	79,00,614	(79,00,614)	-
Transfer to special reserve under RBI Act	-	-	-	-	-
Balance as at March 31, 2020	1,96,30,480	1,02,85,050	5,23,87,522	7,20,08,915	15,43,11,967

* Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

Security premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve

Special Reserve under RBI Act: Special reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

Retained earnings: Profits generated by the Company that are not distributed to shareholders as dividends but are reinvested in the business.



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 20 - Leases:	For the year ended March 31, 2020	For the year ended March 31, 2019
₹		
Particulars		
<u>Assets taken on operating lease</u>		
During the year, the Company has entered into arrangement for taking on leave and license basis office premises. The agreement is cancellable and the agreement has no escalation clause and is renewable.		
a) Lease payments recognised in the Statement of profit and loss for the year	35,400	35,178
	As at March 31, 2020	As at March 31, 2019
Particulars		
b) Future minimum lease payments under non cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	12,500.00	15,000.00
ii) Later than one year and not later than five years		



DVK INVESTMENTS PRIVATE LIMITED
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 21 Interest on loans

It is the policy of the Company not to charge interest on loans and advances granted by it to its business associates and the repayment of loans is as mutually discussed and agreed upon between the Company and the various parties.

Note 22 Related party disclosures

Particulars

DIL Limited - Subsidiary Company

Rent paid	Rs. 35,400/- (Rs. 35,400/-)
Unsecured loans (ICD) given	Rs. 2,50,00,000/- (Rs. 2,50,00,000/-)
Unsecured loans (ICD) repaid	Rs. 2,50,00,000/- (Rs. Nil/-)
Interest received	Rs. 4,60,273/- (Rs. 26,92,603/-)
Loans to Directors	Rs. 20,00,000/- (Rs. 20,00,000/-)

Late Shrimati Annapurna Charity Trust

[A trust controlled as Trustees by two directors of Company]

Donations given	Rs. 5,00,000/- (Rs. 4,00,000/-)
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DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 23 -Categories of the financial instruments

₹

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Financial assets measured at fair value through the Statement of profit and loss		
Investments in securities - quoted	29,04,530	29,67,876
HDFC Bank Limited	7,24,080	9,72,930
ICICI Bank Limited	6,00,230	7,81,746
Polyplex Corporation Ltd.	5,99,000	10,33,200
Jain irrigation Systems Limited	5,940	-
Mahindra Lifespace Developers Limited	4,19,760	-
Piramal Enterprises Limited	3,75,520	-
Island Veerchemie Private Limited	1,80,000	1,80,000
Investments in mutual funds - unquoted	1,29,24,458	1,86,98,753
Franklin India Bluechip Fund Dividend Reinvestment**	74,69,113	1,05,58,715
HDFC Medium Term Debt Fund**	12,07,393	35,81,542
[Formerly named HDFC High Interest Fund - Short Term Plan]	42,47,951	45,58,496
Franklin India Low Duration fund**	-	-
Financial assets measured at amortised cost		
(i) Trade receivables	-	-
(ii) Cash and cash equivalents	97,98,991	40,45,903
(iii) Share application money	80,00,000	80,00,000
(iv) Loans	34,50,000	2,84,50,000
(v) Other financial assets	-	38,79,124
Total financial assets	3,70,77,979	6,60,41,656
Financial liabilities measured at amortised cost		
(ii) Trade payables	-	-
Total financial liabilities	-	-



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 24 - Fair Value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

₹.

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
(i) Loans	34,50,000	2,84,50,000	34,50,000	2,84,50,000
(ii) Share application money	80,00,000	80,00,000	80,00,000	80,00,000
(iii) Others financial assets	-	38,79,124	-	38,79,124
(iv) Trade receivables	-	-	-	-
(v) Cash and cash equivalents	97,98,991	40,45,903	97,98,991	40,45,903
Total assets	2,12,48,991	4,43,75,027	2,12,48,991	4,43,75,027
Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Trade payables	-	-	-	-
(iii) Other financial liabilities	-	-	-	-
Total liabilities	-	-	-	-

The financial assets above do not include investments in subsidiaries which are measured at cost, investments in mutual funds and equity instruments are measured at fair value through profit and loss.

The Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 25 - Fair value hierarchy

	As at March 31, 2020		As at March 31, 2019	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through profit or loss				
Investments in mutual funds	1,29,24,458	Level 1	1,86,98,753	Level 1
Investments in securities	27,24,530	Level 1	27,87,876	Level 1
Total	1,56,48,988		2,14,86,629	



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 26 -Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk to which the Company is exposed to and how to mitigate those risks.

a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risks: interest rate risk and other price risks, such as equity price risk. Financial instruments are affected by market risk include loans and borrowings and investments in securities.

i) Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all equity investments.

As at March 31, 2016, the Company had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2018 and March 31, 2017, the Company did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Year ended	(+)Increase/(-) decrease in basis points	Effect on loss decrease / (increase)
March 31, 2018	+0.50 -0.50	+0.50 -0.50
March 31, 2019	+0.50 -0.50	+0.50 -0.50

The assumed movement in basis points for the interest rate sensitivity analysis is based on the observable market environment as at the respective reporting dates.

b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. The credit risk is mitigated through credit approvals establishing credit limits and continuous monitoring of credit.

i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 27 - Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure

(i) The gearing ratio at the end of the year was as follows:

	₹.	
	As at March 31, 2020	As at March 31, 2019
Debts (Long term and short term borrowings including current maturities of long term borrowings)	-	-
Less: Cash and cash equivalents (Refer note 9)	97,98,991	40,45,903
Net debt	(97,98,991)	(40,45,903)
Total equity	21,95,28,617	21,00,25,206
Net debt to equity ratio	-4.46%	-1.93%

(ii) Dividend on equity shares paid during the year

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend on equity shares	2,99,99,659	-
Dividend for the year ended March 31, 2020 of ₹ 4.60 (previous year for year ended March 31, 2019 ₹ Nil) per fully paid share of ₹ 10 each	-	-
Dividend distribution tax on above	-	-



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 28 - Income tax

(₹ .)

A Tax expense recognised in the Statement of profit and loss and other comprehensive income consists of:

Particulars	For the year ended	
	March 31, 2020	ended March 31, 2019
Current tax:		
- For the year	-	-
- Short provision of tax for earlier years	-	-
Deferred tax charge/(credit)	0.23	-
Income tax expense reported in the Statement of profit and loss	0.23	-
Tax expense recognised in other comprehensive income	-	-
Tax expense	0.23	-

B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit before tax	3,95,03,070	1,25,78,175
Enacted income tax rate in India (%) #	26.00%	26.00%
Income tax expenses calculated at enacted income tax rate	1,02,70,798	32,70,326
Effect of tax on:		
- dividend income being exempt	(1,22,21,214)	(28,79,985)
- carried forward tax loss of the current year for which DTA is not created	19,50,416	(3,90,340)
Effect of above	(1,02,70,798)	(32,70,326)
Tax expense recognised in profit or loss	-	-
Tax expense recognised in other comprehensive income	-	-
Total tax expense	-	-

The tax rate used for reconciliation above is the corporate tax rate of 26% (March 31, 2019 - 26%) at which the Company is liable to pay tax on taxable income under the Indian tax Laws

* Deferred tax asset has not been recognised in the previous year since the company is earning tax free dividend income and the same is the major component of its total operating revenue.



DVK INVESTMENTS PRIVATE LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 29 - The financial statements were approved for issue by the Board of Directors on November 30, 2020.

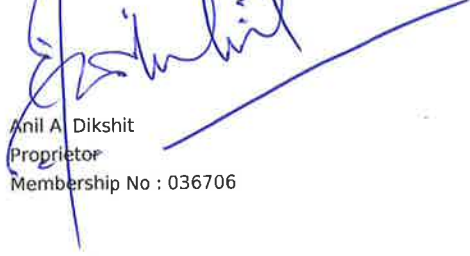
Note 30 - Previous year's figures have been reclassified/regrouped wherever necessary.

As per our report of even date

For Anil A. Dikshit & Co

Firm Registration No. 100410W

Chartered Accountants



Anil A. Dikshit
Proprietor

Membership No : 036706

Place : Thane

Date : November 30, 2020



For and on behalf of the Board of Directors of
DVK Investments Private Limited



KRISHNA DATLA
Director



SATISH VARMA
Director

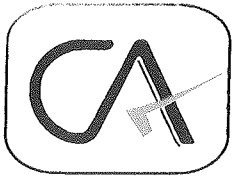


SONIA GUPTA
Company Secretary

Place : Thane

Date : November 30, 2020





ANIL A. DIKSHIT & CO.

Chartered Accountants

15-A/11, Brindaban, Thane - 400 601

Tel. : +91-98201 31902

anil_dikshit@hotmail.com

Independent Auditor's Report

To the Members of DVK Investments Private Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

- 1 We have audited the accompanying consolidated Ind AS financial statements the Consolidated Financial Statements of DVK Investments Private Limited (the Holding company), its subsidiaries, its jointly controlled entities and associate companies, hereinafter referred to as the "Group", which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records.

Management's Responsibility for the Consolidated Financial Statements

- 2 The Holding Company's Board of Directors (the Board) is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2015 (as amended). The Holding Company's Board is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and its associates and joint ventures respectively are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures respectively 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purposes of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind As financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.



- 6 We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

- 8 We did not audit the financial statements of three subsidiaries and two jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 61,777.37 lakh as at March 31, 2020, total revenue of Rs. 30,698.01 lakh, net profit of Rs. 6,120.74 lakh and net cash flows amounting to Rs. (5,607.17) lakh for the year then ended. These financial statements and other information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

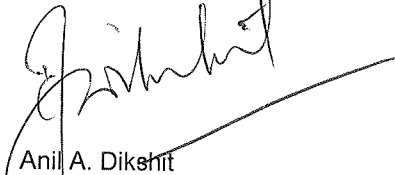
- 9 As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.
 - In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2020, from being appointed as a director in terms of 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:



ANIL A. DIKSHIT & CO.
Chartered Accountants

- (i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2020 on the consolidated financial position of the Group, its associates and joint ventures.
- (ii) Provision has been made in the consolidated Ind As financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contract including derivative contracts as at March 31, 2020;
- (iii) There has been no delay in transferring amounts, wherever required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies during the year ended March 31, 2020.

For Anil A. Dikshit & Co.
Firm Registration No. 100410W
Chartered Accountants


Anil A. Dikshit
Proprietor
Membership No. 036706

Place : Thane
Date : November 30, 2020



Annexure A to the Auditors' Report

[Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of DVK Investments Private Limited]

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

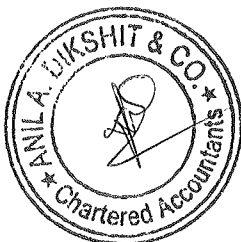
- 1 In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of DVK Investments Private Limited ("the Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 4 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company, its subsidiary companies, which are incorporated in India.



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

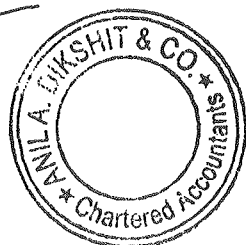
8 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9 Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies, four associate companies and jointly controlled company, which are companies incorporated in India, are based on the corresponding reporting of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Anil A. Dikshit & Co
Firm Registration No. 100410W
Chartered Accountants

Anil A. Dikshit
Proprietor
Membership No : 036706
Place : Thane
Date : November 30, 2020



DVK INVESTMENTS PRIVATE LIMITED

Consolidated Balance sheet as at March 31, 2020

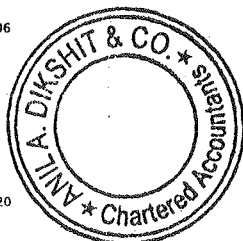
	Notes	March 31, 2020 ₹. in Lakhs	March 31, 2019* ₹. in Lakhs
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	10,400.36	9,730.33
b) Capital work-in-progress		6,707.51	2,072.16
c) Right-of-use assets	4	1,428.46	-
d) Investment property	5A	7,126.17	7,382.81
e) Goodwill	5B	412.79	412.79
f) Other intangible assets	6	647.55	230.21
g) Intangible assets under development		369.38	85.99
h) Investments in an associate	7	30.12	130.00
i) Financial assets			
i) Investments	8	54.65	107.86
ii) Share application money	9	80.00	677.00
iii) Loans	10	25.00	25.32
iv) Others financial assets	11	405.68	462.75
j) Deferred tax assets (net)	59C	3,810.51	1,931.69
k) Non-current tax assets (net)	12	917.26	341.73
l) Other non-current assets	13	698.88	2,241.39
Total non-current assets		33,114.32	25,832.03
Current assets			
a) Inventories	14	12,858.19	8,766.53
b) Financial assets			
i) Investments	15	129.24	301.78
ii) Trade receivables	16	6,977.42	6,554.40
iii) Cash and cash equivalents	17	849.44	4,116.96
iv) Bank balances other than (iii) above	18	2,559.54	5,036.92
v) Loans	19	2,164.50	1,214.76
vi) Other financial assets	20	637.28	258.22
c) Other current assets	21	2,487.44	3,573.29
Total current assets		28,663.05	29,822.86
TOTAL ASSETS		61,777.37	55,654.89
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	22	652.17	652.17
b) Equity shares pending issuance		-	22.15
c) Other equity	23	20,202.32	17,514.77
Equity attributable to owners of the Company		20,854.49	18,189.09
Non-controlling interests		10,499.08	7,685.98
Total equity		31,353.57	25,875.07
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	24	10,178.67	13,520.93
ii) Lease liabilities	43	264.07	-
iii) Other financial liabilities	25	59.44	185.18
b) Provisions	26	405.83	630.94
c) Other non-current liabilities	27	54.93	133.41
Total non-current liabilities		10,962.94	14,470.46
Current liabilities			
a) Financial liabilities			
i) Borrowings	28	10,433.30	5,771.25
ii) Lease liabilities	43	104.85	-
iii) Trade payables			
A) Total outstanding dues of micro and small enterprises and:	65	98.01	97.89
B) Total outstanding dues of creditors other than micro and small enterprises		5,335.46	4,174.07
iv) Other financial liabilities	29	2,973.76	4,213.11
b) Other current liabilities	30	234.74	490.30
c) Provisions	31	48.71	50.23
d) Current tax liabilities (net)	32	32.02	512.51
Total current liabilities		19,460.85	15,309.36
TOTAL EQUITY AND LIABILITIES		61,777.37	55,654.89

*(Refer note 1.2)

See accompanying notes 1 to 69 to the Consolidated financial statements

For ANIL A DIKSHIT & CO
Chartered Accountants

Anil A Dikshit
Proprietor
Membership No. 036706



Thane
Date: November 30, 2020

For and on behalf of the Board of Directors of
DVK Investments Private Limited

Krishna Datta
Director

Satish Varma
Director

Sonia
Sonia Gupte
Company Secretary



Thane
Date: November 30, 2020

DVK INVESTMENTS PRIVATE LIMITED

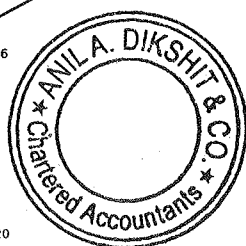
Consolidated Statement of Profit and Loss for the year ended March 31, 2020

	Notes	March 31, 2020 ₹. in Lakhs	March 31, 2019* ₹. in Lakhs
Income:			
Revenue from operations	33	29,464.63	40,515.64
Other income	34	1,233.38	1,240.04
Total Income		30,698.01	41,755.68
Expenses:			
Cost of materials consumed	35	10,561.26	10,320.06
Purchases of stock-in-trade		50.15	187.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(2,708.90)	(1,282.35)
Employee benefits expense	37	5,009.08	5,324.51
Finance costs	38	1,914.04	2,038.38
Depreciation and amortisation expense	39	1,499.97	1,188.75
Other expenses	40	10,032.12	11,044.21
Total expenses		26,357.72	28,821.10
Profit before tax		4,340.29	12,934.58
Tax expense:			
Current tax	64	338.88	3,195.65
Deferred tax credit	59C & 64	(1,948.89)	(2,115.30)
Total tax expense		(1,610.01)	1,080.35
Profit for the year before share of loss of associates and a joint venture		5,950.30	11,854.23
-Share of loss of associates		(3.12)	(49.82)
-Share of profit / (loss) of a joint venture		-	7.04
Profit for the year		5,947.18	11,811.45
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
a) (i) Remeasurements of defined benefit plan		240.63	(186.51)
(ii) Income tax relating to remeasurements of defined benefit plan		(70.07)	35.33
b) Net fair value change in investment in equity instruments through other comprehensive income		11.34	2.57
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(8.33)	-
Total other comprehensive income / (loss) for the year (a+b)		173.57	(148.61)
Total comprehensive income for the year		6,120.75	11,662.84
Profit for the year attributable to:			
- Owners of the Company		2,961.28	6,717.04
- Non-controlling interests-associates		-	-
- Non-controlling interests		2,965.89	5,094.41
		5,947.17	11,811.45
Total other comprehensive income / (loss) for the year			
- Owners of the Company		80.40	(78.93)
- Non-controlling interests		93.17	(69.68)
		173.57	(148.61)
Total comprehensive income for the year attributable to:			
- Owners of the Company		3,041.68	6,638.11
- Non-controlling interests		3,079.06	5,024.73
		6,120.74	11,662.84
Earnings per equity share of ₹ 10 each (Post bonus)			
	22 (c) & 41		
Basic (in ₹)		45.41	103.00
Diluted (in ₹)		45.31	102.98
*(Refer note 1.2)			

See accompanying notes 1 to 69 to the Consolidated financial statements

For ANIL A DIKSHIT & CO
Chartered Accountants

Anil A Dikshit
Proprietor
Membership No. 036706



Thane
Date: November 30, 2020

For and on behalf of the Board of Directors of
DVK Investments Private Limited

Krishna Datla
Director

Satish Varma
Director

Sonia Gupta
Company Secretary



Thane
Date: November 30, 2020

DVK INVESTMENTS PRIVATE LIMITED

Consolidated Statement of changes in equity for the year ended March 31, 2020

(a) Equity share capital:

	March 31, 2020	March 31, 2019
Balance at the beginning of the year	652.17	652.17
Add: Issue of shares pursuant to scheme of amalgamation	-	-
Add: Issue of Bonus shares	-	-
Balance at the end of the year	652.17	652.17

(b) Other equity

	Reserves and surplus										Non Controlling Interest	Total	
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Unrealised gain/(loss) on c/dn	General reserve	Special Reserve under RBI Act	Securities Premium	Share options outstanding account	Retained earnings	Foreign currency translation reserve			Equity Instruments through OCI
Balance as at April 01, 2018	1,140.00	-	70.00	(4,242.22)	4,933.00	419.71	102.85	-	(314.30)	9.25	2,118.29	11,465.40	13,583.69
Pursuant to scheme for amalgamation (Refer note 1.2)	-	8,685.35	-	-	-	-	-	2.35	-	-	8,687.70	(8,509.85)	(22.15)
Profit for the year	-	-	-	-	-	-	-	6,717.02	-	-	6,717.02	5,994.41	11,811.43
Recognition of share based payments	-	-	-	-	-	-	-	52.80	-	-	52.80	-	52.80
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	-	-	(76.42)	-	-	(76.42)	-	(76.42)
Utilised for issue of bonus shares	-	-	-	-	(105.70)	-	-	-	-	-	(105.70)	105.70	-
Transfer from retained earnings	-	-	-	-	-	25.16	-	(25.16)	-	-	(78.92)	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	(81.49)	-	2.57	(78.92)	(69.68)	(46.60)
Balance as at March 31, 2019	1,140.00	8,685.35	72.20	(4,242.22)	4,827.30	444.87	102.85	52.80	6,222.00	11.82	17,514.77	7,685.98	25,200.75
Profit for the year	-	-	-	-	-	-	-	2,961.28	-	-	2,961.28	2,985.90	5,947.18
Recognition of share based payments	-	-	-	-	-	-	-	554.69	-	-	554.69	-	554.69
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	-	-	(719.84)	-	-	(719.84)	-	(719.84)
Incremental expenses on amalgamation	-	-	-	-	-	-	-	(72.28)	-	-	(72.28)	-	(72.28)
Utilised for issue of bonus shares	-	-	-	-	(116.70)	-	-	-	-	-	(116.70)	(265.97)	(382.67)
Transfer from retained earnings	-	-	-	-	-	79.01	-	(79.01)	-	-	80.40	-	80.40
Other comprehensive income for the year	-	-	-	-	-	-	-	77.39	-	(6.33)	80.40	93.17	173.57
Balance as at March 31, 2020	1,140.00	8,685.35	72.20	(4,242.22)	4,710.60	523.88	102.85	607.49	8,389.54	23.16	20,202.32	10,499.08	30,701.40

See accompanying notes 1 to 69 to the Consolidated financial statements

For Anil A. Dikshit & Co
Chartered Accountants

For and on behalf of the Board of Directors of
DVK Investments Private Limited

Anil A. Dikshit
Proprietor

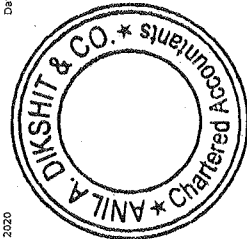
Krishna Datta
Director

Satish Vairra
Director

Membership No. 036706

Thane
Date: November 30, 2020

Thane
Date: November 30, 2020



Consolidated Cash Flow Statement for the year ended March 31, 2020

PARTICULARS	₹. in Lakhs	
	March 31, 2020	March 31, 2019*
A. Cash flows from operating activities		
Profit before tax	4,340.29	12,934.58
Adjustments for:		
Depreciation and amortisation expense	1,499.97	1,188.75
Net unrealised foreign exchange (gain)/loss	73.40	(139.41)
Loss on sale/write off of property, plant and equipment (net)	15.53	57.73
Allowance for doubtful debts	91.46	64.34
Allowance for doubtful inter-corporate deposit given to an associate	-	37.00
Share based payments to employees	554.69	52.80
Allowance for doubtful advances	31.96	3.24
Gain on sale of equity shares of an associate	-	(2.79)
Trade receivables and advances written off	42.33	21.13
Provision for impairment in the value of share application money in an associate	96.76	186.34
Impairment in the value of non-current investments	43.94	-
Loss on sale of financial assets - current investments	60.08	-
Net gain arising on financial assets measured at fair value through profit and loss	-	(12.42)
Finance costs	1,914.04	2,038.38
Interest income	(569.14)	(419.81)
Dividend income	(170.49)	(49.34)
Liabilities / provisions no longer required written back	(296.59)	-
Operating profit before working capital changes	7,728.23	15,960.52
Movements in working capital:		
Decrease in trade receivables	9.70	267.09
Increase in inventories	(4,091.66)	(3,648.65)
(Increase)/decrease in other assets	1,131.49	(1,402.66)
Increase in trade payables	1,554.67	279.88
Increase in provisions	14.00	182.05
Increase / (decrease) in other liabilities	(1,680.36)	666.22
	4,666.07	12,304.45
Income taxes paid (net of refunds)	(1,394.90)	(3,288.51)
Net cash generated from operations (A)	3,271.17	9,015.94
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment, investment property, capital work-in-progress, intangible assets and intangible assets under development	(6,846.93)	(3,577.15)
Proceeds on sale of property, plant and equipment	-	53.72
Intercompany deposits given	(980.00)	(1,150.00)
Interest received	464.69	292.74
Proceeds from share application money received back	597.00	-
Proceeds from sale of shares of an associate	-	37.00
Proceeds from sale of non-current investments	64.55	(25.20)
Proceeds from sale of current investments	112.46	(7.87)
Dividend received	170.49	49.34
Deposits with a financial institution	(300.00)	(300.00)
Deposits with banks not considered as cash and cash equivalents (net)	2,583.88	(5,014.66)
Net cash used in investing activities (B)	(4,133.86)	(9,642.08)
C. Cash flows from financing activities		
Proceeds from long term borrowings	3,085.98	1,317.95
Repayment of long term borrowings	(6,528.31)	(759.92)
Net increase in short term borrowings	1,688.97	2,802.31
Finance costs	(2,055.68)	(2,040.08)
Repayment of Lease Liabilities	(213.86)	-
Dividends paid	(597.16)	(59.86)
Dividends distribution tax paid	(124.42)	(23.57)
Net cash generated from/(used in) financing activities (C)	(4,744.48)	1,236.83
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	(5,607.17)	610.69
Cash and cash equivalents at the beginning of the year	3,882.72	3,272.03
Cash and cash equivalents at the end of the year	(1,724.45)	3,882.72

Consolidated Cash Flow Statement for the year ended March 31, 2020

Cash Flow Statement: (Contd)

PARTICULARS	₹. in Lakhs	
	March 31, 2020	March 31, 2019*
Components of cash and cash equivalents		
Cash on hand	5.95	4.98
Balances with banks		
In current accounts	843.49	1,212.92
Deposits with original maturity of less than 3 months	-	2,899.06
Cash and cash equivalents (Refer note 17)	<u>849.44</u>	<u>4,116.96</u>
Cash credit and Bank overdraft facilities included under loans repayable on demand (Refer note 28)	<u>(2,573.89)</u>	<u>(234.24)</u>
Total cash and cash equivalents considered for cash flows	<u>(1,724.45)</u>	<u>3,882.72</u>
*(Refer note 1.2)		
See accompanying notes 1 to 69 to the Consolidated financial statements		

For ANIL A DIKSHIT & CO
Chartered Accountants

Anil A Dikshit
Proprietor
Membership No. 036706



Thane
Date: November 30, 2020

For and on behalf of the Board of Directors of
DVK Investments Private Limited

Krishna Datla
Director

Satish Varma
Director

Sonia Gupte
Company Secretary



Thane
Date: November 30, 2020

DVK INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1.1 Corporate information

DVK Investments Private Limited ('DVK' or 'the Parent Company') is a private limited company having its registered office at A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane - 400610, together with its subsidiaries DIL Limited (name since changed to Fermenta Biotech Limited), Fermenta Biotech Limited (FBL- since amalgamated with the erstwhile DIL Limited), Fermenta Biotech (UK) Limited (FBLUK), Aegean Properties Limited (APL), G I Biotech Private Limited (GI BIO), CC Square Films Limited (CCSFL), collectively referred to as "the Group", is in the business of strategic investments and through its subsidiaries in the business of manufacturing and selling of chemicals, primarily bulk drugs and enzymes, renting of property and entertainment.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other provisions of the Act. The financial statements of the Group have been consolidated using uniform accounting policies.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plan— plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 46. Control is achieved when the Parent Company:

DVK INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component or other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealized gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation.

(c) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets/liabilities and their realization/settlement in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(d) Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in 'Other equity' under 'gain / (loss) on dilution' and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

DVK INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Investments in associates and joint ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is

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recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(g) Foreign currencies

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed of, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(h) Borrowing costs

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

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(i) Employee Benefits

i) Short term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

ii) Termination benefits:

A) Defined contribution plans: The Group contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and labour welfare fund to all applicable employees and superannuation scheme for eligible employees. The Group has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

B) Defined benefit plan: The employees' gratuity fund scheme represents the defined benefit plan. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not

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reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) net interest expenses or income; and
- iii) re-measurement

The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

iii) Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 60.

- (a) Includes impact of market performance conditions (e.g. entity's share price)
- (b) Excludes impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- (c) Includes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share options outstanding account".

(j) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises

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from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

(k) Revenue recognition

The Group derives revenues primarily from sale of manufactured chemicals, bulk drugs, enzymes, pharmaceutical formulations, environmental solution products and rental income from investment property. Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts collected on behalf of third parties such as sales tax, value added tax and Goods and Services Tax are excluded from revenue.

Effective April 01, 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 is not material.

Rental income from investment in property

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

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Sale of Goods:

The Group recognizes revenue when it transfers control of a product or service to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer:

- when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery,
- the customer has full discretion over the manner of distribution and price to sell the goods,
- the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essentials. Revenue from such services are recognised in accordance with the terms of the agreement entered into with individual lessees.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognised on receipt of refund order.

Dividend income is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.

Export Incentives:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit under the Duty Drawback, Mercantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head "Other Operating Revenue" in the consolidated statement of profit and loss and is accounted in the year of export.

(I) Property, plant and equipment (PPE)

The Group had applied for one time transition exemption of considering the carrying value on the transition date i.e. April 01, 2016 as the deemed cost under Ind AS for its property, plant and equipment.

Measurement at recognition:

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

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Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful life (in years)
Buildings	30-60
Lease hold improvements(included in buildings)	5-10
Plant and equipment	5-20
Office Equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	6-10
Vehicles	8

(m) Investment property

The Group had applied for one time transition exemption of considering the carrying value on the transition date i.e. April 01, 2016 as the deemed cost under Ind AS for its investment property.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

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- (b) commencement of development with a view to sale, for a transfer from investment property to inventories
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
- (d) commencement of an operating lease to another party, for a transfer from inventories to investment property

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

The estimated useful lives of Investment property are as follows:

Assets	Estimated useful life (in years)
Building	60
Plant and equipment	15

(n) Intangible assets

(a) Intangible assets acquired separately

The Group had applied for one time transition exemption of considering the carrying value on the transition date i.e. April 01, 2016 as the deemed cost under Ind AS for its intangible assets.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. The amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the assets is derecognized.

(b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - (ii) its intention to complete the asset and use or sell it;
 - (iii) its ability to use or sell the asset;
 - (iv) how the asset will generate probable future economic benefits;
 - (v) the availability of adequate resources to complete the development and to use or sell the asset;
- and

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(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the consolidated statement of profit and loss in the period in which incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible as intangible assets that are acquired separately.

The estimated useful lives of intangible assets are as follows:

Assets	Estimated useful life (in years)
Computer software	3-6
Product know-how	3-5

(o) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

[The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset.]

For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

(p) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

(q) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognized on a trade date basis. Regular way purchases or sales of financial assets are financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

- (1) Debt instruments at amortized cost
- (2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss.

(2) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI, if both of the following criteria are met:

-The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument that give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

-Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(4) Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to consolidated statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

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

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement; in that case the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchase or originated credit-impaired financial assets). The Group estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Group's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement:

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 52.

Financial liabilities at amortized cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the consolidated statement of profit and loss.

Offsetting of financial instruments

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

(r) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessor:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as a lessee:

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs [see note 2(h) above]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the consolidated financial statements of the Group. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(t) Earnings per share

The Group presents basic and diluted earnings per share data for its equity shares.

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. The Parent company does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

(u) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks 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.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of cash credit balances as they are considered an integral part of the Group's cash management.

(v) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Group and accordingly is identified as the chief operating decision maker.

(w) Cash dividends to equity holders

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

(x) Use of estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Useful lives of property, plant and equipment, investment property and intangible assets:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Property, plant and equipment, investment property and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets and obligations relating to employee benefits:

The employment benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense: [refer note 2(j)]

The Parent Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Valuation of investment property [refer note 58]

Impairment of tangible and intangible assets other than goodwill [refer note 2(o)]

Provisions: [refer note 2(s)]

Write down in value of inventories: (refer note 14)

Contingencies (refer note 62)

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 3. - Property, plant and equipment

	₹ in Lakhs						
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
At cost or deemed cost as at April 01, 2018	55.09	3,778.66	6,044.65	285.63	230.36	192.78	10,587.17
Additions	-	63.73	927.32	135.70	91.10	-	1,217.85
Transfer from Investment property	-	410.63	136.56	-	-	-	547.19
Transfer to Investment property	(20.79)	(55.51)	-	-	-	-	(76.30)
Disposals	-	(130.86)	(81.42)	(18.21)	(45.27)	-	(275.76)
Balance as at March 31, 2019	34.30	4,066.65	7,027.11	403.12	276.19	192.78	12,000.15
At cost or deemed cost as at April 01, 2019	-	119.17	1,289.65	24.55	13.96	254.74	1,702.07
Additions	-	-	(15.09)	-	(10.20)	-	(25.29)
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2020	34.30	4,185.82	8,301.67	427.67	279.95	447.52	13,676.93
Accumulated depreciation							
As at April 01, 2018	-	330.65	1,011.87	65.04	96.50	19.38	1,523.44
Depreciation expense	-	205.07	580.07	51.33	33.53	9.70	879.70
Transfer from Investment property	-	16.67	17.57	-	-	-	34.24
Transfer to Investment property	-	(3.25)	-	-	-	-	(3.25)
Disposals	-	(72.04)	(46.71)	(11.27)	(34.29)	-	(164.31)
Balance as at March 31, 2019	-	477.10	1,562.80	105.10	95.74	29.08	2,269.82
Depreciation expense	-	182.35	680.48	70.61	32.39	50.89	1,016.72
Disposals	-	-	(3.70)	-	(6.27)	-	(9.97)
Balance as at March 31, 2020	-	659.45	2,239.58	175.71	121.86	79.97	3,276.57
Carrying amount							
As at March 31, 2019	34.30	3,589.55	5,464.31	298.02	180.45	163.70	9,730.33
As at March 31, 2020	34.30	3,526.37	6,062.09	251.96	158.09	367.55	10,400.36

(Refer Notes 24 and 28- For details of assets pledged as security)

DVK INVESTMENTS PRIVATE LIMITED**Notes to the Consolidated financial statements for the year ended March 31, 2020****Note 4. - Right of use assets**

	₹ in Lakhs			
	Leasehold land	Buildings	Vehicle	Total
At Cost				
At April 1, 2019	1,055.85	359.26	149.01	1,564.12
Additions	-	-	17.20	17.20
Disposal	-	-	-	-
Balance as at March 31, 2020	1,055.85	359.26	166.21	1,581.32
Accumulated depreciation				
At April 1, 2019	-	-	-	-
Depreciation expenses	18.38	83.19	51.29	152.86
Balance as at March 31, 2020	18.38	83.19	51.29	152.86
Carrying amount				
As at March 31, 2020	1,037.47	276.07	114.92	1,428.46

(Refer Note 43)

(Refer Notes 24 and 28- For details of assets pledged as security)

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 5A. - Investment property

₹ in Lakhs

	Freehold land	Buildings	Plant and equipment	Total
At cost or deemed cost as at April 01, 2018	-	6,443.83	2,142.94	8,586.77
Additions	-	-	33.36	33.36
Transfer to Property, plant and equipment	-	(410.63)	(136.56)	(547.19)
Transfer from Property, plant and equipment	20.79	55.51	-	76.30
Disposal	-	-	-	-
Balance as at March 31, 2019	20.79	6,088.71	2,039.74	8,149.24
Additions	-	-	-	-
Disposal	-	-	-	-
Balance as at March 31, 2020	20.79	6,088.71	2,039.74	8,149.24
Accumulated depreciation				
As at April 01, 2018	-	261.53	275.71	537.24
Depreciation expense	-	123.72	136.46	260.18
Transfer to Property, plant and equipment	-	(16.67)	(17.57)	(34.24)
Transfer from Property, plant and equipment	-	3.25	-	3.25
Balance as at March 31, 2019	-	371.83	394.60	766.43
Depreciation expense	-	124.77	131.87	256.64
Balance as at March 31, 2020	-	496.60	526.47	1,023.07
Carrying amount				
As at March 31, 2019	20.79	5,716.88	1,645.14	7,382.81
As at March 31, 2020	20.79	5,592.11	1,513.27	7,126.17

Notes:

Land includes ₹ 8.06 lakhs, being cost of land held in trust by the managing director and one of the directors of the Parent Company.

Notes 24 and 28 - For details of assets pledged as security

Note 5B. - Goodwill

	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Deemed cost	533.79	533.79
Accumulated impairment losses	(121.00)	(121.00)
	412.79	412.79

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 6 - Other intangible assets

	₹ in Lakhs		
	Computer software	Product know-how	Total
At cost or deemed cost as at April 01, 2018	270.35	147.43	417.78
Additions	54.68	13.35	68.03
Balance as at March 31, 2019	325.03	160.78	485.81
Additions	24.94	466.15	491.09
Balance as at March 31, 2020	349.97	626.93	976.90
Accumulated amortisation			
As at April 01, 2018	60.16	146.57	206.73
Amortisation expense	43.57	5.30	48.87
Balance as at March 31, 2019	103.73	151.87	255.60
Amortisation expense	66.61	7.14	73.75
Balance as at March 31, 2020	170.34	159.01	329.35
Carrying amount			
As at March 31, 2019	221.30	8.91	230.21
As at March 31, 2020	179.63	467.92	647.55

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Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 7 - Investments in associate (Non-current): (carrying amount determined using equity method of accounting)		
Investment in associate - In equity instruments Unquoted (Fully paid up)		
Silk Road Communications Private Limited	30.12	* 130.00
5,18,834 [(March 31, 2019 - 5,18,834)] Equity shares of ₹ 10 each		
	<u>30.12</u>	<u>* 130.00</u>
Notes:-		
The financial information in respect of this associate is not material to the group.		
Proportion of Group's ownership interest in the associate [Refer note 46]		
Accumulated unrecognised share of losses of associate		
Health and Wellness India Private Limited		
Unrecognised share of losses of associate for the year		
Health and Wellness India Private Limited		
Accumulated recognised share of losses of associate		
Health and Wellness India Private Limited	598.53	598.53
	March 31, 2020	March 31, 2019
	₹. in Lakhs	₹. in Lakhs
Note 8 - Investments (Non-current):		
Equity instruments:		
Unquoted Investments (all fully paid up)		
<u>Investments in equity instruments at FVTPL</u>		
Biodil Marsing Private Limited	8.90	8.90
59,000 Equity shares of ₹ 10 each (as at March 31, 2019 - 59,000 Equity shares of ₹ 10 each)		
<u>Investments in equity instruments at FVTOCI</u>		
Shivalik Solid Waste Management Limited	4.11	4.11
20,000 Equity shares of ₹ 10 each. (as at March 31, 2019 - 20,000 Equity shares of ₹ 10 each)		
Zeia Wellness Private Limited	47.53	43.94
58,048 Equity shares of ₹ 10 each (as at March 31, 2019 - 58,048 Equity shares of ₹ 10 each)		
Island Veerchemie Private Limited	1.80	1.80
12 (March 31, 2019 - 12) Equity shares of ₹. 15,000 each fully paid-up		
	<u>62.34</u>	<u>58.75</u>
Less: Impairment in the value of Investments	(56.43)	(8.90)
Total aggregate unquoted investments (A)	<u>5.91</u>	<u>49.85</u>
Quoted Investments (all fully paid)		
<u>Investments in equity instruments at FVTOCI</u>		
Abbott India Limited	21.49	10.14
139 Equity shares of ₹ 10 each (as at March 31, 2019 - 139 Equity shares of ₹ 10 each)		
HDFC Bank Limited	7.24	9.73
840 [(March 31, 2019 - 420) Equity shares of ₹. 2 each fully paid-up		
ICICI Bank Limited	6.00	7.82
2,156 (March 31, 2019 - 1,960) Equity shares of ₹. 2 each fully paid-up		
Polyplex Corporation Ltd.	5.99	10.33
2,000 (March 31, 2019 - 2,000) Equity shares of ₹. 10 each fully paid-up		
Jain irrigation Systems Limited	0.06	1.06
1,800 (March 31, 2019 - 1,800) Equity shares of ₹. 2 each fully paid-up		
Mahindra Lifespace Developers Limited	4.20	7.91
2,200 (March 31, 2019 - 2,200) Equity shares of ₹. 10 each fully paid-up		
Piramal Enterprises Limited	3.76	11.02
400 (March 31, 2019 - 400) Equity shares of ₹. 2 each fully paid-up		
Total aggregate quoted investments (B)	<u>40.74</u>	<u>50.01</u>
Total Non-current investments (A+B)	<u>54.65</u>	<u>107.86</u>
Aggregate carrying value of unquoted investments before impairment	62.34	58.75
Aggregate amount of impairment in value of investments	56.43	8.90
Aggregate amount of quoted investments and market value thereof	21.49	10.14

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Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 9- Share application money		
Health and Wellness India Private Limited	186.34	186.34
Less: Impairment in the value of share application money	(186.34)	(186.34)
Jomaange Innovative Market Solutions Private Ltd	80.00	80.00
Noble Explochem Limited [Refer note 63]	-	597.00
	<u>80.00</u>	<u>677.00</u>
	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 10- Loans (Non-current)		
Loan to employees, considered good - unsecured	25.00	25.32
Inter corporate deposit - considered doubtful - unsecured #	37.00	304.83
Less : Allowance for doubtful inter corporate deposit	(37.00)	(304.83)
	<u>25.00</u>	<u>25.32</u>
# Includes amount given as inter corporate deposit to an associate		
Amount outstanding as at year end		
-Health and Wellness India Private Limited	37.00	37.00
Maximum amount outstanding during the year		
-Health and Wellness India Private Limited	37.00	37.00
This loan was granted to Health and Wellness India Private Limited for the purpose of their business.		
Movement in the Allowance for doubtful inter corporate deposit		
Balance at the beginning of the year	304.83	267.83
Addition during the year	-	37.00
Written back during the year	(80.00)	-
Written off during the year	(187.83)	-
Balance at the end of the year	<u>37.00</u>	<u>304.83</u>
	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 11- Other financial assets (Non current):		
Security deposits	139.68	126.33
Bank deposits with remaining maturity of more than 12 months* (Refer note 17)	13.76	122.00
Deposits with a financial institution	200.00	200.00
Interest accrued but not due from Banks	3.10	-
Interest accrued but not due from a financial institution	32.39	13.57
Others	16.75	0.85
	<u>405.68</u>	<u>462.75</u>
* This consists of deposits:		
- held in the form of Debt Security Reserve (DSR) with Kotak Mahindra Bank Limited	-	110.00
- kept for fund based bank guarantee with Bank of Baroda	1.00	-
- kept for fund based bank guarantee with Union Bank of India	12.76	12.00
	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 12 - Non-current tax assets (net)		
Advance income-tax (net of provision for tax)	917.26	341.73
	<u>917.26</u>	<u>341.73</u>
	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 13 - Other assets (Non-current)		
Capital advances	612.19	1,002.47
Advances recoverable in cash or kind		
Unsecured considered good	-	45.91
Unsecured, considered doubtful	19.01	19.01
	<u>19.01</u>	<u>64.92</u>
Less: Allowance for doubtful advances	(19.01)	(19.01)
	<u>-</u>	<u>45.91</u>
Unamortised lease premium	-	1,018.95
Deferred rent	8.43	39.89
Prepaid expenses	74.51	130.42
Balances with government authorities	3.75	3.75
	<u>698.88</u>	<u>2,241.39</u>

DVK INVESTMENTS PRIVATE LIMITED

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Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 14 - Inventories		
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes stock in transit of ₹ 490.14 Lakhs (as at March 31, 2019 ₹ 66.11))	5,308.05	4,050.21
Work-in-progress	5,140.06	2,939.87
Finished goods	2,018.85	1,482.55
Stores and spares	391.23	293.90
	<u>12,858.19</u>	<u>8,766.53</u>

Notes:

(i) The cost of inventories recognised as expense is disclosed in notes 35, 36, 40 and as purchase of stock-in-trade in the Consolidated statement of profit and loss.

(ii) Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 19.07 Lakhs (as at March 31, 2019 - ₹ 17.43 Lakhs). The changes in write downs are recognised as an expense in the Consolidated statement of profit and loss.

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 15 Investments (Current)		
In Mutual funds at FVTPL*		
Unquoted investments (Units of ₹ 10 each fully paid)		
Union Capital Protection Oriented Fund - Series 7	-	114.79
Nil units (as at March 31, 2019 - 10,00,000)		
Franklin India Bluechip Fund Dividend Reinvestment**	74.69	105.59
3,00,873.050 (March 31, 2019 - 2,76,597.040) units of ₹.10 each		
HDFC Medium Term Debt Fund**	12.07	35.82
[Formerly named HDFC High Interest Fund - Short Term Plan]		
1,14,335.409 (March 31, 2019 - 3,37,613.785) units of ₹.10 each		
Franklin India Low Duration fund**	42.48	45.58
4,54,924.778 (March 31, 2019 - 4,38,996.514) units of ₹.10 each		
	<u>129.24</u>	<u>301.78</u>

* Investments in mutual funds have been fair valued at the closing net asset value (NAV).

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 16 - Trade receivables (unsecured)		
Considered good	6,977.42	6,554.40
Credit impaired	<u>366.61</u>	<u>308.73</u>
	7,344.03	6,863.13
Less: Allowance for doubtful debts (expected credit loss allowance)	<u>(366.61)</u>	<u>(308.73)</u>
	<u>6,977.42</u>	<u>6,554.40</u>
Movement in the expected credit loss allowance		
Balance at the beginning of the year	308.73	1,033.63
Addition during the year	91.46	64.34
Written off during the year	-	(789.24)
Reversal during the year	(33.58)	-
Balance at the end of the year	<u>366.61</u>	<u>308.73</u>

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 17 Cash and cash equivalents		
Balances with banks		
In current accounts	843.49	1,212.92
In deposit accounts with original maturity for less than 3 months	-	2,899.06
Cash on hand	5.95	4.98
	<u>849.44</u>	<u>4,116.96</u>

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 18 Bank balances other than cash and cash equivalents		
Balances with banks		
In Unpaid dividend accounts	13.51	15.25
In escrow account	3.70	-
In deposit accounts with original maturity for more than 3 months but less than 12 months*	2,542.33	5,021.67
	<u>2,559.54</u>	<u>5,036.92</u>

*This includes deposits held under lien by bank against guarantees and other commitments amounting to 1,947.61 Lakhs (as at March 31, 2019: 560.69 Lakhs)

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 19- Loans (Current)		
Unsecured, considered good		
Inter corporate deposits # (Refer note 67)		
D.K.Biopharma Private Limited	2,130.00	1,150.00
Loan to Director	20.00	20.00
Loans to employees	-	30.03
Others	14.50	14.73
	<u>2,164.50</u>	<u>1,214.76</u>

The inter-corporate deposits were granted to the entity for the purpose of its business.

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 20 - Other financial assets (Current)		
Interest accrued but not due		
On fixed deposits from banks	20.17	99.48
On fixed deposits with a financial institution	11.54	5.53
On Inter corporate deposits (Refer note 67)	198.88	43.05
Deposits with a financial institution*	400.00	100.00
Others		
Unsecured, considered good	6.69	10.16
Unsecured, considered doubtful	1.18	1.18
Less: Allowance for doubtful advances	(1.18)	(1.18)
	<u>6.69</u>	<u>10.16</u>
	<u>637.28</u>	<u>258.22</u>

*Deposits kept under lien with Bajaj finance limited amounting to ₹ 400 Lakhs (as at March 31, 2019: ₹ Nil Lakhs)

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 21 -Other current assets		
Advance for supply of goods and services		
Considered good	415.97	368.25
Considered doubtful	36.36	4.41
Less: Allowance for doubtful advances	(36.36)	(4.41)
	<u>415.97</u>	<u>368.25</u>
Deferred rent	3.62	17.33
Prepaid expenses	180.14	194.24
Travel advances to employees	28.72	6.02
Unamortised lease premium	-	18.16
Export incentive receivables		
Considered good	488.26	1,500.43
Considered doubtful	3.24	3.24
Less: Allowance for doubtful export incentive receivables	(3.24)	(3.24)
	<u>488.26</u>	<u>1,500.43</u>
Balances with government authorities	1,370.73	1,464.13
Others	-	4.73
	<u>2,975.70</u>	<u>5,073.72</u>
	<u>2,487.44</u>	<u>3,573.79</u>

Movement in the Allowance for doubtful advances and export incentive receivables.

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Balance at the beginning of the year	7.65	30.94
Addition during the year	31.96	3.24
Written off during the year	-	(26.53)
Reversal during the year	(0.01)	-
Balance at the end of the year	<u>39.60</u>	<u>7.65</u>

	March 31, 2020 ₹. in Lakhs	March 31, 2019 ₹. in Lakhs
Note 22 - Equity share capital:		
Authorised:		
65,30,000 Equity shares of ₹ 10/- each (as at March 31, 2019 - 65,30,000 Equity shares of ₹ 10/- each)	653.00	653.00
	<u>653.00</u>	<u>653.00</u>
Issued, subscribed and paid-up :		
65,21,665 Equity shares of ₹ 10/- each (as at March 31, 2019 - 65,21,665 Equity shares of ₹ 10/- each)	652.17	652.17
	<u>652.17</u>	<u>652.17</u>

a) Details of shareholders holding more than 5% shares in the Parent Company (excluding share pending issuance)

Name of the shareholders	As at March 2020		As at March 2019	
	No of Shares in Lakhs	% holding in the class	No of Shares in Lakhs	% holding in the class
Equity shares of ₹10/- each fully paid				
Mr Kirshna Datta	32.66	50.08%	32.66	50.08%
Mr. Satish Varma	14.84	22.75%	14.84	22.75%
Ms. Preeti Thakkar	8.86	13.59%	8.86	13.59%
Ms. Anupama Datta Desai	8.86	13.58%	8.86	13.58%

b) Terms/rights attached to equity shares

The Group Company has only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Group Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2020, the amount of per share dividend recommended by the Board of Directors for distribution to equity shareholders is ₹. 4.60 (March 31, 2019: Nil/-)

In the event of liquidation of the Group Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Reconciliation of shares outstanding at the beginning and at the end of the year

There is no movement in the number of issued, subscribed and paid up equity shares at the beginning and at the end of the financial year.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 25 - Other financial liabilities (Non-current)		
Deposits from tenants	59.44	185.18
	<u>59.44</u>	<u>185.18</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 26 - Provisions (Non-current)		
Provision for employee benefits		
Gratuity [Refer note 42]	104.10	275.32
Compensated absences	301.73	355.62
	<u>405.83</u>	<u>630.94</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 27 - Other liabilities (Non-current)		
Deferred rent	54.93	133.41
	<u>54.93</u>	<u>133.41</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 28 - Borrowings (Current)		
Loans repayable on demand		
From banks (Secured)		
Cash credit and Bank overdraft	2,573.89	234.24
Packing credit	6,419.83	5,132.08
Short term Working capital loan	1,439.58	
From others (Unsecured)		
Inter corporate deposits (ICD) from Allegro Corporate Finance Advisors Pvt. Ltd.	-	404.93
Inter corporate deposits (ICD) from DVK Investments Pvt. Ltd, the Holding Company	-	
	<u>10,433.30</u>	<u>5,771.25</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
<p>Packing credit, cash credit from Union Bank of India, are secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Group Company except vehicles with Yes Bank limited and Kotak Mahindra Bank Limited. The average interest rate for packing credit in foreign currency is 3.19% (EURO PCFC - EURIBOR+3%, USD PCFC - 6M LIBOR+3%) and average interest rate for cash credit is 10.00% to 10.65 %.</p> <p>Packing credit from Yes Bank Limited is secured by first pari-passu charge on current assets of the Group Company and by equitable mortgage of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Group Company except vehicles with Union Bank of India and Kotak Mahindra Bank Limited. The average interest rate for packing credit in foreign currency is 2.75%.</p> <p>Packing credit and cash credit facility from Kotak Mahindra Bank Limited is secured by First pari-passu charge on current assets, moveable property, plant and equipment of the Group Company and equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and Yes Bank Limited (excluding the plant and building financed through term loan from Union Bank and Yes Bank). The average interest rate for packing credit in foreign currency is 2.5% and Cash credit is 10.50%</p> <p>Short term working capital loan taken from Union Bank of India are secured against the lien of fixed deposits. The average interest rate is 7.90% .</p>		
Note 29 - Other financial liabilities (Current)		
Current maturities of long-term debts (Refer note 24)	1,417.05	1,327.33
Deposits from tenants	541.54	296.78
Payable to the employees / directors	562.96	1,797.26
Liability for capital expenditure	395.55	520.88
Interest accrued but not due on borrowings	43.15	184.78
Unclaimed dividend	13.51	15.25
Due to others	-	70.83
	<u>2,973.76</u>	<u>4,213.11</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 30 - Other current liabilities		
Statutory dues	21.30	204.68
Advance from customers	101.01	199.57
Deferred rent	50.50	66.83
Others	1.13	19.42
	<u>234.74</u>	<u>490.30</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 31 - Provisions (Current)		
Provision for employee benefits		
Compensated absences	42.74	44.26
Other provisions		
Provision for share of loss in a joint venture in excess of cost of investment	5.97	5.97
	<u>48.71</u>	<u>50.23</u>
	March 31, 2020 ₹ in Lakhs	March 31, 2019 ₹ in Lakhs
Note 32 - Current tax liabilities (net)		
Provision for income tax (net of advance tax)	32.02	512.51
	<u>32.02</u>	<u>512.51</u>

DVK INVESTMENTS PRIVATE LIMITED

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Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 33 - Revenue from operations		
Sale of products	26,725.15	37,593.72
Rent income	1,377.86	1,229.45
Amortised deferred rent	62.22	70.34
Sale of services	49.05	57.05
Service income (infrastructure support services to tenants)	308.02	248.25
Dividend Income from investments:	170.05	48.96
Other operating revenues		
Export incentive	738.31	1,241.45
Scrap sales	33.97	26.42
	<u>29,464.63</u>	<u>40,515.64</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 34 - Other income:		
Interest income on financial assets carried at amortised cost:		
Bank deposits	379.85	337.52
Other financial assets	189.29	82.29
Dividend income on investments in equity instruments designated at fair value through other comprehensive income	0.44	0.38
Gain on sale of equity shares of an associate	-	2.79
Income from sale of films rights	200.00	-
Insurance Claims	20.06	290.88
Foreign exchange gain (net)	145.14	510.71
Net(loss)/gain arising on financial assets measured at fair value through profit or loss	1.28	12.42
Gain on sale of financial assets - current investments	-	-
Liabilities / provisions no longer required written back	296.59	-
Miscellaneous income	0.73	3.05
	<u>1,233.38</u>	<u>1,240.04</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 35 - Cost of materials consumed:		
Inventories of raw materials / packing materials at the beginning of the year	4,050.21	1,814.48
Add: Purchases	11,775.27	12,555.79
Foreign currency translation difference	43.83	-
Less: Inventories of raw materials / packing materials at the end of the year	5,308.05	4,050.21
	<u>10,561.26</u>	<u>10,320.06</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 36 - Changes in Inventories of finished goods, stock-in-trade and work-in-progress		
Inventories at the end of the year		
Work-in-progress	5,140.06	2,939.87
Foreign currency translation difference	(27.59)	-
Finished goods	2,018.85	1,482.55
	<u>7,131.32</u>	<u>4,422.42</u>
Inventories at the beginning of the year		
Work-in-progress	2,939.87	2,225.09
Finished goods	1,482.55	914.98
	<u>4,422.42</u>	<u>3,140.07</u>
	<u>(2,708.90)</u>	<u>(1,282.35)</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 37 - Employee benefits expense		
Salaries and wages	3,766.81	4,671.79
Contribution to provident and other funds	220.54	180.64
Gratuity expense [Refer note 42]	92.74	44.78
Share based payments to employees [Refer note 60]	554.69	52.80
Staff welfare expenses	374.30	374.50
	<u>5,009.08</u>	<u>5,324.51</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 38 - Finance costs:		
Interest on		
Term loans	1,207.13	1,501.72
Loans repayable on demand	449.10	195.98
Loans from related parties	4.60	-
Lease liabilities	38.54	-
Liabilities carried at amortised cost (Unwinding of interest)	98.84	116.59
Others	6.13	164.30
Other borrowing costs	109.70	59.79
	<u>1,914.04</u>	<u>2,038.38</u>

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

	March 31, 2020	March 31, 2019
Note 39 - Depreciation and amortisation expense	₹ in Lakhs	₹ in Lakhs
Depreciation of property, plant and equipment (Refer note 3)	1,016.72	879.70
Depreciation on right-of-use assets (Refer note 4)	152.86	-
Depreciation of investment property (Refer note 5A)	256.64	260.18
Amortisation of intangible assets (Refer note 6)	73.75	48.87
	<u>1,499.97</u>	<u>1,188.75</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Note 40 - Other expenses:		
GST other than recovered on sales	123.69	121.68
Contract labour charges	426.23	402.09
Power and fuel	1,236.86	1,348.19
Processing charges	392.98	816.71
Repairs to Buildings	59.49	128.78
Repairs to Plant and machinery	151.96	186.98
Stores and spare parts consumed	994.23	1,097.92
Water charges	36.88	39.50
Advertising and sales promotion expenses	853.64	273.92
Freight and forwarding charges	575.33	553.04
Commission on sales	908.81	2,312.94
Rent (including lease rentals)	45.52	129.84
Repairs and maintenance -others	769.25	474.24
Insurance	276.96	186.57
Rates and taxes	268.40	167.43
Allowance for doubtful debts	91.46	64.34
Allowance for doubtful advances	31.96	3.24
Trade receivable, loans and advances written off	230.16	846.90
Less: Allowance held	(187.83)	(825.77)
Loss on sale of shares of an associate	-	-
Loss on sale of shares in a joint venture	-	588.00
Less: Provision for impairment held	-	(588.00)
Loss on sale/redemption of current investments	0.06	-
Provision for impairment in the value of non-current investments	43.94	-
Provision for impairment in the value of share application money in an associate	96.76	186.34
Allowance for doubtful inter corporate deposit given to an associate	-	37.00
Diminution in value of investments	61.36	-
Travelling and conveyance	714.08	628.01
Professional and legal fees	810.02	763.31
Payment to auditors (Refer note below)	48.37	61.12
Postage and telephone	49.67	48.99
Printing and stationery	85.51	66.91
Security Expenses	106.10	85.65
Staff recruitment expenses	17.63	26.11
Bank charges	94.90	64.82
Initial cost for operating leases	59.32	52.28
Analytical Charges	136.72	127.65
Loss on sale/write off, of property, plant and equipment (net)	15.53	57.73
Donations	5.00	7.42
Self-assessment Tax [2018-19]	0.23	-
Miscellaneous expenses	400.94	502.33
	<u>10,032.12</u>	<u>11,044.21</u>
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Payment to auditors (excluding statutory levy)		
For audit	25.68	25.65
For limited review	15.00	15.00
For other services	6.51	18.53
Reimbursement of expenses	1.18	1.89
	<u>48.37</u>	<u>61.07</u>
		0.0

Note 41 - Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

	March 31, 2020	March 31, 2019
Profit for the year used for computation of basic and diluted earnings per share (₹ in lakhs)	2961.28	6717.04
Weighted average number of equity shares used in calculating diluted EPS	6521665	6521665
Basic earnings per equity share [nominal value of share ₹ 10 (March 31, 2019: ₹ 10)]	45.41	103.00
Diluted earnings per equity share [nominal value of share ₹ 10 (March 31, 2019: ₹ 10)]	45.41	103.00

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 23-Other equity

	Reserves and surplus										Items of other comprehensive income			Total
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Unrealised gain/(loss) on dilution	General reserve	Special Reserve under RBI Act	Securities Premium	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through OCI	Income		
Balance as at April 01, 2018	1,140.00	-	70.00	(4,242.22)	4,933.00	419.71	102.85	-	(314.30)	-	9.25	-	-	2,118.29
Pursuant to scheme for amalgamation (Refer note 1.2)	-	8,885.35	-	-	-	-	-	-	2.35	-	-	-	-	8,887.70
Profit for the year	-	-	-	-	-	-	-	-	6,717.02	-	-	-	-	6,717.02
Recognition of share based payments	-	-	-	-	-	-	-	52.80	-	-	-	-	-	52.80
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	-	-	-	(76.42)	-	-	-	-	(76.42)
Utilised for issue of bonus shares	-	-	-	-	(105.70)	-	-	-	-	-	-	-	-	(105.70)
Transfer from retained earnings	-	-	-	-	-	25.16	-	-	(25.16)	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(81.49)	-	2.57	-	-	(78.92)
Balance as at March 31, 2019	1,140.00	8,885.35	70.00	(4,242.22)	4,827.30	444.87	102.85	52.80	6,222.00	-	11.82	-	-	17,514.77
Profit for the year	-	-	-	-	-	-	-	-	2,961.28	-	-	-	-	2,961.28
Recognition of share based payments	-	-	-	-	-	-	-	554.69	-	-	-	-	-	554.69
Payment of dividend (including dividend distribution tax)	-	-	-	-	-	-	-	-	(719.84)	-	-	-	-	(719.84)
Incremental expenses on amalgamation	-	-	-	-	-	-	-	-	(72.28)	-	-	-	-	(72.28)
Utilised for issue of bonus shares	-	-	-	-	(116.70)	-	-	-	-	-	-	-	-	(116.70)
Transfer from retained earnings	-	-	-	-	-	79.01	-	-	(79.01)	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	77.39	-	(8.33)	-	-	69.06
Balance as at March 31, 2020	1,140.00	8,885.35	70.00	(4,242.22)	4,710.60	523.88	102.85	607.49	8,389.54	-	23.16	-	-	20,202.52

@Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

Capital reserve: Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Parent Company's brands for which non compete fees were received and treated as a capital receipt.

Capital reserve pursuant to amalgamation: This reserve created consequent to amalgamation of a subsidiary with the Group Company.

Capital redemption reserve: This reserve was created for redemption of preference shares of ₹ 70.00 lakhs in the financial year 2010-2011.

Unrealised gain/(loss) on dilution: This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary.

General Reserve: The reserve arises on transfer portion of the net profit pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Share options outstanding account: The fair value of the equity settled share based payment transactions is recognised in share options outstanding account.

Retained earnings: Profits generated by the Group that are not distributed to shareholders as dividends but are reinvested in the business.

Equity instruments through other comprehensive income: This represents the cumulative gains / losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Foreign currency translation reserve: Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to consolidated profit or loss on the disposal of the foreign operations.

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 24- Long-term borrowings:

	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
	₹. In Lakhs			
Secured				
Term loans				
From banks				
For Dahej facility [Refer note below (a)]	-	65.45	64.84	200.00
For Dahej facility [Refer note below (b)]	1,367.16	482.34	736.66	44.24
For Dahej facility [Refer note below (c)]	1,523.62	508.09	-	-
For R & D Thane / registered office [Refer note below (d)]	-	-	-	46.51
For Vehicles [Refer note below (e)]	7.07	6.06	13.14	5.52
From others				
For business operations [Refer note below (f)]	-	-	3,076.46	680.00
For business operations [Refer note below (g)]	2,953.88	-	4,958.00	-
For business operations [Refer note below (h)]	4,326.94	355.11	4,671.83	351.06
Total	10,178.67	1,417.05	13,520.93	1,327.33
Amount disclosed under the head "other current financial liabilities" (Refer note 29)	-	(1,417.05)	-	(1,327.33)
Net amount	10,178.67	-	13,520.93	-

Notes:

- a) Term loan for expansion of Dahej facility is taken from Union Bank of India with interest rate MCLR + 2% effective rate for the current year is between 10.00% to 10.60% (previous year effective rate was 10.65%) repayable in 48 equal monthly instalments starting from November-2016. The said term loan is secured by way of first pari-passu charge on property, plant and equipment procured with the financial assistance of the term loan and by equitable mortgage of factory land and buildings at Dahej and Kullu of the Group Company.
- b) Term loan (External Commercial Borrowing) is taken from Yes Bank Limited for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.5% (effective rate 3.5%), repayable in 48 equal monthly instalments starting from February 2020. The said ECB loan is secured by way of first pari-passu charge on property, plant and equipment, second charge on entire current assets and by equitable mortgage of factory land and buildings at Dahej and Kullu of the Group Company and all movable property, plant and equipment of the Group Company except vehicles with Union Bank of India and Kotak Mahindra Bank.
- c) Term loan (Foreign Currency Term Loan and INR Term Loan) is taken from Union Bank of India for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.10% (effective rate 3.10%) for FCTL, MCLR + 2% (effective rate 10.00% to 10.65%) for Rupee Term Loan repayable in 48 equal monthly instalments starting from April 2020. The said Loan is secured by way of first pari-passu charge on property, plant and equipment, second charge on entire current assets and by equitable mortgage of factory land and buildings at Dahej and Kullu of the Group Company and all movable property, plant and equipment of the Group Company except vehicles with Yes Bank Limited and Kotak Mahindra Bank Limited.
- d) Term loan for relocation of R & D units / registered office is taken from Union Bank of India with interest rate MCLR + 2.15% (effective rate 10.65%) repayable in 48 equal monthly instalments starting from December-2015. The said term loan is secured by way of first pari-passu charge on property, plant and equipment procured with the financial assistance of the term loan and by equitable mortgage of factory land and buildings of Dahej and Kullu of the Group Company. The term loan has been repaid fully during the year.
- e) Vehicle loan is taken from the ICICI Bank Limited against hypothecation of the vehicles purchased, repayable in 60 monthly instalments starting from May-2017 with interest rates 9.37%, (previous year in the range of 9.37% to 14%)
- f) Term loan from Kotak Mahindra Investments Limited under the loan against property (LAP) scheme of ₹ 4,000 lakhs at interest rate of 11.00% to 12.25% p.a. payable in 15 quarterly instalments starting from March 31, 2019 and secured by way of equitable Mortgage of Ground, 14th, 15th and 16th floors of Thane One, land admeasuring approx. 45 acres located at Takawe, Pune (25 acres owned by Group Company (formerly Dil Limited) and balance 20 acres held in trust by the Managing Director of the Parent Company and others), and pledge of 30% equity stake in the erstwhile Group Company. Further, the said loan has been guaranteed by the personal guarantee of the Managing Director of the Group Company and corporate guarantee of the Parent Company. This term loan has been paid fully during the year.
- g) Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited the effective rate for the current year is 9.75% (previous year effective rate in the range of 9.25% to 9.75%) repayable after 156 months on August 15, 2030 in one instalment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the loan has been guaranteed by the personal guarantee of the Managing Director of the Parent Company and the corporate guarantee of the Parent Company. During the year Group Company has repaid partial amount.
- h) Loan against property and loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited, the effective rate for the current year in the range of 10.00% to 10.32% (previous year effective rate in the range of 9.72% to 10.32%) The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceeljay House owned by Agean Properties Limited (APL), a wholly owned subsidiary of the Parent Company. Further these loans have been guaranteed by the personal guarantee of the Managing Director of the Parent Company and the corporate guarantee of the Parent company.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note: 42 - Employee benefits

The Group operates following employee benefit plans

- I Defined contribution plans: Provident fund, Superannuation fund, Employee state insurance scheme (ESIC) and Labour welfare fund.
- II Defined benefit plan: Gratuity (funded)
- III Other long term benefit plan: Compensated absences (unfunded)

	March 31, 2020	March 31, 2019
I) Defined Contribution Plans		
The Group operates defined contribution retirement benefit plans for all qualifying employees of the Group. The contribution to defined contribution plan recognised as expenses in the Consolidated statement of profit and loss for the year is as under (Refer note 37).		
Employer's contribution to provident fund	206.84	169.94
Employer's contribution to superannuation fund	1.63	1.58
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	11.98	9.07
Employer's contribution to labour welfare fund	0.09	0.04

II) Defined benefit plan

The Group operates a defined benefit plan, viz., gratuity.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Group reviews the level of funding in gratuity fund.

(a) Movements in the present value of the defined benefit obligation are as follows:

	March 31, 2020	March 31, 2019
Opening defined benefit obligation	550.11	322.32
Interest cost	39.00	22.99
Current service cost	73.16	40.14
Past Service Cost	-	-
Benefits paid	(26.35)	(22.13)
Actuarial (Gain)/loss on obligations- due to change in financial assumptions	(211.27)	143.52
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	15.80	(0.11)
Actuarial (Gain)/loss on obligations- due to change in experience adjustment	(45.40)	43.38
Closing defined benefit obligation	395.05	550.11

(b) Movements in the fair value of the plan assets are as follows:

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	274.79	250.48
Employer's contributions	23.33	27.81
Interest income	19.42	18.35
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.24)	0.28
Benefit paid	(26.35)	(22.13)
Closing fair value of plan assets	290.95	274.79

(c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the financial statements arising from the Group's obligation in respect of its defined benefit obligation plan is as follows:

	March 31, 2020	March 31, 2019
Fair value of plan assets	290.95	274.79
Present value of obligation	395.05	550.11
Amounts recognized in the Consolidated balance sheet surplus/(deficit)	(104.10)	(275.32)

(d) The amount recognised in Consolidated statement of profit and loss in respect of the defined benefit plan are as follows:

	March 31, 2020	March 31, 2019
Current service cost	73.16	40.14
Past service cost	-	-
Net interest expense / (income)	19.58	4.64
Components of defined benefit costs recognised in Consolidated statement of profit and loss	92.74	44.78

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note: 42 - Employee benefits

(e) The amount recognised in other comprehensive income in respect of the defined benefit plan is as follows:

	March 31, 2020	March 31, 2019
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.24)	0.28
Actuarial gains/ (losses) arising from changes in financial assumptions	211.27	(143.52)
Actuarial gains / (losses) arising from changes in demographic assumptions	(15.80)	0.11
Actuarial gains / (losses) arising from changes in experience adjustments	45.40	(43.38)
Components of defined benefit recognised as income / (loss) in other comprehensive income	240.63	(186.51)

(f) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.80%	7.45% to 7.75%
Salary escalation rate (per annum)	5.00%	10.00%
Expected rate of return on plan assets (per annum)	7.45%	7.45%- 7.50%
Retirement age	58 Years	58 Years
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2006-08)	
Leaving Service (Age groups)	In the range of 1-10%	
	21-30 years -1% to 4%	21-30 years -1% to 10%
	31-40 years - 3%	31-40 years - 5%
	41-50 years - 2%	41-50 years - 3%
	Above 50 years - 1%	Above 50 years - 2%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC).

The expected contributions for defined benefit plan for the next financial year is ₹ 25.00 Lakhs (for the year ended March 31, 2019 - ₹ 25.00 Lakhs)

(g) Maturity analysis of projected benefit obligation

	March 31, 2020	March 31, 2019
Expected benefits for Year 1	54.84	53.26
Expected benefits for Year 2	38.09	18.35
Expected benefits for Year 3	36.22	43.34
Expected benefits for Year 4	29.04	41.03
Expected benefits for Year 5	17.32	34.65
Expected benefits for Year 6	26.82	43.08
Expected benefits for Year 7	39.88	34.58
Expected benefits for Year 8	56.66	50.66
Expected benefits for Year 9	28.35	60.02
Expected benefits for Year 10 and above	509.09	1,136.04

(h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2020	March 31, 2019
Insurer Managed Funds	100%	100%

(i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	March 31, 2020 Impact on defined benefit obligation	March 31, 2019 Impact on defined benefit obligation
Discount rate (- 0.50%)	4.56%	4.87% to 7.26%
Discount rate (+ 0.50%)	-4.22%	-4.49% to -6.65%
Salary Escalation Rate (- 0.50%)	-4.31%	-3.98 to -6.55%
Salary Escalation Rate (+ 0.50%)	4.62%	4.26% to 7.07%

(j) Inherent risks:

The inherent risk for the Group Company mainly are adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and provision is made as per Group Company rules with corresponding charge / (credit) to the Consolidated statement of profit and loss amounting to (₹ 18.28 Lakhs) [March 31, 2019: ₹ 185.39 Lakhs] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined at the year end using the "Projected Unit Credit Model". Gains and losses on changes in actuarial assumptions related to defined benefit obligations are recognised in OCI where as gains and losses in respect of other long term employee benefit plans are recognised in the Consolidated statement of profit and loss.

Note 43 - Leases:

(A) Assets taken on operating lease

Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied to lease contracts existing on April 01, 2019, by electing 'retrospective approach with the cumulative effect at the date of initial application'. Under this approach, the Group has recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17.

The Group has entered into agreements for taking on leave and license basis certain residential and office premises and also taken vehicles on lease basis. The Group also has lease arrangements for land taken on lease at Dahej and Saykha. The lease term in respect of these lease ranges from 2 to 98 years. In respect of the said leases, the additional information is as under

Particulars	March 31, 2020
Depreciation charge for right-of-use assets	152.86
Expenses relating to leases of low-value assets accounted for on straight line basis (included in Rent expenses in Note 40)	45.52
Total cash outflow for leases	213.86

Maturity analysis of lease liabilities (on undiscounted basis)

Particulars	Amount
Less than one year	152.73
One to five years	384.21
More than five years	720.00
Total	1,256.94

Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application 10%

The following is the summary of practical expedients elected on initial application:

- The Group has not reassessed whether a contract is or contains a lease at the date of initial application.
- The Group has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.
- The Group has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application

The difference between the operating lease commitments as of March 31, 2019, disclosed applying Ind AS 17 and the value of the lease liability recognised in the balance sheet at the date of initial application is primarily on account of inclusion of extension options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

General description of significant leasing agreements

- Refundable interest free deposits have been given under lease agreements.
- Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions. Since Ind AS 116 has become applicable w.e.f. April 1, 2019, disclosure of comparative information is not applicable.

B. Assets given on operating lease

The Group Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease period expiring on December 31, 2022.

The Group Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring on April 2021. These agreements have a non-cancellable period at the beginning of the period for 3 years and have rent escalation provisions of 5% every year or 15% after 3 years.

Particulars	March 31, 2020	March 31, 2019
a) Rent income recognised in the Consolidated statement of profit and loss (Includes rentals on sub-lease of ₹ 227.18 lakhs (March 31, 2019: ₹ 192.01 lakhs))	1,377.86	1,229.45

Particulars	March 31, 2020	March 31, 2019
b) Future minimum lease income under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	368.33	905.43
ii) Later than one year and not later than five years	4.36	3/2.69
iii) More than five years	-	-

Note 44 - Interest in joint venture:

The proportionate share of joint venture, as disclosed below, in the assets, liabilities, income and expenditure is based on financial statements prepared as per Ind AS:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company	
		March 31, 2020	March 31, 2019*
Agastya Films LLP	India, Thane one, Dil complex, Thane (West)	-	-
Particulars	March 31, 2020	March 31, 2019*	
Percentage of holding	-	50%	
Current assets	-	-	
Current liabilities	-	(5.97)	
Net assets	-	(5.97)	
Income	-	7.04	
Other expenses	-	-	
Profit/(Loss) before tax	-	7.04	

*During the year ended March 31, 2019, the Group Company sold its share of investment in the joint venture.

Note 45 - Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group Company. The Managing Director of the Group Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Group Company. The Group has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers.

A) The primary reporting of the Group has been performed on the basis of business segments, viz:

- Property - Renting of properties
- Chemicals/Bulk Drug- Manufacturing and selling of chemicals, primarily bulk drugs and enzymes.

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems.

	2019-2020		Total
	Bulk Drug/Chemicals	Property	
a. Revenue			
1 Segment revenue	27,550.83	1,963.05	29,513.88
	38,925.52	1,953.41	40,878.93
Less : Inter-segment revenue	-	230.33	230.33
	-	411.89	411.89
Unallocated revenue (net)			1,414.46
			1,288.64
2 Total			30,698.01
			41,755.68
b. Result			
1 Segment profit	5,533.83	563.10	6,096.93
	15,149.14	582.97	15,732.11
2 Finance costs			1,914.04
			2,065.31
3 Unallocable income/(expenditure) (net)			155.69
			(1,470.94)
4 Inter segment results			1.71
			738.72
5 Profit before tax			4,340.29
			12,934.58
6 Tax expense			338.88
- current tax			3,195.65
- deferred tax credit			(1,948.89)
			(2,115.30)
7 Profit after tax			5,950.30
			11,854.23
c. Other information			
1. Segment assets	40,580.16	8,069.03	48,649.19
	32,700.32	8,250.11	40,950.43
2 Unallocated corporate assets			13,128.18
			14,704.46

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 45 - Segment information:

	₹. in Lakhs		
	2019-2020		Total
	2018-2019		
	Bulk Drug/Chemicals	Property	
3. Total assets			61,777.37 55,654.89
4. Segment liabilities	7,289.02 7,456.78	814.09 1,181.03	8,103.11 8,637.81
5. Unallocated corporate liabilities			22,320.69 21,142.01
6. Total liabilities			30,423.80 29,779.82
7. Cost incurred during the year to acquire			
- segment tangible and intangible assets	6,846.93 3,481.17	-	6,846.93 3,527.05
- unallocated segment tangible and intangible assets		45.88	-
			50.10
8. Depreciation and amortization expense	1,126.73 809.13	356.58 349.77	1,483.31 1,158.90
9. Unallocated depreciation			16.66 29.85

(Figures in italics are the corresponding figures in respect of the previous year.)

B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Group's revenue by geographical market:

	March 31, 2020	March 31, 2019
India		
Bulk Drug/Chemicals	8,589.85	8,636.02
Property	1,732.72	1,541.52
Europe - Bulk Drug/Chemicals	8,635.50	21,276.47
USA - Bulk Drug/Chemicals	3,002.28	4,369.68
Others countries - Bulk Drug/Chemicals	7,504.28	4,691.95
	<u>29,464.63</u>	<u>40,515.64</u>

Assets by geographical area – The following is the carrying amount of segment non-current assets by geographical area in which the assets are located:

	Non-Current assets*	
	March 31, 2020	March 31, 2019
India		
Bulk Drug/Chemicals	17,687.97	10,602.95
Property	8,938.10	9,311.34
Europe		
Bulk Drug/Chemicals	466.15	-
	<u>27,092.22</u>	<u>19,914.29</u>

* Non-current assets exclude investments, loans, share application money, other financial assets, tax assets and other non current assets.

The Group has generated revenue aggregating ₹ 6,529.96 Lakhs from two customers (March 31, 2019 : ₹ 10,133.70 Lakhs from two customers). Revenue from each of these customers is 10% or more of the group's total revenue.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

46 List of entities included in the consolidated financial statements is as under

	Country of Incorporation	Proportion of ownership interest as at	
		March 31, 2020	March 31, 2019
Parent Company:			
DVK Investments Private Limited	India		
Subsidiaries			
Fermenta Biotech Limited (Formerly Known as DIL Limited)	India	51.22%	53.91%
Aegean Properties Limited (Subsidiary of FBL)	India	100.00%	100.00%
CC Square Films Limited (Subsidiary of FBL)	India	100.00%	100.00%
Fermenta Biotech GmbH (w.e.f.Sep'05,2019) (Subsidiary of FBL)	Germany	100.00%	-
Fermenta Biotech (UK) Limited (Subsidiary of FBL)	United Kingdom	100.00%	100.00%
G.I. Biotech Private Limited (Subsidiary of FBL)	India	62.50%	62.50%
Associate			
Health and Wellness India Private Ltd (Associate of FBL)	India	47.15%	47.15%
Silk Road Communications Private Limited	India	42.49%	42.49%

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

47. Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint venture as per Schedule III of Companies Act, 2013:

Sr No	Particulars	Name of the Entity	March 31, 2020				March 31, 2019									
			Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in total comprehensive income/(loss)		Share in total comprehensive income/(loss)							
			%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs						
I	Parent Company	DVK Investments Private Limited	2%	379.00	0%	(1.73)	0%	(1.73)	4%	818.45	1%	74.25	1%	74.25		
II	Subsidiary Companies															
	a. India	Fermenta Biotech Limited	142%	29,636.73	209%	6,203.67	216%	1,73.57	136%	24,809.43	176%	11,817.67	188%	(148.61)	176%	11,669.06
		Aegean Properties Limited (Subsidiary of FBL)	0%	54.38	-1%	(27.00)	-	-	0%	57.10	0%	(24.67)	-	-	0%	(24.67)
		CC Square Films Limited (Subsidiary of FBL)	0%	5.62	0%	(0.00)	-	-	0%	(0.00)	0%	0.04	-	-	0%	0.04
		G I Biotech Private Limited (Subsidiary of FBL)	0%	(0.12)	0%	(0.62)	-	-	0%	(0.62)	0%	(0.68)	-	-	0%	(0.68)
	b. Foreign	Fermenta Biotech (UK) Limited (Subsidiary of FBL)	1%	183.82	0%	(0.18)	-	-	1%	183.99	0%	(2.10)	-	-	0%	(2.10)
		Fermenta Biotech GmbH (Subsidiary of FBL)	5%	1,064.35	-6%	(223.85)	0%	-	-	(223.85)	-	-	-	-	-	-
III	Non-controlling interests		-50%	(10,499.08)	##	(2,985.89)	-	(93.17)	-42%	(7,685.96)	-76%	(5,094.41)	-	69.68	-76%	(5,024.73)
IV	Associates *															
	India	Health And Wellness India Private Limited (Associate of FBL)	0%	-	0%	-	-	-	0%	-	0%	(7.48)	-	-	0%	(7.48)
		Zela Wellness Private Limited (Associate of FBL)	0%	-	0%	-	-	-	0%	-	-1%	(42.34)	-	-	-1%	(42.34)
		Silk Road Communications Private Limited	0%	30.12	0%	(3.12)	-	-	0%	(3.12)	0%	(10.27)	-	-	0%	(10.27)
V	Joint Venture *															
	India	Agastya Films LLP (JV of FBL)	0%	-	0%	-	-	-	0%	-	0%	7.04	-	-	0%	7.04
		Total	100%	20,854.82	100%	2,961.28	216%	80.40	100%	18,189.09	100%	6,717.04	188%	(78.93)	100%	6,638.11

* Investments accounted as per the equity method

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note 48 - Related parties disclosures as per Ind AS 24

A) Names of the related parties and description of relationships

a) Person Controlling the Company: Mr. Krishna Datla, Director of the Company and, a person controlling of the Company	
b) i) Key Management Personnel	
Name of Key Management Personnel	Designation
Mr. Krishna Datla (FBL)	Managing Director
Mr. Satish Varma (FBL)	Executive Director
Mr. Sanjay Buch (FBL)	Non-Executive Director
Ms. Rajeshwari Datla (also relative of the Managing Director) (FBL)	Non-Executive Director
Ms. Anupama Datla Desai (also relative of the Managing Director) (FBL)	Executive Director
Dr. Gopakumar Nair (FBL)	Non-Executive Director
Mr. Vinayak Hajare (FBL)	Non-Executive Director
Mr. Prashant Nagre (FBL)	Chief Executive Officer
Mr. Sumesh Gandhi (FBL)	Chief Financial Officer
Mr. Srikant N Sharma (FBL)	Company Secretary
Mr. Suryanaryana Alluri (DVK)	Director
Ms. Sonia Gupte (DVK)	Company Secretary

c) Joint Venture
Agastya Films LLP (up to December 31, 2018)

d) Associates
Health and Wellness India Private Limited
Zela Wellness Private Limited (up to November 29, 2018)
Silk Road Communications Private Limited

e) Enterprises under significant influence of key management personnel or their relatives:
Magnolia FNB Private Limited
Dupen Laboratories Private Limited
Lacto Cosmetics (Vapi) Private limited

B) Related party transactions:

Sr.No.	Particulars	Person Controlling the Company	Key Management Personnel*	Enterprises under significant influence of key management personnel or their relatives	Joint ventures / associates
1 Remuneration to Directors and Key Management Personnel (including commission)*					
	Mr. Krishna Datla	-	274.75	-	-
		(-)	(278.52)	(-)	(-)
	Mr. Satish Varma	-	196.13	-	-
		(-)	(740.11)	(-)	(-)
	Ms. Anupama Datla Desai	-	121.58	-	-
		(-)	(621.77)	(-)	(-)
	Mr. Prashant Nagre	-	186.32	-	-
		(-)	(279.11)	(-)	(-)
	Mr. Sumesh Gandhi	-	77.00	-	-
		(-)	(77.71)	(-)	(-)
	Mr. Srikant N Sharma	-	53.73	-	-
		(-)	(48.81)	(-)	(-)
	Mr. Suryanarayana Alluri	-	31.26	-	-
		(-)	(25.52)	(-)	(-)
	Ms. Sonia Gupte	-	5.93	-	-
		(-)	(3.47)	(-)	(-)
Commission to non-executive directors (excluding statutory levy)					
	Mr. Sanjay Buch	-	10.01	-	-
		(-)	(14.67)	(-)	(-)
	Dr. Gopakumar Nair	-	10.01	-	-
		(-)	(14.67)	(-)	(-)
	Ms. Rajeshwari Datla	-	10.01	-	-
		(-)	(-)	(-)	(-)
	Mr. Vinayak Hajare	-	10.01	-	-
		(-)	(-)	(-)	(-)
2 Directors sitting fees					
	Mr. Krishna Datla	-	2.60	-	-
		(-)	(2.80)	(-)	(-)
	Ms. Rajeshwari Datla	-	5.30	-	-
		(-)	(3.30)	(-)	(-)
	Mr. Satish Varma	-	2.50	-	-
		(-)	(3.60)	(-)	(-)
	Mr. Sanjay Buch	-	9.00	-	-
		(-)	(6.70)	(-)	(-)
	Mr. Vinayak Hajare	-	6.40	-	-
		(-)	(4.10)	(-)	(-)
	Dr. Gopakumar Nair	-	7.50	-	-
		(-)	(2.80)	(-)	(-)

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Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Sr.No.	Particulars	Holding Company	Key Management Personnel*	Enterprises under significant influence of key management personnel or	Joint ventures / associates
3	Sale of products				
	Dupen Laboratories Private Limited	(-)	(-)	20.81 (7.08)	(-)
4	Purchase of raw materials and packing materials				
	Lacto Cosmetics (Vapi) Private Limited	(-)	(-)	0.71 (1.24)	(-)
5	Processing charges				
	Lacto Cosmetics (Vapi) Private Limited	(-)	(-)	3.69 (5.66)	(-)
6	Other reimbursements received				
	Lacto Cosmetics (Vapi) Private Limited	(-)	(-)	1.60 (1.05)	(-)
7	Rent income				
	Magnolia FNB Private Limited	(-)	(-)	0.30 (0.30)	(-)
	Silk Road Communications Private Limited	(-)	(-)	(-)	1.35 (1.35)
8	Provision for impairment in the value of share application money and inter corporate deposit in an associate				
	Health and Wellness India Private Limited	(-)	(-)	(-)	(223.34)
9	Provision for share of loss in a joint venture in excess of cost of investment				
	Agastya Films LLP	(-)	(-)	(-)	(7.05)
10	Donations				
	Late Smt Annapurna Charity Trust	5.00 (5.00)	(-) (-)	(-) (-)	(-) (-)

(Figures in brackets are the corresponding figures in respect of the previous year.)

* Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

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Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

C) Balance outstanding as at the end of the year :

	March 31, 2020	March 31, 2019
a. Trade Payables		
Enterprises under significant influence of key management personnel or their relatives		
Lacto Cosmetics (Vapi) Pvt Ltd	-	1.36
b. Trade receivables		
Enterprises under significant influence of key management personnel or their relatives		
Dupen Laboratories Pvt Ltd	22.45	10.33
c. Other financial liabilities		
Key management personnel		
Mr. Krishna Datla	130.00	117.34
Mr. Satish Varma	78.00	606.69
Ms. Anupama Datla Desai	40.00	530.79
Mr. Prashant Nagre	50.05	159.61
Mr. Srikant N Sharma	-	10.98
Ms. Rajeshwari Datla	10.01	-
Dr. Gopakumar Nair	10.01	14.67
Mr. Sanjay Buch	10.01	14.67
Mr. Vinayak Hajare	10.01	-
d. Deposit from tenants		
Associate		
Silk Road Communications Private Limited	0.20	0.20
e. Provision for diminution in the value of investment, inter-corporate deposits and other financial assets		
Associate of the subsidiary		
Health and Wellness India Private Limited	223.34	223.34
f. Loans to employees		
Key management personnel		
Mr. Prashant Nagre	27.52	26.15
Mr. Srikant N Sharma	-	1.60
Mr. Suryanarayana Alluri	20.00	20.00
g. Inter corporate deposits		
Associate of the subsidiary		
Health and Wellness India Private Limited	37.00	37.00
h. Provision for share of loss in a joint venture in excess of cost of investment		
Joint venture of the subsidiary		
Agastya Films LLP	5.97	5.97

Note 49 - During the previous year ended March 31, 2019, the Group Company sold 45,186 equity shares of ₹ 10 each in Zela Wellness Private Limited (Zela). Consequently, the Company's equity holding in Zela Wellness Private Limited (Zela) is reduced to 16.59% as against earlier 29.5% and accordingly, post November 29, 2018, the entity is not an associate of the Group Company.

Note 50 - Research and development expenditure:

Research and development expenditure of ₹ 653.85 Lakhs (March 31, 2019: ₹ 879.10 Lakhs) (excluding interest and depreciation) has been charged to the Consolidated statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹ 497.20 Lakhs (March 31, 2019: ₹ 115.16 Lakhs).

Note 51 - During the year ended March 31, 2020, Commission of ₹ 248.00 Lakhs to the Managing Director and Executive Directors and directors sitting fees and commission to non-executive directors aggregating ₹ 73.34 Lakhs has been charged to the Consolidated statement of profit and loss. During the year ended March 31, 2019, Commission of ₹ 1,137.54 Lakhs to the Managing Director and Executive Director of Group Company Erstwhile Fermenta Binterb Limited and Commission and directors sitting fees aggregating ₹ 169.98 Lakhs to the Non-Executive directors has been charged to the Consolidated statement of profit and loss.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 52 - Categories of the financial instruments

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Financial assets		
Financial assets measured at fair value through Other comprehensive		
Investments in equity instruments - quoted	21.49	10.14
Investments in equity instruments - unquoted	4.11	48.05
Financial assets measured at fair value through profit or loss		
Investments in mutual funds - unquoted	129.24	301.78
Financial assets measured at amortised cost		
(i) Trade receivables	6,977.42	6,554.40
(ii) Cash and cash equivalents	849.44	4,116.96
(iii) Bank balances other than (ii) above	2,559.54	5,036.92
(iv) Share application money	80.00	677.00
(v) Loans	2,189.50	1,240.08
(vi) Other financial assets	1,042.96	720.97
Total Financial assets	13,853.70	18,706.30
Financial liabilities measured at amortised cost		
(i) Borrowings	22,029.02	20,619.51
(ii) Lease liabilities	368.92	-
(iii) Trade payables	5,633.47	4,271.96
(iv) Other financial liabilities	1,616.15	3,070.96
Total Financial liabilities	29,647.56	27,962.43

Note 53 - Reconciliation of Level 3 fair value measurements:

Particulars	March 31, 2020	March 31, 2019
Opening balance	48.05	4.11
Transferred during the year	-	43.94
Total gains or (losses)		
Recognised in consolidated statement of profit and loss.	(43.94)	-
Closing balance	4.11	48.05

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note 54 - Fair Value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
(i) Trade receivables	6,977.42	6,554.40	6,977.42	6,554.40
(ii) Cash and cash equivalents	849.44	4,116.96	849.44	4,116.96
(iii) Bank balances other than (ii) above	2,559.54	5,036.92	2,559.54	5,036.92
(iv) Share application money	80.00	677.00	80.00	677.00
(v) Loans	2,189.50	1,240.08	2,189.50	1,240.08
(vi) Others financial assets	1,042.96	720.97	1,042.96	720.97
Total assets	13,698.86	18,346.33	13,698.86	18,346.33
Financial liabilities				
(i) Borrowings	22,029.02	20,619.51	22,029.02	20,619.51
(ii) Lease liabilities	368.92	-	368.92	-
(iii) Trade payables	5,633.47	4,271.96	5,633.47	4,271.96
(iv) Other financial liabilities	1,616.15	3,070.96	1,616.15	3,070.96
Total liabilities	29,647.56	27,962.43	29,647.56	27,962.43

The financial assets above do not include other investments measured at fair value through OCI.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the Consolidated financial statements approximate their fair values.

Note 55 -Fair value hierarchy :

	March 31, 2020		March 31, 2019	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income				
Investments in equity shares-quoted	21.49	Level 1	10.14	Level 1
Investments in equity shares-unquoted	4.11	Level 3	48.05	Level 3
Financial assets measured at fair value through profit or loss				
Investments in mutual funds	129.24	Level 1	301.78	Level 1

Note 56 -Financial risk management objectives and policies

The Group is exposed to credit risk, liquidity risk and market risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings. The Group is exposed to market risks related to foreign exchange rate risk, commodity rate risk, interest rate risk and other price risks, such as equity price risks. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

i) Equity price risk

The Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investments in securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors review and approve, all investments in the equity investments.

As at March 31, 2020, the group had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2020 and March 31, 2019, the Group did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short term borrowings obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate long term and short term borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the borrowings. With all other variables held constant, the Group's profit before tax will be affected as below due to change in interest rate:

Year ended	(+)Increase/(-) decrease in basis points	Effect on profit (decrease) / increase #
March 31, 2020	+0.50	(110.09)
	-0.50	110.09
March 31, 2019	+0.50	(103.10)
	-0.50	103.10

Loss before tax will have an equal but opposite impact.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the observable market environment as at the respective year end.

iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Group's raw materials generally are stable. Cost of raw materials forms the largest portion of the Group's cost of revenues. A large portion of the Group's sales are subject to commodity rate risk having a volatile pricing. The group monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

iv) Foreign currency risk

The Group's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Groups's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group largely uses the natural hedge to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

The Group did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures that have not been hedged (before giving effects of natural hedge) by derivative instrument or otherwise are given below:

A) Significant foreign currency risk exposure relating to trade receivables, other financial assets and cash and cash equivalents :

Particulars	March 31, 2020			March 31, 2019	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial assets					
Cash and cash equivalents (including EEFC)					
	EURO	5.60	465.11	0.30	23.66
	USD	1.31	98.13	0.72	49.99
	SGD	0.02	0.87	-	-
Trade receivables and other financial assets					
	USD	46.68	3,506.00	46.38	3,215.33
	EURO	32.66	2,786.40	35.45	2,756.26

DVK INVESTMENTS PRIVATE LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2020
B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	March 31, 2020			March 31, 2019	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial liabilities					
Trade payable	EURO	11.30	940.42	8.41	656.81
	USD	5.39	405.29	1.82	126.33
	CZK	0.01	0.03	-	-
	GBP	0.01	0.60	-	-
Borrowings (PCFC)	EURO	62.33	5,185.86	60.24	4,701.99
	USD	16.40	1,233.97	6.18	430.09
External Commercial borrowing (ECB)	EURO	22.52	1,873.85	10.40	811.75
Foreign Currency Term Loan (FCTL)	EURO	22.52	1,873.40	-	-

C) Foreign currency sensitivity

For the years ended March 31, 2020 and March 31, 2019, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Group's profit and increase the Group's equity by approximately ₹ 232.62 Lakhs and ₹ 4.80 Lakhs, respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party to which the Group grants credit terms in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Group evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for trade receivables - Refer note 16)

Trade receivables	March 31, 2020	March 31, 2019
Not due	2,750.41	4,407.05
1 - 90 days	2,702.74	2,029.47
91 -180 days	1,471.44	104.95
Beyond 180 days	419.44	321.66
	7,344.03	6,863.13

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Credit risk in case of Intercompany deposit given is managed by the Group's in accordance with the Group's policy. ICD only be given out of surplus funds, are made only with the approval of the Group's Board of Directors and are reviewed by the Group's Board on an annual basis.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

March 31, 2020	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	22,029.02	11,850.35	5,207.06	4,971.61
Other financial liabilities	1,616.15	1,556.71	59.44	-
Lease liabilities	368.92	104.85	264.07	-
Trade payables	5,633.47	5,633.47	-	-
Total	29,647.56	19,145.38	5,530.57	4,971.61

March 31, 2019	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	20,619.51	7,098.58	6,290.23	7,230.70
Other financial liabilities	3,070.96	2,885.78	185.18	-
Trade payables	4,271.96	4,271.96	-	-
Total	27,962.43	14,256.32	6,475.41	7,230.70

The Group had unutilised credit limit of borrowing facilities as at March 31, 2020: ₹ 3,400.00 lakhs and as at March 31, 2019 ₹ 5,587.82 lakhs from banks.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note 57 - Capital management

The Group's capital management objectives are:

- to ensure the Groups's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the Consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

(i) The gearing ratio at the end of the year was as follows:

	March 31, 2020	March 31, 2019
Debts (Term loans and loans repayable on demand including current maturities of long term borrowings)	22,029.02	20,619.51
Less: Cash and cash equivalents (Refer note 17)	849.44	4,116.96
Net debt	21,179.58	16,502.55
Total equity	20,854.49	18,189.09
Net debt to equity ratio	102%	91%

(ii) Dividend on equity shares paid during the year

	March 31, 2020	March 31, 2019
Dividend on equity shares		
Dividend for the year ended March 31, 2020 of ₹ 4.60 (previous year for year ended March 31, 2019 Nil) per fully paid share of ₹ 10 each	300.00	-
Dividend distribution tax on above	-	-

(ii) Dividend on equity shares paid by the Group Company during the year

	March 31, 2020	March 31, 2019
Dividend on equity shares		
Dividend for the year ended March 31, 2019 of ₹ 1.25 per share on 91,72,792 equity shares of ₹ 5.00/- each, fully paid up (March 31, 2018: ₹ 1.25 per share on 91,72,792 equity shares of ₹ 5.00/- each, fully paid up)	114.68	114.68
Dividend distribution tax on above	23.57	23.57
Interim dividend paid during the year ended March 31, 2020 of ₹ 5.00/- per share on 96,15,774 equity shares (net of 1,94,555 equity shares of ₹ 5.00/- each which were held by ESOP Trust)	480.78	-
Dividend distribution tax on above	100.83	-

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Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note 58 - Investment properties

The Group's investment properties consist of Thane One Building and freehold land located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to Thane One building and freehold land at thane, the Group has freehold land at Takawe and also premises at Ceejay House, Worli, Mumbai.

Criteria used for classification of property as investment property

The Group has considered the following for classification of property as investment property:

(i) Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.

(ii) The properties that are not occupied by the Group for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Group has a building which is primarily meant for renting, is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Group has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area.

Estimation of fair value

The fair value of the Investment Property has been determined as ₹ 44,688.19 Lakhs. (March 31, 2019 ₹ 44,688.19 Lakhs) The Group had carried out the fair valuation of the investment property during the year ended March 31, 2019 and according to the management there is no change in the fair value for the year ended March 31, 2020. The fair value has been determined by an external, independent property valuer, having appropriate professional qualification and recent experience in the location and category of the property being valued. The Group Company obtains independent valuation for its investment property and fair value measurement has been categorised as Level 3. The fair value has been arrived at by using comparable market rate approach. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village Majiwada area, Takawe area, and Worli area.

Amount recognised in Consolidated statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Income from investment properties	1,732.72	1,541.52
Less: Direct operating expenses (including repairs and maintenance) generating income from investment	1,169.62	750.82
Income arising from investment properties	563.10	790.70
Less: Depreciation	(256.64)	(260.18)
Income/(loss) arising from investment properties after depreciation	306.46	530.52

Refer note 43B for operating lease arrangements and total future minimum lease rentals receivable.

Refer note 24 for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Note 59 - Income tax

A Tax expense recognised in the Consolidated statement of profit and loss and other comprehensive income consists of:

Particulars	March 31, 2020	March 31, 2019
Tax expenses:		
Current tax	338.88	3,195.65
Deferred tax credit	(1,948.89)	(2,115.30)
Income tax expense recognised in the Consolidated statement of profit and loss	(1,610.01)	1,080.35
Tax expense recognised in other comprehensive income	70.07	(35.33)
Total tax expense	(1,539.94)	1,045.02

B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

Particulars	March 31, 2020	March 31, 2019
Profit before tax	4,340.29	12,934.58
Enacted income tax rate in India (%) #	29.120%	34.944%
Income tax expense calculated at enacted income tax rate	1,263.89	4,519.85
Effect of tax on:		
Brought forward tax loss of the past year for which DTA is created	-	(1,732.05)
Impact of change in tax rates on Deferred tax assets	84.89	-
MAT Credit entitlement recognised	(5,072.14)	-
Utilisation of Deferred tax asset recognised on unabsorbed depreciation/ carried forward losses pursuant to scheme of amalgamation (refer note 64)	2,946.52	-
Expenses disallowed under Income Tax Act	65.35	124.27
Carried forward tax loss / unabsorbed tax depreciation of subsidiary for the current year for which DTA is not created	65.18	-
Income exempted from tax	(1,198.96)	(2,628.46)
Incremental deduction on account of research and development costs	(167.54)	(213.60)
Reversal of income tax expense of financial year 2018-19 pursuant to scheme of amalgamation (Refer note 64)	(510.03)	-
Differential tax effect due to effective tax rate difference	853.92	1,003.66
Others	58.91	6.68
Total income tax expense	(1,610.01)	1,080.35
Tax expense recognised in profit or loss	(1,610.01)	1,080.35
Tax expense recognised in other comprehensive income	70.07	(35.33)
Total tax expense	(1,539.94)	1,045.02
	0.00	(0.00)

The tax rate used for reconciliation above is the corporate tax rate of 29.12% (March 31, 2019: 34.944%) at which the Parent Company is liable to pay tax on taxable income under the Indian tax Law.

C The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows:

Particulars	For the year ended March 31, 2020			As at March 31, 2020
	As at April 01, 2019	Statement of profit and loss	Other comprehensive income	
(I) Components of deferred tax assets (Net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(1,457.07)	(76.16)	-	(1,533.23)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	218.53	(26.47)	(70.07)	121.99
Allowance for doubtful debts and advances	223.72	(81.55)	-	142.17
Unabsorbed depreciation/carried forward losses	2,946.51	(2,946.51)	-	-
MAT Credit entitlement	-	5,072.14	-	5,072.14
Others	-	7.44	-	7.44
Deferred tax charge		1,948.89	(70.07)	5,343.74
Net deferred tax assets	1,931.70			3,810.51

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Notes to the Consolidated financial statements for the year ended March 31, 2020

₹ in Lakhs

Particulars	For the year ended March 31, 2019			
	As at April 01, 2018	Statement of profit and loss	Other comprehensive income	As at March 31, 2019
(I) Components of deferred tax assets (Net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(1,265.93)	(191.14)	-	(1,457.07)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	92.59	90.61	35.33	218.53
Allowance for doubtful debts and advances	467.88	(244.16)	-	223.72
Unabsorbed depreciation/carried forward losses	492.49	2,454.02	-	2,946.51
Others	(5.96)	5.96	-	-
Deferred tax charge		2,115.30	35.33	
Net deferred tax assets	(218.93)			1,931.70

D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised:

Particulars	March 31, 2020	March 31, 2019
Unused tax losses (capital in nature)	225.42	225.42
Unused tax losses of subsidiary	223.85	-
Unused MAT Credit		4,242.14

The unused tax losses (capital in nature) will expire from financial year 2020-21 to financial year 2027-28 and unused tax credits were expiring from financial year 2021-22 to financial year

Pursuant to scheme of amalgamation of the Group Company has, recognised an intangible asset of Rs. 60,390.05 Lakhs in the form of Goodwill, in its income tax block of assets and has claimed the corresponding depreciation of Rs. 15,097.51 Lakhs under Section 32(1) of the Income Tax Act, 1961 ('the Act') in the revised income tax return filed on July 26, 2020 for the assessment year 2019-2020. Pending the outcome of the assessment by the income tax authorities, the aforesaid amount of depreciation has not been considered as a deduction for arriving at the provision for taxation and also deferred tax asset has not been created on the amount recognized as goodwill for the purposes of the Act

DVK INVESTMENTS PRIVATE LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2020

Note 60 -Share-based payments

₹ in Lakhs

Employee share option plan of the Group Company

1.1 Details of the employee share option plan of the Subsidiary Company

This ESOP 2019 scheme has been framed pursuant to the Scheme of Amalgamation between the erstwhile Group Company i.e Fermenta Biotech Limited ("Transferor Company") with DIL Limited ("Transferee Company") and their respective shareholders. The Transferor Company prior to the Scheme of Amalgamation had implemented the 'Fermenta Biotech Limited - Employee Stock Option Plan 2019' and were granted employee stock options to its eligible employees. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.398) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.398) and fractions rounded off to the next higher whole number. The terms and conditions of ESOP 2019 Scheme of DIL Limited are not less favourable than those of ESOP Scheme of erstwhile Fermenta Biotech Limited. Under the ESOP 2019 Scheme, stock options have been issued to the eligible employees of erstwhile Fermenta Biotech Limited

In accordance with the terms of the plan, as approved by the erstwhile shareholders of Group Company i.e Fermenta Biotech Limited at an extra ordinary general meeting, executives and senior employees with the Company were granted options to purchase equity shares.

Each employee share option converts into one equity share of the subsidiary Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Subsidiary Company and the individual's achievement judged against both qualitative and quantitative criteria.

The following share-based payment arrangements were in existence during the current year:

Options series	Number**	Grant date	Expiry date	Exercise price	Fair value at grant dates
Plan 1 (60% of options granted under ESOP 2019)	126,143	25.02.2019 and 12.08.2019	25.02.2025 and 12.08.2025	83.67	421.71
Plan 1 (20% of options granted under ESOP 2019)	42,047	25.02.2019 and 12.08.2019	25.02.2026 and 12.08.2026	83.67	421.71
Plan 1 (20% of options granted under ESOP 2019)	42,047	25.02.2019 and 12.08.2019	25.02.2027 and 12.08.2027	83.67	421.71
Plan 2 (100% of options granted under ESOP 2019)	217,410	25.02.2019	25.02.2025	83.67	418.22

Options granted under ESOP 2019 shall vest not before 1 (one) year and not later than maximum Vesting Period of 5 (five) years from the date of grant of such Options. Subject to the minimum vesting period of one year, the Nomination and Remuneration Committee of the Board at its discretion approve for acceleration of Vesting of any or all unvested Options of the Option Grantee.

The above number of options, fair value at grant dates and exercise price are adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

**The number of options are after giving effect of the scheme of amalgamation and bonus shares issued during the year.

1.2 Fair value of share options granted

The weighted average fair value of the share options granted during the financial year is ₹ 421.71 (Previous year ₹ 419.86). Options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been calculated based on a weighted average of vests. Expected volatility is based on the historical share price information of similar listed entities.

Inputs into the model	Option series**			
	Plan 1 (60% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 2 (100% of options granted under ESOP 2019)
Grant date share price	421.71	421.71	421.71	418.22
Exercise price	83.67	83.67	83.67	83.67
Expected volatility	69.28%	68.83%	68.08%	69.28%
Option life	4.51 years	5.51 years	6.51 years	4.51 years
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	7.14%	7.25%	7.35%	7.14%

**The above fair value at grant dates and exercise price are adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

1.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	March 31, 2020		March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	140,199	83.67	-	-
Pursuant to scheme of amalgamation (Refer Note 1.2)	-	-	140,199	83.67
Granted during the year	5,219	83.67	-	-
Forfeited during the year	2,869	83.67	-	-
Bonus options issued during the year	285,098	83.67	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	427,647	83.67	140,199	83.67

Number of shares and exercise price are adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

No share options were exercised during the year.

1.4 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price adjusted for post bonus, of ₹ 83.67 (as at March 31, 2019: ₹ 251, after adjusting bonus ₹ 83.67), and a weighted average remaining contractual life of 3.80 years.

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Notes to the Consolidated financial statements for the year ended March 31, 2020

₹. in Lakhs

Note 61 - Commitments:

	March 31, 2020	March 31, 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,852.15	2,097.98
(b) Lease commitments	362.08	452.83
	<u>2,214.23</u>	<u>2,550.81</u>

Note 62 - Contingent liabilities:

	March 31, 2020	March 31, 2019
Claims against the Group not acknowledged as debts:		
a) Tax matters		
Service tax department raised demand of ₹ 22.50 Lakhs consisting of Service Tax of ₹ 7.50 Lakhs and penalty of ₹ 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. The Company has preferred an appeal to Bombay High Court.	22.50	22.50
The Deputy Commissioner of sales tax has confirmed the order of the Assistant Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Assistant Commissioner pending final disposal.	4.63	4.63
b) Other claims (legal claim not accepted by the Group)	-	25.00
	<u>27.13</u>	<u>52.13</u>

Note: Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

Note 63 The Group has given share application money of ₹ 597.00 Lakhs to Noble Explochem Ltd, whose total equity as at March 31, 2019, as per the available latest audited financial statements for the year ended March 31, 2019, is negative, where the independent auditors of Noble had issued an adverse audit opinion on the aforesaid financial statements. Further, the operations of Noble were suspended since December 2006. Noble was under insolvency proceedings from May 14, 2018. The Group had been accepted as financial creditor by the NCLT. The NCLT has passed an Order approving the plan filed by one of the resolution applicants, pursuant to which an amount of ₹617.62 Lakhs (including interest) has been received during the year.

Note 64 a) In view of the amalgamation, the Group Company had recognised a deferred tax asset on unutilised carried forward losses and depreciation in respect of DIL Limited as it is probable that future taxable profits will be available against which the unutilised carried forward losses can be utilised.

b) During the year ended March 31, 2020, the management has assessed the recoverability of MAT credit entitlement and recognised MAT credit of ₹ 5,072.14 Lakhs (presented within deferred tax asset). Further, the effect of change in the Minimum alternative tax rate from 18% to 15% plus applicable surcharge and health and education cess thereon as enacted in the Taxation Law (Amendment) Ordinance, 2019 and also a change in the income tax rate from 30% to 25% plus applicable surcharge and health and education cess thereon as enacted in the Union Budget 2019 for companies which have turnover less than 400 crores for the financial year 2017-18. Accordingly, the Group Company had measured the deferred taxes (other than MAT credit entitlement as referred above) as at March 31, 2020 at the eligible tax rate of 25% plus applicable surcharge and health and education cess thereon.

c) The combined effects of the above [64(a) and 64(b)] have been included in the tax expense for the year ended 31st March, 2020. reversal of current tax by 510.03 Lakhs and net credit for deferred tax of 1,611.08 Lakhs.

Note 65 - Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprise Development Act, 2006

Particulars	March 31, 2020	March 31, 2019
(a) i) Principal amount remaining unpaid to any supplier at the end of the accounting year	98.01	97.89
ii) Interest due on above	-	-
The Total of (i) and (ii)	98.01	97.89
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) 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 enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Note 66 - Capitalisation of borrowing costs

During the year ended March 31, 2020, the Group capitalised the following borrowing costs attributable to qualifying assets to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, finance costs disclosed under note 39 are net of amounts capitalised by the Group Company.

Particulars	March 31, 2020	March 31, 2019
Finance costs (Including forex revaluation)	234.29	4.84
Total	234.29	4.84

Note 67 The Group had given (unsecured) Inter-corporate deposits aggregating Rs. 2,130.00 Lakhs in various tranches to another entity over the last twenty months until the end of the reporting period for the development of the new product i.e. cholesterol from Fish Oil. During the year, the Group has also given trade advances of Rs. 102.00 Lakhs to the same entity. The amount outstanding as on March 31, 2020 is Rs. 2,430.88 Lakhs, including interest of Rs. 198.88 Lakhs. The Group has started the export sales of the new product and is confident that it shall be able to recover the trade advances and inter corporate deposit amount along with interest in next 12 months.

Note 68 The World Health Organisation (WHO) declared Covid-19 to be a global pandemic in March 2020. The lockdown and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to the Group.

In Compliance with the directions issued by the Government of India, the Group had suspended operations at two of our manufacturing locations in Dahej, Gujarat and Kullu, Himachal Pradesh with effect from 25th March 2020 to ensure the safety of our employees and their families and to contain the spread of COVID-19.

The Group was granted permission by the District Magistrate, to partially run both of our plants, for manufacturing of Essential Commodities. In view of the same, the Group had resumed partial operations at Kullu plant from 3rd April 2020 and Dahej plant from 4th April 2020.

The Group has adopted work from home policy during the entire duration of lockdown in its corporate office and R&D centre at Thane since 16th March 2020

As per the current assessment of the situation based on the internal and external information available up to the date of approval of these consolidated financial statements by the Board of Directors, the Group believes that the Impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of property, plant and equipment, investment property, goodwill, other intangible assets, inventories, trade receivables, investments and other assets. The eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these consolidated financial statements and the Group will closely monitor any material changes to the economic environment and their impact on its business in the time to come.

Note 69 a) The Board of Directors at their meeting held on November 30, 2020 had approved the Consolidated financial results of the Company for the year ended March 31, 2020. Subsequent thereto there have been no events which require adjustment or disclosure in these Consolidated financial statements except for disclosure made in footnote to note 59D.

For and on behalf of the Board of Directors of
DVK Investments Private Limited



Krishna Datla
Director



Satish Varma
Director



Sonia Gupte
Company Secretary

Thane
Date: November 30, 2020




CERTIFIED TRUE COPY

For Fermenta Biotech Limited

Srikant Sharma
Company Secretary