Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
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Maharashtra, India

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INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors
DIL Limited
A – 1601, Thane One,
DIL Complex, Ghodbunder Road,
Majiwada,
Thane (West) – 400 610

To,
The Board of Directors
Fermenta Biotech Limited
A – 1501, Thane One,
DIL Complex, Ghodbunder Road,
Majiwada,
Thane (West) – 400 610

Introduction

The accompanying Consolidated Ind AS Financial Statements of Fermenta Biotech Limited ("the Company") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Consolidated Ind AS Financial Statements"), has been prepared and extracted by the management of the Company from the Consolidated Ind AS Financial Statements of DIL Limited ("the Parent"), which Consolidated Ind AS Financial Statements were approved by the Board of Directors of the Parent on May 15, 2018 on which we had issued a modified audit opinion by our report of even date. The accompanying Special Purpose Consolidated Ind AS Financial Statements of the Company have been prepared as described in Note 56A to the Special Purpose Consolidated Financial Statements which have been initialed by us for the purposes of identification.

Management's Responsibility

The Parent's Board of Directors is responsible for the preparation of the Consolidated Ind AS Financial Statements of the Parent in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and the Company's Board of Directors is responsible to ensure that the Special Purpose Consolidated Ind AS Financial Statements of the Company have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent and in accordance with Note 56A to the Special Purpose Consolidated Financial Statements, this includes the design, implementation and maintenance of internal control relevant to the preparation of Special Purpose Consolidated Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility, for the purpose of expressing an opinion, is only to examine and report whether the Special Purpose Consolidated Ind AS Financial Statements of the Company have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent, which Consolidated Ind AS Financial Statements were approved by the Board of Directors of the Parent on May 15, 2018 and audited by us in accordance with the Standards on Auditing specified under Section 143(10) of the Act, on which we had issued a modified audit opinion by our report of even date.

We had conducted our audit of the Parent's Consolidated Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards required that we complied with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether the Parent's Consolidated Ind AS Financial Statements are free from material misstatement.

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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Parent's management, as well as evaluating the overall presentation of the consolidated financial statements of the Parent.

Opinion

Based on our examination as above, and according to the information and explanations provided to us by the Management of the Company, we are of the opinion that the Special Purpose Consolidated Ind AS Financial Statements of the Company are prepared in all material aspects in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent which was approved by the Board of Directors of the Parent on May 15, 2018. We have issued a modified opinion of even date on the Consolidated Ind AS Financial Statements of the Parent, however, the matters in respect of which our opinion was modified did not relate to the Special Purpose Consolidated Ind AS Financial Statements of the Company.

Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 56A to the Special Purpose Consolidated Ind AS Financial Statements. These Special Purpose Consolidated Ind AS Financial Statements of the Company, have been extracted from the Consolidated Ind AS Financial Statements of the Parent which were prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India which were approved by the Board of Directors of the Parent on May 15, 2018, and have been prepared for internal use of the management of the Parent and the Company. Our report is addressed to and provided to the Board of Directors of the Parent and the Company, solely for the purpose of internal use and should not be used by any other person or for any other purpose without our prior

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written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Mumbai, December 21, 2018

ANS

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors
DIL Limited
A – 1601, Thane One,
DIL Complex, Ghodbunder Road,
Majiwada,
Thane (West) – 400 610

To,
The Board of Directors
Fermenta Biotech Limited
A – 1501, Thane One,
DIL Complex, Ghodbunder Road,
Majiwada,
Thane (West) – 400 610

Introduction

The accompanying Consolidated Ind AS Financial Statements of Fermenta Biotech Limited ("the Company") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Consolidated Ind AS Financial Statements"), has been prepared and extracted by the management of the Company from the Consolidated Ind AS Financial Statements of DIL Limited ("the Parent"), which Consolidated Ind AS Financial Statements were approved by the Board of Directors of the Parent on May 15, 2018 on which we had issued a modified audit opinion by our report of even date. The accompanying Special Purpose Consolidated Ind AS Financial Statements of the Company have been prepared as described in Note 56A to the Special Purpose Consolidated Financial Statements which have been initialed by us for the purposes of identification.

Management's Responsibility

The Parent's Board of Directors is responsible for the preparation of the Consolidated Ind AS Financial Statements of the Parent in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and the Company's Board of Directors is responsible to ensure that the Special Purpose Consolidated Ind AS Financial Statements of the Company have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent and in accordance with Note 56A to the Special Purpose Consolidated Financial Statements, this includes the design, implementation and maintenance of internal control relevant to the preparation of Special Purpose Consolidated Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility, for the purpose of expressing an opinion, is only to examine and report whether the Special Purpose Consolidated Ind AS Financial Statements of the Company have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent, which Consolidated Ind AS Financial Statements were approved by the Board of Directors of the Parent on May 15, 2018 and audited by us in accordance with the Standards on Auditing specified under Section 143(10) of the Act, on which we had issued a modified audit opinion by our report of even date.

We had conducted our audit of the Parent's Consolidated Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards required that we complied with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether the Parent's Consolidated Ind AS Financial Statements are free from material misstatement.

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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Parent's management, as well as evaluating the overall presentation of the consolidated financial statements of the Parent.

Opinion

Based on our examination as above, and according to the information and explanations provided to us by the Management of the Company, we are of the opinion that the Special Purpose Consolidated Ind AS Financial Statements of the Company are prepared in all material aspects in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and have been properly extracted from the Consolidated Ind AS Financial Statements of the Parent which was approved by the Board of Directors of the Parent on May 15, 2018. We have issued a modified opinion of even date on the Consolidated Ind AS Financial Statements of the Parent, however, the matters in respect of which our opinion was modified did not relate to the Special Purpose Consolidated Ind AS Financial Statements of the Company.

Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 56A to the Special Purpose Consolidated Ind AS Financial Statements. These Special Purpose Consolidated Ind AS Financial Statements of the Company, have been extracted from the Consolidated Ind AS Financial Statements of the Parent which were prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India which were approved by the Board of Directors of the Parent on May 15, 2018, and have been prepared for internal use of the management of the Parent and the Company. Our report is addressed to and provided to the Board of Directors of the Parent and the Company, solely for the purpose of internal use and should not be used by any other person or for any other purpose without our prior

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written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Mumbai, December 21, 2018

Fermenta Biotech Limited
CIN : U99999MH1986PLC134021

Consolidated Balance Sheet as at March 31, 2018

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(₹ in Lakhs)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	7,472.57	7,200.98	6,573.86
(b) Capital work-in-progress		250.06	276.46	533.37
(c) Goodwill		1.13	1.13	1.13
(d) Other intangible assets	4	208.92	129.91	181.55
(e) Intangible assets under development		99.50	142.52	3.00
(f) Financial assets				
(i) Investments	5	4.11	4.11	3.65
(ii) Loans	6	-	-	-
(iii) Other financial assets	7	426.04	93.00	92.59
(g) Non-current tax assets (Net)	14	8.03	6.73	69.40
(h) Other non-current assets	8	447.54	481.25	493.67
Total non-current assets		**8,917.90**	**8,336.09**	**7,952.22**
Current assets				
(a) Inventories	9	5,117.88	3,874.59	2,483.78
(b) Financial assets				
(i) Trade receivables	10	6,863.02	4,462.61	4,338.29
(ii) Cash and cash equivalents	11	2,162.73	151.46	131.08
(iii) Bank balances other than (ii) above	11A	930.58	153.71	68.68
(iv) Loans	12	1.09	1.06	-
(v) Other financial assets	13	22.57	12.44	42.12
(c) Other current assets	15	2,623.32	882.77	716.74
Total current assets		**17,721.19**	**9,538.64**	**7,780.69**
TOTAL ASSETS		**26,639.09**	**17,874.73**	**15,732.91**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	1,770.45	1,770.45	1,770.45
(b) Other equity	17	15,503.13	8,221.95	7,245.57
Equity attributable to owners of the Company		**17,273.58**	**9,992.40**	**9,016.02**
Non-Controlling Interests		(0.30)	(0.04)	0.30
Total Equity		17,273.28	9,992.36	9,016.32
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	18	335.00	606.46	363.34
(b) Provisions	19	201.09	192.45	143.76
(c) Deferred tax liabilities (Net)	25	220.14	273.53	400.58
Total non-current liabilities		756.23	1,072.44	907.68
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	2,413.01	3,363.02	2,847.21
(ii) Trade payables	21	3,886.33	2,709.90	1,795.65
(iii) Other financial liabilities	22	1,442.27	597.06	900.49
(b) Provisions	24	30.20	33.74	35.18
(c) Current tax liabilities (Net)	26	376.06	27.98	154.80
(d) Other current liabilities	23	461.71	78.23	75.58
Total current liabilities		8,609.58	6,809.93	5,808.91
TOTAL EQUITY AND LIABILITIES		26,639.09	17,874.73	15,732.91

See accompanying notes to the consolidated financial statements 1-56

for DIL Limited
Authorised Signatories

for Fermenta Biotech Ltd.
Authorised Signatories

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FERMENTA BIOTECH THANE

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Fermenta Biotech Limited

CIN : U99999MH1986PLC134021

fbl

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Notes	For the year ended 31, March 2018	For the year ended 31, March 2017
Income			
Revenue from operations	27	29,202.00	16,078.40
Other income	28	851.21	234.33
Total income		**30,053.21**	**16,312.73**
Expenses			
Cost of materials consumed	29	8,490.24	8,187.58
Purchases of stock-in-trade		28.80	22.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(538.92)	(1,377.72)
Excise duty on sale of goods		30.79	155.89
Employee benefits expense	31	3,405.77	2,217.66
Finance costs	33	299.95	364.63
Depreciation and amortisation expense	32	852.62	685.20
Other expenses	34	8,168.06	4,817.64
Total expenses		**20,737.31**	**15,073.09**
Profit before tax		**9,315.90**	**1,239.64**
Tax expense:			
(1) Current tax [(Refer note 45 (B)]		2,104.43	349.40
(2) Deferred tax [(Refer note 45 (C)]		(62.57)	(112.70)
Total tax expense		**2,041.86**	**236.70**
Profit for the year before non-controlling interests		**7,274.04**	**1,002.94**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of defined benefit plan		10.50	(41.70)
(ii) Income tax relating to remeasurement of defined benefit plan		(3.63)	14.43
(b) (i) Net fair value change in investment in equity instruments through other comprehensive income		-	0.46
(ii) Income tax relating to fair value change in investments in equity instruments through other comprehensive income			(0.09)
Total other comprehensive income / (loss) for the year		**6.87**	**(26.90)**
Total comprehensive income for the year		**7,280.91**	**976.04**
Profit for the year attributable to:			
- Owners of the Company		7,274.31	1,003.28
- Non-controlling interests		(0.27)	(0.34)
		7,274.04	1,002.94
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		6.87	(26.90)
- Non-controlling interests		-	-
		6.87	(26.90)
Total Comprehensive Income for the year attributable to:			
- Owners of the Company		7,281.18	976.38
- Non-controlling interests		(0.27)	(0.34)
		7,280.91	976.04
Earnings per equity share (nominal value per equity share ` 10 each)	37	**39.98**	**5.51**
Basic (in `)		**39.98**	**5.51**
Diluted (in `)			

See accompanying notes to the consolidated financial statements 1-56

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

for DIL Limited

Authorised Signatories

21 DEC 2018

for Fermenta Biotech Ltd.

Authorised Signatories

FERMENTA BIOTECH LTD. ★ THANE

Fermenta Biotech Limited
CIN : U99999MH1986PLC134021
Consolidated Cash Flow Statement for the year ended March 31, 2018

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(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	9,315.90	1,239.64
Adjustments for :		
Depreciation and amortisation expense	852.62	685.20
Net unrealised foreign exchange gain	(240.69)	(48.90)
Loss / (Profit) on sale of property, plant and equipment (Net)	(86.12)	9.05
Provision for doubtful debts and advances	449.87	425.54
Impairment of non-current investment in a subsidiary	0.00	-
Finance costs	299.95	364.63
Dividend income	(0.24)	(0.20)
Interest income	(32.26)	(20.65)
Operating profit before working capital changes	10,559.03	2,654.31
Movements in working capital :		
Increase in trade payables	1,187.96	951.90
Increase in provisions	57.30	15.36
Increase / (decrease) in other liabilities	1,359.61	(79.34)
Increase in inventories	(1,243.29)	(1,390.81)
Increase in trade receivables	(2,552.16)	(576.20)
Increase in other assets	(2,123.86)	(148.90)
Cash generated from operations	7,244.59	1,426.32
Income tax paid (Net of refunds)	(1,757.64)	(406.92)
Net cash generated by operating activities (A)	5,486.95	1,019.40
Cash flows from investing activities		
Payments for purchase of property, plant and equipment (Including capital work-in-progress, intangible assets and intangible assets under development)	(1,257.91)	(1,093.88)
Proceeds from sale of property, plant and equipment	165.97	1.11
Bank balances not considered as cash and cash equivalents (Net)	(776.87)	(84.33)
Interest received	10.92	8.74
Dividend received	0.24	0.20
Net cash used in investing activities (B)	(1,857.65)	(1,168.16)
Cash flows from financing activities		
Proceeds from borrowings	28.00	965.85
Repayment of borrowings	(1,348.48)	(608.97)
Finance costs	(297.55)	(371.38)
Net cash used in financing activities (C)	(1,618.03)	(14.50)
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	2,011.27	(163.26)
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	0.02
Cash and cash equivalents at the beginning of the year	151.46	(1,357.97)
Cash and cash equivalents at the end of the year	2,162.73	(1,521.21)
Components of cash and cash equivalents		
Cash in hand	3.24	6.42
Balances with banks	1,153.35	145.01
Deposits with original maturity of less than 3 months	1,006.14	0.03
Cash and cash equivalents (Refer note 11)	2,162.73	151.46
Cash credit forming part of cash management (Refer note 20)	-	(1,673.31)
Total cash and cash equivalents considered for cash flows	2,162.73	(1,521.85)

See accompanying notes to the consolidated financial statements 1-56

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

for DIL Limited

Authorised Signatories

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for Fermenta Biotech Ltd.

Authorised Signatories

FERMENTA BIOTECH ★ THANE

Fermenta Biotech Limited
CIN : U99999MH1986PLC134021
Consolidated Statement of Changes in Equity for the year ended March 31, 2018

fbl

(₹ in Lakhs)

(a) Equity share capital

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance at the beginning and end of the year	1,770.45	1,770.45	1,770.45

(b) Other equity

	Reserves and surplus				Items of other comprehensive income	Total
	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2016	1,706.46	103.38	92.32	5,342.09	1.32	7,245.57
Profit for the year	-	-	-	1,003.28	-	1,003.28
Other comprehensive income/(loss) for the year	-	-	-	(27.27) *	0.37	(26.90)
Balance as at March 31, 2017	1,706.46	103.38	92.32	6,318.10	1.69	8,221.95
Profit for the year	-	-	-	7,274.31	-	7,274.31
Other comprehensive income for the year	-	-	-	6.87 *	-	6.87
Balance as at March 31, 2018	1,706.46	103.38	92.32	13,599.28	1.69	15,503.13

*Represents remeasurement of defined benefit plan

(c) Total equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity [(a)+(b)]	17,273.58	9,992.40	9,016.02

See accompanying notes 1-56 to the consolidated financial statements

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS MUMBAI

for DIL Limited
Authorised Signatories

21 DEC 2018

for Fermenta Biotech Ltd.
Authorised Signatories

FERMENTA BIOTECH LTD. THANE

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1. Corporate information

Fermenta Biotech Limited ('FBL' or 'the parent Company') is a public limited Company incorporated and domiciled in India under the Companies Act, 1956. The registered office of the Company is located at A- 1501 ,Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400610, together with its subsidiaries Fermenta Biotech (UK) Limited ('FBLUK') and G.I. Biotech Private Limited ('GI BIO') collectively referred to as 'the Group', is in the business of manufacturing and selling of chemicals primarily bulk drugs and enzymes.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Upto the year ended March 31, 2017, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 01, 2016. Refer Note 52 for details of first-time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments 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 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 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.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- 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.
- the Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

ii) potential voting rights held by the Company, other vote holders or other parties;

iii) rights arising from other contractual arrangements; and

iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of subsidiary begins when the Company obtains control over the subsidiary and ceases when the 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 Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the 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 in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

FERMENTA BIOTECH LTD. THANE

(c) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation 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 interest 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 recognized 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 recognized 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. 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 impairment 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.

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 prorata based on the carrying amount of each assets 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) 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 retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 foreign currency are not retranslated.

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

- exchange difference 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 currency borrowings;
- exchange difference 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.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income/(loss) and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, 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 or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss. Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(g) 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.

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(h) Employee Benefits

i) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave 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.

ii) Long-term employee benefits:

A) Defined contribution plan: The Group contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) 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 plans: The employees' gratuity fund scheme represents defined benefit plans. 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. Remeasurement, 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 the 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 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 categorised as follows:

(1) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

(2) net interest expenses or income; and

(3) remeasurement

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

C) Liabilities recognised in respect of other long term employee benefits are actuarially 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.

(i) 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 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 Group's 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 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. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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. When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. 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.

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 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.

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(j) **Revenue recognition**

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, net of returns, trade discounts and volume rebates allowed by the Group. Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as sales tax, value added tax and Goods and Services Tax are excluded from revenue.

Sale of Goods:

- Revenue from sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied :

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Group; and

- the cost incurred or to be incurred in respect of the transactions can be measured reliably.

Rendering of services:

Revenue from services rendered is recognized pro-rata over the period of the contract in the Statement of profit and loss as the underlying services are performed.

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 recognized on receipt of the 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 Statement of profit and loss and is accounted in the year of export.

(h) **Property, plant and equipment (PPE)**

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.

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 capitalised 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 derecognised 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 the property, plant and equipment are as follows:

Asset Category	**Estimated useful life (in years)**
Buildings	30
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	10
Vehicles	8

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its tangible property, plant and equipment recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(i) Intangible assets

(a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

(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
(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 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 amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised 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 asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The estimated useful lives of the intangible assets are as follows:

Asset Category	Estimated useful life (in years)
Computer softwares	3-6
Product know how	3-5

(j) 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) (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 companies of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or 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 cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss.

(k) 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.

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(l) 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 derecognised on a trade date basis. Regular way 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 measurement, 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. The EIR amortisation 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. This category generally applies to trade and other receivables.

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 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 recognises 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.

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 Group 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').

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 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 derecognised (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.

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 recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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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 amortised 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 measures 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.

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 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 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 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 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 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 49.

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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 recognition.

Derecognition of financial liabilities:

The Group derecognises 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 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.

(m) 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 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 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 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 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 capitalised 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.

(n) 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.

(o) 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 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 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 case where there is a 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 financial statements.

(p) Earnings per share

The Group presents basic and diluted earnings per share 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 Group does not have any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

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(q) 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 outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(r) Operating segments:

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

(s) 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 financial statements is included in the following notes:

Fair value measurement of financial instruments:
When the fair values of financials 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 :
Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. 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 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 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(f)]
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.

Provisions: [refer note 2(o)]
Write down in value of inventories: (refer note 9)
Contingencies (refer note 35)

(t) 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 Group 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
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 Group 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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(₹ in Lakhs)

3 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Total
Deemed cost as at April 01, 2016	36.04	2,272.92	4,095.33	71.06	98.51	6,573.86
Additions	-	139.63	1,110.70	11.44	-	1,261.77
Disposals	-	(7.92)	(1.05)	-	(1.20)	(10.17)
Balance as at March 31, 2017	**36.04**	**2,404.63**	**5,204.98**	**82.50**	**97.31**	**7,825.46**
Additions	-	420.33	558.92	24.71	71.12	1,075.08
Disposals	(1.74)	-	(54.92)	(1.14)	(37.44)	(95.24)
Balance as at March 31, 2018	**34.30**	**2,824.96**	**5,708.98**	**106.07**	**130.99**	**8,805.30**
Accumulated depreciation						
As at April 1, 2016	-	-	-	-	-	-
Depreciation expense	-	124.27	460.88	13.43	25.90	624.48
Balance as at March 31, 2017	-	**124.27**	**460.88**	**13.43**	**25.90**	**624.48**
Depreciation expense	-	170.92	503.48	14.31	19.54	708.25
Balance as at March 31, 2018	-	**295.19**	**964.36**	**27.74**	**45.44**	**1,332.73**
Carrying amount						
As at April 01, 2016	**36.04**	**2,272.92**	**4,095.33**	**71.06**	**98.51**	**6,573.86**
As at March 31, 2017	**36.04**	**2,280.36**	**4,744.10**	**69.07**	**71.41**	**7,200.98**
As at March 31, 2018	**34.30**	**2,529.77**	**4,744.62**	**78.33**	**85.55**	**7,472.57**

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(₹ in Lakhs)

4 **Other Intangible assets**
(Other than internally generated)

	Intangible assets		
Particulars	**Computer software**	**Product Know -how**	**Total**
Deemed cost as at April 01, 2016	37.12	144.43	181.55
Additions	9.08	-	9.08
Disposals	-	-	-
Balance as at March 31, 2017	46.20	144.43	190.63
Additions	220.38	3.00	223.38
Balance as at March 31, 2018	266.58	147.43	414.01
Accumulated amortisation			
As at April 1, 2016	-	-	-
Amortisation expense	15.78	44.94	60.72
Balance as at March 31, 2017	15.78	44.94	60.72
Amortisation expense	42.73	101.64	144.37
Balance as at March 31, 2018	58.51	146.58	205.09
Carrying amount			
As at April 01, 2016	37.12	144.43	181.55
As at March 31, 2017	30.42	99.49	129.91
As at March 31, 2018	208.07	0.85	208.92

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5 **Investments - Unquoted (Non-current)**

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in equity instrument of other entity (Fully paid-up) (Fair value through OCI)			
Shivalik Solid Waste Management Limited	4.11	4.11	3.65
20,000 (March 31, 2017: 20,000, April 01, 2016: 20,000) Equity shares of ₹ 10/- each.			
	4.11	**4.11**	**3.65**

Note:
These investments are held in the name of the parent company.

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(₹ in Lakhs)

6 Loans (Non-current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered doubtful			
Inter corporate deposit	267.83	267.83	267.83
Less : provision for doubtful inter corporate deposit	(267.83)	(267.83)	(267.83)
Total	-	-	-

7 Other financial assets (Non-current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security and other deposits (Refer note below)	394.68	91.82	78.06
Assets for defined benefit plan	-	-	3.56
Others	31.36	1.18	10.97
Total	**426.04**	**93.00**	**92.59**

Note : Security and other deposits includes ₹ 168.13 Lakhs (₹ 15.01 Lakhs as at March 31, 2017 and ₹ NIL as at April 01, 2016) paid to DIL Ltd, the holding Company.

8 Other non-current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital advances	186.66	248.63	250.94
Unamortised lease premium	215.97	225.82	235.66
Deferred rent	44.27	6.16	4.33
Others	0.64	0.64	2.74
Total	**447.54**	**481.25**	**493.67**

9 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials and packing materials (includes stock in transit of ₹ NIL), (as at March 31, 2017, ₹ 50.82 Lakhs and as at April 01, 2016, ₹ 78.51 Lakhs) (Refer note 29)	1,814.48	1,091.95	1,123.91
Work-in-progress (Refer note 30)	2,225.09	2,281.79	1,045.33
Finished goods (Refer note 30)	914.98	319.36	178.10
Stores and spares	163.33	181.49	136.44
Total	**5,117.88**	**3,874.59**	**2,483.78**

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(₹ in Lakhs)

10 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Unsecured, considered good	6,863.02	4,462.61	4,338.29
Unsecured, considered doubtful	1,029.29	589.42	176.06
	7,892.31	5,052.03	4,514.35
Less : Allowance for doubtful debts (Expected credit loss allowance)	(1,029.29)	(589.42)	(176.06)
Total	**6,863.02**	**4,462.61**	**4,338.29**
Movement in the expected credit loss allowance			
Balance at the beginning of the year	589.42	176.06	170.67
Addition during the year	471.65	413.36	5.99
Reversal during the year	(31.78)	-	(0.60)
Balance at the end of the year	**1,029.29**	**589.42**	**176.06**

Note : Trade receivables outstanding includes ₹ 7.38 Lakhs (₹ 0.22 Lakh as at March 31, 2017 and ₹ 9.95 Lakhs as at April 01, 2016) receivables from DIL Ltd. and ₹ 6.33 Lakhs (₹ NIL as at March 31, 2017 and ₹ 4.14 Lakhs as at April 01, 2016) receivables from Dupen Laboratories Pvt Ltd.

11 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
In current accounts	1,153.35	145.01	127.41
In deposit accounts with original maturity for less than 3 months	1,006.14	0.03	0.03
Cash on hand	3.24	6.42	3.64
Total	**2,162.73**	**151.46**	**131.08**

11A Bank balances other than cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
In deposit accounts with original maturity for more than 3 months but less than 12 months* (Refer note below)	930.58	153.71	68.68
Total	**930.58**	**153.71**	**68.68**

*This includes deposits held under lien by bank against guarantees and other commitments amounting to ₹ 130.57 Lakhs (₹ 153.71 Lakhs as at March 31, 2017 and ₹ 68.68 Lakhs as at April 01, 2016)

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(₹ in Lakhs)

12 Loans (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Others	1.09	1.06	-
Total	**1.09**	**1.06**	**-**

13 Other financial assets (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued but not due from banks on fixed deposits	22.57	1.24	0.42
Insurance claim receivable	-	-	39.19
Others			
Unsecured, considered good	-	11.20	2.51
Unsecured, considered doubtful	10.00	-	-
Less: Allowance for doubtful advances	(10.00)	-	-
	-	-	-
Total	**22.57**	**12.44**	**42.12**

14 Tax assets (Net) (Non-current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance income-tax (Net)	8.03	6.73	69.40
Total	**8.03**	**6.73**	**69.40**

15 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance for supply of goods and services			
Considered good	178.46	262.62	181.20
Considered doubtful	30.94	30.94	18.76
Less: Allowance for doubtful advances	(30.94)	(30.94)	(18.76)
Deferred rent	14.27	2.44	1.35
Prepaid expenses	50.82	60.15	50.91
Unamortised lease premium	9.85	9.85	9.85
Travel advances to employees	4.78	12.77	13.98
Export incentives receivable	838.95	326.30	216.67
Balances with government authorities	1,526.19	208.64	242.78
Total	**2,623.32**	**882.77**	**716.74**

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16 **Equity share capital** (₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
19,010,000 (March 31, 2017- 19,010,000, April 01, 2016- 19,010,000) Equity shares of ₹ 10 each	1,901.00	1,901.00	1,901.00
990,000 (March 31, 2017- 990,000, April 01, 2016- 990,000) Preference shares of ₹ 10 each	99.00	99.00	99.00
	2,000.00	2,000.00	2,000.00
Issued, subscribed and fully paid-up capital			
18,192,844 (March 31, 2017- 18,192,844 , April 01, 2016- 18,192,844) Equity shares of ₹ 10 each	1,819.28	1,819.28	1,819.28
Less: 4,88,334 (March 31, 2017- 4,88,334, April 01, 2016- 4,88,334) Equity shares held by FBL ESOP Trust [Refer note (e) below]	(48.83)	(48.83)	(48.83)
	1,770.45	1,770.45	1,770.45

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Equity Shares	₹ In Lakhs	No. of Equity Shares	₹ In Lakhs	No of Equity Shares	₹ In Lakhs
At the beginning of the year	1,81,92,844	1,819.28	1,81,92,844	1,819.28	1,81,92,844	1,819.28
At the end of the year	1,81,92,844	1,819.28	1,81,92,844	1,819.28	1,81,92,844	1,819.28

(b) Details of shareholders holding more than 5% equity shares in the Parent Company

Name of the shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding
DIL Limited	1,65,92,536	91.20%	1,27,62,464	70.15%	1,27,62,464	70.15%
Evolvence India Life Sciences Fund LLC	-	-	38,30,072	21.05%	38,30,072	21.05%

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16 **Equity share capital** (₹ in Lakhs)

(c) Shares held by holding company and ultimate holding company

Out of the equity shares issued by the parent company, shares held by its holding company and ultimate holding company are as below:

Name of the shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Equity Shares	₹ In Lakhs	No. of Equity Shares	₹ In Lakhs	No. of Equity Shares	₹ In Lakhs
DIL Limited, the holding company	1,65,92,536	1,659.25	1,27,62,464	1,276.25	1,27,62,464	1,276.25
DVK Investments Pvt. Ltd., the ultimate holding company	87,024	8.70	87,024	8.70	87,024	8.70

(d) Rights, preference and restrictions

The Parent Company has issued only one class of shares, namely, equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts.

(e) Shares issued to FBL ESOP Trust :

During the year ended March 31, 2011, pursuant to approval from shareholders, the Parent Company has allotted 488,334 equity shares at face value of ₹ 10 each per share against cash to FBL ESOP Trust pending implementation of ESOP plan. The equity shares issued are held by FBL ESOP Trust.

	As at March 31, 2018 No. of Equity Shares	As at March 31, 2017 No. of Equity Shares	As at April 01, 2016 No. of Equity Shares
Outstanding at the beginning of the year	4,88,334	4,88,334	4,88,334
Outstanding at the end of the year	4,88,334	4,88,334	4,88,334

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17 Other equity

(₹ in Lakhs)

	Reserves and Surplus					Items of other comprehensive income	Total
	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings		Equity instruments through OCI	
Balance as at April 01, 2016	**1,706.46**	**103.38**	**92.32**	**5,342.09**		**1.32**	**7,245.57**
Profit for the year	-	-	-	1,003.28		-	1,003.28
Other comprehensive income/(loss) for the year	-	-	-	(27.27)	*	0.37	(26.90)
Balance as at March 31, 2017	**1,706.46**	**103.38**	**92.32**	**6,318.10**		**1.69**	**8,221.95**
Profit for the year	-	-	-	7,274.31		-	7,274.31
Other comprehensive income for the year	-	-	-	6.87	*	-	6.87
Balance as at March 31, 2018	**1,706.46**	**103.38**	**92.32**	**13,599.28**		**1.69**	**15,503.13**

*Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

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

Capital redemption reserve : This reserve was created for redemption of preference shares in the financial year 2004-2005 amounting to ₹ 33.38 Lakhs and in the financial year 2010-2011 ₹ 70.00 Lakhs.

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

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

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.

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(₹ in Lakhs)

18 Borrowings (Non-current)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Secured						
Term Loans						
From Banks						
For Dahej facility [Refer notes below (a) and (b)]	269.04	200.00	472.62	222.19	295.57	466.67
For R & D Thane / registered office [Refer note below (c)]	47.31	75.00	123.68	75.00	30.36	75.00
For Vehicle [Refer note below (d)]	18.65	5.68	0.65	6.77	7.06	8.68
From others						
For Dahej facility [Refer note below (e)]	-	-	-	-	-	33.49
For R & D Thane [Refer note below (e)]	-	9.51	9.51	26.09	30.11	22.75
For Vehicle [Refer note below (d)]	-	-	-	0.22	0.24	2.38
	335.00	290.19	606.46	330.27	363.34	608.97
Amount included under the head "Other financial liabilities" (Refer note 22)	-	(290.19)	-	(330.27)	-	(608.97)
Total	**335.00**	**-**	**606.46**	**-**	**363.34**	**-**

a) Term loan for setting up a new facility at Dahej SEZ is taken from Union Bank of India with interest rates (BR + 4%) ranging from 13.30% to 13.60% repayable in 60 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej and Kullu.

b) Term loan for expansion of Dahej facility is taken from Union Bank of India with interest rate MCLR + 2.15% (effective rate 10.55%) repayable in 48 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building at Dahej and Kullu.

c) 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 10.55%) repayable in 48 equal monthly instalments. The said term loan is secured by way of first charge on fixed assets procured with the financial assistance of the term loan and by equitable mortgage of factory land and building of Dahej and Kullu.

d) Vehicle loans are taken from the Banks and Financial Institutions against hypothecation of the vehicles purchased, repayable in monthly instalments ranging between 36 to 60 months with interest rates ranging from 10% to 14%.

e) Term loans from financial institutions (secured) for financing the purchase of plant and machinery at Dahej SEZ and R & D Thane are taken from Siemens Financial Services Private Limited at interest rates of 13.75%, repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on plant and machinery procured with financial assistance of the said term loan.

19 Provisions (Non-current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for employee benefits:			
Gratuity [Refer note 39 (c)]	36.09	25.18	-
Compensated absences	165.00	167.27	143.76
Total	**201.09**	**192.45**	**143.76**

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(₹ in Lakhs)

20 Borrowings (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Loans repayable on demand			
From Banks (Secured)			
Cash credit		1,673.31	1,489.09
Packing and post shipment credit	2,128.09	1,132.00	1,200.62
Buyers credit	284.92	188.85	-
From Bank (Unsecured)			
Buyers credit	-	368.86	-
(b) Loans from related parties - holding company (Unsecured)	-	-	157.50
Total	**2,413.01**	**3,363.02**	**2,847.21**

Packing credit, post shipment credit, cash credit and buyers credit are from Union Bank of India and are secured against hypothecation of the Company's entire stocks of raw materials, semi-finished, and finished goods, consumable stores and spares and such other moveable assets including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the Company's fixed assets both present and future. The packing credit, cash credit and buyers credit are repayable on demand. The interest rate for preshipment credit in foreign currency is (MCLR+1.4%, effective rate 10.55%) and interest rate for export credit in rupee and cash credit is (MCLR+2.5%, effective rate 10.55%)

Buyers credit is taken from DBS Bank secured by lien on the deposit of ₹ 100 Lakhs. The interest rate is (LIBOR+1.65%)

Term loan from holding company includes:
Short term loan of ₹ NIL (March 31, 2017 ₹ NIL , April 01, 2016 - ₹ 157.50 Lakhs) carrying interest @ 8% to 12% p.a., repayable on demand

21 Trade payables (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of micro and small enterprises (Refer note 44)	38.33	20.20	5.14
Total outstanding dues of creditors other than micro and small enterprises	3,848.00	2,689.70	1,790.51
Total	**3,886.33**	**2,709.90**	**1,795.65**

22 Other financial liabilities (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term borrowings (Refer note 18)	290.19	330.27	608.97
Payable to the employees / directors	1,084.39	105.42	183.85
Liability for capital expenditure	65.01	155.84	98.60
Interest accrued but not due on borrowings	0.55	2.60	6.14
Others	2.13	2.93	2.93
Total	**1,442.27**	**597.06**	**900.49**

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(₹ in Lakhs)

23 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	97.65	35.24	29.27
Statutory dues	271.76	42.99	46.31
Others	92.30	-	-
Total	**461.71**	**78.23**	**75.58**

24 Provisions (Current)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	30.20	33.74	35.18
Total	**30.20**	**33.74**	**35.18**

25 Deferred tax liabilities (Net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred tax liabilities			
Property, plant and equipment: Impact of difference between written down value as per books of accounts and income tax	741.32	652.51	600.99
Fair value and other timing adjustments	5.97	0.42	0.33
Total deferred tax liabilities	**747.29**	**652.93**	**601.32**
Deferred tax assets			
Allowance for doubtful debts and advances	459.62	307.39	150.11
Expenses claimed for tax purpose on payment basis	67.53	72.01	50.63
Total deferred tax assets	**527.15**	**379.40**	**200.74**
Deferred tax liabilities (Net)	**220.14**	**273.53**	**400.58**

26 Current tax liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for income tax (Net)	376.06	27.98	154.80
	376.06	**27.98**	**154.80**

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(₹ in Lakhs)

27 Revenue from operations

	For the year ended 31, March 2018	For the year ended 31, March 2017
Sale of products (Including excise duty)	28,316.10	15,725.13
Sale of services	22.43	5.76
Other operating revenues		
Scrap sales	11.15	5.86
Export incentive	852.32	341.65
Total	**29,202.00**	**16,078.40**

28 Other income

	For the year ended 31, March 2018	For the year ended 31, March 2017
Interest income on financial assets carried at amortised cost:		
Bank deposits	25.19	8.73
Other financial assets	3.32	1.97
Others	3.75	14.81
	32.26	25.51
Dividend income on investment in equity instruments designated as at fair value through other comprehensive income	0.24	0.20
Foreign exchange gain (Net)	431.57	206.68
Net gain on sale of property, plant and equipment	86.12	-
Entry tax refund	280.25	-
Miscellaneous income	20.77	1.94
Total	**851.21**	**234.33**

29 Cost of materials consumed

	For the year ended 31, March 2018	For the year ended 31, March 2017
Inventories of raw materials / packing materials at the beginning of the year	1,091.95	1,123.91
Add : Purchases	9,212.77	8,155.62
Less : Inventories of raw materials / packing materials at the end of the year	1,814.48	1,091.95
Total	**8,490.24**	**8,187.58**

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(₹ in Lakhs)

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

	For the year ended 31, March 2018	For the year ended 31, March 2017
Inventory at the end of the year		
Work-in-progress	2,225.09	2,281.79
Finished goods	914.98	319.36
	3,140.07	2,601.15
Inventories at the beginning of the year		
Work-in-progress	2,281.79	1,045.33
Finished goods	319.36	178.10
	2,601.15	1,223.43
	(538.92)	**(1,377.72)**

31 Employee benefits expense

	For the year ended 31, March 2018	For the year ended 31, March 2017
Salaries, wages and bonus	2,964.32	1,824.42
Contribution to provident and other funds	114.42	102.28
Gratuity expense	55.51	14.91
Staff welfare expenses	271.52	276.05
Total	**3,405.77**	**2,217.66**

32 Depreciation and amortisation expense

	For the year ended 31, March 2018	For the year ended 31, March 2017
Depreciation of property, plant and equipment (Refer note 3)	708.25	624.48
Amortisation of intangible assets (Refer note 4)	144.37	60.72
Total	**852.62**	**685.20**

33 Finance costs

	For the year ended 31, March 2018	For the year ended 31, March 2017
Interest on		
Term loans	87.20	98.38
Working capital	150.49	234.97
Short term loan from the holding company	-	5.96
Others	62.26	25.32
Total	**299.95**	**364.63**

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(₹ in Lakhs)

34 Other expenses

	For the year ended 31, March 2018	For the year ended 31, March 2017
Manufacturing expenses		
Excise duty / GST other than recovered on sales	61.11	10.59
Labour charges	339.92	302.94
Power, fuel and gas	848.40	775.37
Processing charges	735.27	595.31
Repairs to buildings	52.28	43.65
Repairs to machinery	102.45	76.20
Stores and spare parts consumed	839.70	638.56
Water charges	16.46	13.00
	2,995.59	**2,455.62**
Selling and distribution expenses		
Advertising and sales promotions	252.93	103.09
Freight and forwarding charges	398.93	294.31
Commission on sales	2,022.99	126.86
	2,674.85	**524.26**
Administration and other expenses		
Rent	198.62	133.41
Repairs and maintenance - others	225.55	200.65
Insurance	93.18	73.94
Rates and taxes	93.21	79.83
Provision for doubtful debts and advances (net)	449.87	425.54
Directors sitting fees	5.45	2.00
Travelling and conveyance	398.53	332.39
Professional and legal fees	582.87	216.82
Payment to auditors (Refer note 36)	26.07	27.28
Postage and telephone	40.34	35.77
Printing and stationery	34.22	69.53
Staff recruitment expenses	19.65	28.51
Bank charges	51.77	47.55
Loss on sale of property, plant and equipment (Net)	-	9.05
Donations	7.81	8.08
Corporate social responsibility expenses	22.31	8.29
Miscellaneous expenses	248.17	139.13
	2,497.62	**1,837.76**
Total	**8,168.06**	**4,817.64**

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(₹ in Lakhs)

35 Commitments and contingent liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Commitments:			
Estimated amount of contracts remaining to be executed on capital account (Net of advances)	1.57	296.46	526.52
Contingent liabilities:			
Claims against the group not acknowledged as debts			
a) Tax matters			
Excise duty - matter under appeal	-	-	8.00
Sales tax - matter under appeal (including interest and penalty)	20.14	-	-
b) Other claims (Legal claim not accepted by the Company)	-	94.26	54.99

36 Payment to auditors excluding statutory levy

	For the year ended March 31, 2018	For the year ended March 31, 2017
For audit	14.10	13.10
For tax audit	3.00	4.60
For limited review	8.50	7.50
For other services	0.26	0.50
Reimbursement of expenses	0.21	1.58
	* 26.07	# 27.28

* Includes ₹ 2.50 Lakhs in respect of payment to predecessor auditors.
# Includes ₹ 4.60 Lakhs in respect of payment to other than the predecessor auditors

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to owners of the Company used for computation of basic and diluted earnings per share (₹ in Lakhs)	7,274.31	1,003.28
Weighted average number of equity shares used in calculating basic and diluted EPS	1,81,92,844	1,81,92,844
Basic earnings per equity share [nominal value of share ₹ 10 (March 31, 2017: ₹ 10)]	**39.98**	**5.51**
Diluted earnings per equity share [nominal value of share ₹ 10 (March 31, 2017: ₹ 10)]	**39.98**	**5.51**

38 Operating leases

The Group has obtained certain premises for its business operations under operating lease or leave and license agreements. These are generally non-cancellable and periods range between 11 months to 5 years under leave and licence / lease and are renewable by mutual consent and on mutually agreeable terms.

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a)	Lease payments recognized in the Statement of profit and loss	198.62	133.41

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
b)	Future minimum lease payments under non cancellable leases in the aggregate and for each of the following period are as below:			
	(i) Not later than one year	400.85	94.67	94.67
	(ii) Later than one year and not later than five years	1,327.74	122.59	122.59
	(iii) More than five years	-	-	-
		1,728.59	217.26	217.26

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39 Employee benefits (₹ in Lakhs)

The Group operates following employee benefit plans

(I) Defined contribution plans: Provident fund, superannuation fund and employee state insurance scheme (ESIC)

(II) Defined benefit plan: Gratuity (funded)

(III) Other long term benefit plan: Long term compensated absences (unfunded)

	For the year ended March 31, 2018	For the year ended March 31, 2017

I) Defined contribution plan

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 Statement of profit and loss for the year is as under (Refer note 31).

Employer's contribution to provident fund	106.61	101.06
Employer's contribution to superannuation fund	0.91	1.18
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	6.88	-
Employer's contribution to labour welfare fund	0.02	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 Company reviews the level of funding in gratuity fund.

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined benefit obligation	**214.63**	**157.80**
Interest cost	13.49	11.09
Current service cost	29.27	19.77
Past service cost	25.18	-
Benefits paid	(21.86)	(21.54)
Actuarial (Gain)/loss on obligations - due to changes in financial assumptions	(14.01)	38.32
Actuarial (Gain)/loss on obligations - due to changes in experience adjustment	(3.68)	9.19
Closing defined benefit obligation	**243.02**	**214.63**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets	**189.45**	**161.45**
Employer's contributions	34.09	27.78
Interest income	12.43	12.16
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(7.18)	9.60
Benefit paid	(21.86)	(21.54)
Closing fair value of plan assets	**206.93**	**189.45**

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39 Employee benefits

(₹ in Lakhs)

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:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of plan assets	206.93	189.45	161.36
Present value of defined benefit obligation	243.02	214.63	157.80
Amounts recognized in the balance sheet surplus/(deficit)	**(36.09)**	**(25.18)**	**3.56**

d) The amount recognised in Statement of profit or loss in respect of the defined benefit plan are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	29.27	19.77
Past service cost	25.18	-
Net interest expense / (income)	1.06	(4.86)
Components of defined benefit costs recognised in Statement of profit and loss	**55.51**	**14.91**

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	(7.19)	9.60
Actuarial (gains) / losses arising from changes in financial assumptions	14.01	(42.11)
Actuarial (gains) / losses arising from changes in experience adjustments	3.68	(9.19)
Components of defined benefit recognised as income / (expense) in other comprehensive income	**10.50**	**(41.70)**

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount rate (per annum)	7.75%	7.00%	7.85%
Salary escalation rate (per annum)	7.00%	7.00%	5.00%
Expected rate of return on plan assets (per annum)	7.50%	7.50%	7.50%
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2006-08)		
Mortality rate after employment (per annum)	21-30 years - 10%	21-30 years - 10%	21-30 years - 10%
	31-40 years - 5%	31-40 years - 5%	31-40 years - 5%
	41-50 years - 3%	41-50 years - 3%	41-50 years - 3%
	Above 50 years - 2%	Above 50 years - 2%	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 will be in line with financial year 2017-18.

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39 Employee benefits

(₹ in Lakhs)

g) Maturity analysis of projected benefit obligation

	For the year ended March 31, 2018	For the year ended March 31, 2017
1st following year	51.56	43.79
2nd following year	15.24	7.43
3rd following year	12.43	13.45
4th following year	17.57	10.69
5th following year	37.17	14.39
6th following year	22.13	32.55
7th following year	12.89	25.16
8th following year	19.78	10.58
9th following year	29.99	17.12
10th and above	294.43	263.62

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Insurer managed funds	100%	96%	99%
Others	-	4%	1%
	100%	100%	100%

i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. 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:

	For the year ended March 31, 2018 (Decrease)/increase in DBO*	For the year ended March 31, 2017 (Decrease)/increase in DBO*
Discount rate (- 0.50%)	3.77%	4.16%
Discount rate (+ 0.50%)	-3.52%	-3.87%
Salary escalation rate (- 0.50%)	-3.09%	-3.45%
Salary escalation rate (+ 0.50%)	3.29%	3.57%

*DBO: Defined benefit obligations

This plan typically exposes the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields on government bonds denominated in Indian rupees. If the actual return on plan assets is below this rate, it will create a plan deficit. However, the risk is mitigated by investment in LIC managed fund.

Interest rate risk : A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of profit and loss amounting to ₹ 23.52 Lakhs (Previous Year ₹ 49.38 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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40 Related party disclosures as per Ind AS 24

(₹ in Lakhs)

A) Names of the related parties and related party relationships

		Country of Incorporation	Proportion of ownership interest as at		
			March 31, 2018	March 31, 2017	April 01, 2016
a)	**Names of the related parties where control exists and description of relationships**				
	Holding Company:				
	DIL Limited	India	91.20%	70.15%	70.15%
b)	**Names of the related parties where there are transactions and description of relationships:**				
(i)	**Key Management Personnel**				**Designation**
	Mr. Satish Varma				Managing Director
	Ms. Anupama Datla Desai				Executive Director
	Mr. Sanjay Buch				Non-Executive Director
	Mr. Gopakumar Nair				Non-Executive Director
	Mr. Prashant Nagre				Chief Executive Officer
	Mr. Amol Lone - (w.e.f. June 01, 2017)				Chief Financial Officer
	Mr. Kapil Gohil - (up to May 31, 2017)				Chief Financial Officer
	Mr. Sanjay Basantani -(up to February 08, 2017)				Company Secretary
	Mr. Varadvinayak Khambete -(w.e.f. February 27, 2017)				Company Secretary
	An individual directly controlling the holding company, namely, DIL limited and can exercise significant influence				
	Mr. Krishna Datla				Non-Executive Director
(ii)	**Enterprises owned or under significant influence of key management personnel or their relatives:**				
	Dupen Laboratories Pvt Limited.				
	Lacto Cosmetics (Vapi) Pvt. Limited.				

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40 Related party disclosures as per Ind AS 24

(₹ in Lakhs)

B) Related party transactions:

Sr.No	Particulars	Refer A (a) above	Refer A (b) (i) above	Refer A (b) (ii) above
1	**Sale of products (including excise duty)**			
	Dupen Laboratories Pvt Ltd.	- (-)	- (-)	12.15 (-)
2	**Sale of services**			
	DIL Ltd.	5.50 (-)	- (-)	- (-)
3	**Purchase of raw materials, packing material and spares**			
	Dupen Laboratories Pvt Limited.	-	-	- (9.49)
	Lacto Cosmetics (Vapi) Pvt. Ltd.	- (-)	- (-)	2.16 (5.54)
4	**Interest on loan taken**			
	DIL Ltd.	- (5.96)	- (-)	- (-)
5	**Rent expenses**			
	DIL Ltd.	129.97 (53.20)	- (-)	- (-)
6	**Processing charges**			
	Lacto Cosmetics (Vapi) Pvt. Ltd.	- (-)	- (-)	10.36 (10.66)
7	**Company's share of expenses paid**			
	DIL Ltd.	14.01 (26.07)	- (-)	- (-)
8	**Maintenance charges**			
	DIL Ltd.	26.32 (7.49)	- (-)	- (-)
9	**Other reimbursements received**			
	DIL Ltd.	0.91 (0.76)	- (-)	- (-)
	Lacto Cosmetics (Vapi) Pvt. Ltd.	- (-)	- (-)	2.72 (-)
10	**Loan repaid**			
	DIL Ltd.	- (157.50)	- (-)	- (-)
11	**Deposit given**			
	DIL Ltd.	153.12 (15.01)	- (-)	- (-)
12	**Remuneration to key management personnel***			
	Mr. Satish Varma		501.85 (74.43)	
	Ms. Anupama Datla Desai		272.01 (58.55)	
	Mr. Prashant Nagre		240.21 (89.16)	
	Mr. Amol Lone		40.97 (-)	
	Mr. Kapil Gohil		5.53 (39.31)	
	Mr. Varadvinayak Khambete		10.05 (0.91)	
	Mr. Sanjay Basantani		- (16.45)	
13	Directors' sitting fees (excluding statutory levy)		5.45 (0.85)	
14	Commission to non-executive directors (excluding statutory levy)			
	Mr. Sanjay Buch		10.77 (-)	
	Mr. Gopakumar Nair		10.77 (-)	
	Mr. Krishna Datla		86.19 (-)	

(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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40 Related party disclosures as per Ind AS 24

(₹ in Lakhs)

C)	Balance outstanding as at the end of the year :			
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	a. Loan taken			
	Holding company			
	DIL Ltd.	-	-	157.50
	b. Trade Payables			
	Holding company			
	DIL Ltd.	6.76	3.08	3.24
	Enterprises under significant influence of key management personnel or their relatives			
	Lacto Cosmetics (Vapi) Pvt. Ltd.	4.98	3.18	4.23
	Dupen Laboratories Pvt Ltd	-	3.50	8.58
	c. Other financial liabilities (Payable to directors and others)			
	Key management personnel			
	Mr.Satish Varma	430.93	-	23.33
	Ms. Anupama Datla Desai	215.46	-	23.33
	Mr.Sanjay Buch	10.77	-	-
	Mr. Gopakumar Nair	10.77	-	-
	Mr.Prashant Nagre	151.74	7.91	14.39
	Mr.Amol Lone	8.66	-	-
	Mr.Kapil Gohil	-	1.65	3.00
	Mr.Sanjay Basantani	-	-	1.60
	Mr. Krishna Datla	86.19	-	-
	Holding company			
	DIL Ltd.	-	-	2.83
	c. Loans (Non Current)			
	Subsidiaries			
	G.I.Biotech Pvt Ltd.	6.26	6.26	6.26
	d. Trade receivables			
	Holding company			
	DIL Ltd.	7.38	0.22	9.95
	Enterprises under significant influence of key management personnel or their relatives			
	Dupen Laboratories Pvt Ltd.	6.33	-	4.14
	e. Other financial assets (deposit given)			
	Holding company			
	DIL Ltd.	168.13	15.01	-

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(₹ in Lakhs)

41 Research and development expenditure

During the year ended March 31, 2018, the research and development expenditure of ₹ 584.73 Lakhs (Previous year - ₹ 507.74 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 ₹ 91.60 Lakhs (Previous year - ₹ 195.65 Lakhs).

42 During the year ended March 31, 2018, commission aggregating ₹ 646.39 Lakhs (Previous year - NIL) to Executive and Managing Director and aggregating ₹ 107.73 Lakhs (Previous year - NIL) to the non-executive directors of the Parent Company has been provided in the Consolidated financial Statements.

43 Details of CSR expenditure

	For the year ended March 31, 2018			For the year ended March 31, 2017		
Gross amount required to be spent by the Group	23.13			19.35		
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	**In cash**	**Yet to be paid in cash**	**Total**
(a) Amount spent during the year ended on March 31, 2018:						
i) Construction/acquisition of any asset	22.31	-	22.31	-	-	-
ii) On purposes other than (i) above	-	-	-	-	-	-
(b) Amount spent during the year ended on March 31, 2017:						
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	-	-	-	8.29	-	8.29

44 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a (i) Principal amount remaining unpaid to any supplier at the end of the accounting year	38.33	20.20	5.14
(ii) Interest due on above	0.33	0.57	0.10
The Total of (i) and (ii)	38.66	20.77	5.24
b The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the 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 payments (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise 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.

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45 **Income tax** (₹ in Lakhs)

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax:		
- For the year	2,104.43	349.40
Deferred tax credit	(62.57)	(112.70)
Income tax expense reported in the Consolidated Statement of profit and loss	**2,041.86**	**236.70**
Tax expenses/(income) recognised in Consolidated other comprehensive income	3.63	(14.34)
Tax expense	**2,045.49**	**222.36**

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, 2018	For the year ended March 31, 2017
Profit before tax	9,248.38	1,271.07
Enacted income tax rate in India (%) #	34.608	34.608
Income tax expense calculated at enacted income tax rate	3,200.68	439.89
Effect of tax on:		
- non deductible expenses	10.42	5.67
- incremental deduction allowed on account of research and development costs	(120.25)	(109.15)
- income exempted from tax	(1,918.58)	(100.62)
Differential tax effect due to effective tax rate difference	869.59	0.91
Total income tax expense	**2,041.86**	**236.70**
Tax expenses recognised in Consolidated profit and loss	**2,041.86**	**236.70**
Tax expenses/(income) recognised in Consolidated other comprehensive income	**3.63**	**(14.34)**
Total tax expense	**2,045.49**	**222.36**

The tax rate used for reconciliation above is the corporate tax rate of 34.608% at which the Group is liable to pay tax on taxable income under the Indian tax Laws.

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

Particulars	As at April 01, 2017	For the year ended March 31, 2018 — Consolidated Statement of profit and loss	For the year ended March 31, 2018 — Consolidated Other comprehensive income	As at March 31, 2018
(i) Components of deferred tax liabilities (Net)				
Dederred tax liabilities				
Property, plant and equipment: Impact of difference between written down value as per books of accounts and income tax	652.51	88.81	-	741.32
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	(72.01)	0.85	3.63	(67.53)
Allowance for doubtful debts and advances	(307.39)	(152.23)	-	(459.62)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	0.42	-	-	0.42
Others	-	-	-	5.55
Deferred tax (benefit)/expense		**(62.57)**	**3.63**	
Net deferred tax liabilities	**273.53**			**220.14**

Particulars	As at April 01, 2016	For the year ended March 31, 2017 — Consolidated Statement of profit and loss	For the year ended March 31, 2017 — Consolidated Other comprehensive income	As at March 31, 2017
(i) Components of deferred tax liabilities (Net)				
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between written down value as per books of accounts and income tax	600.99	51.53	-	652.51
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	(50.63)	(6.95)	(14.43)	(72.01)
Allowance for doubtful debts and advances	(150.11)	(157.28)	-	(307.39)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	0.33	-	0.09	0.42
Deferred tax (benefit)/expense		**(112.70)**	**(14.34)**	
Net deferred tax liabilities	**400.58**			**273.53**

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(₹ in Lakhs)

46 Categories of the financial instruments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Financial assets			
Financial assets measured at fair value through Other comprehensive income			
Investments in equity instruments -Unquoted	4.11	4.11	3.65
Financial assets measured at amortised cost			
(i) Loans	1.09	1.06	-
(ii) Security and other deposits	394.68	91.82	78.06
(iii) Assets for defined benefit plan	-	-	3.56
(iv) Others	31.36	12.38	13.48
(v) Interest accrued but not due from banks on fixed deposits	22.57	1.24	0.42
(vi) Insurance claim receivable	-	-	39.19
(vii) Trade receivables	6,863.02	4,462.61	4,338.29
(viii) Cash and cash equivalents	2,162.73	151.46	131.08
(ix) Bank balances other than (viii) above	930.58	153.71	68.68
Total Financial assets	**10,410.14**	**4,878.39**	**4,676.41**
b) Financial liabilities measured at amortised cost			
(i) Borrowings	3,038.20	4,299.75	3,819.52
(ii) Trade payables	3,886.33	2,709.90	1,795.65
(iii) Payable to the employees / directors	1,084.39	105.42	183.85
(iv) Liability for capital expenditure	65.01	155.84	98.60
(v) Interest accrued but not due on borrowings	0.55	2.60	6.14
(vi) Others	2.13	2.93	2.93
Total Financial liabilities	**8,076.61**	**7,276.44**	**5,906.69**

47 Reconciliation of Level 3 fair value measurements:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening balance	4.11	3.65	3.65
Total gains or losses			
recognised through other comprehensive income	-	0.46	-
Closing balance	4.11	4.11	3.65

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(₹ in Lakhs)

48 Segments reporting

A Description of segments and principal activities

The Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") of the Parent Company.The Managing director of the Parent Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker. The ("CODM") of Parent Company, on the basis of information has identified reportable segments are as follow:

1. India.
2. Europe
3. Others

The above 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 financial statements of the Group.

B Segment revenue from external customers, based on geographical location of customers (Sales)

Segments	For the year ended March 31, 2018	For the year ended March 31, 2017
India	5,787.40	4,138.73
Europe	15,063.55	9,093.69
Others	8,351.05	2,845.98
TOTAL	29,202.00	16,078.40

C Segment assets to the extent specifically relating to the respective segments and unallocable assets

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables		
India	1,408.91	1,088.36
Europe	2,620.63	2,386.29
Others	2,833.48	987.54
	6,863.02	4,462.19
Other assets (Unallocable)	19,776.08	13,412.55
TOTAL	26,639.09	17,874.73

The Group's operating facilities are located in India. Most of the assets are not identifiable separately to any reportable segment as these are used interchangeably between segments. In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

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49 Fair value

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

(₹ in Lakhs)

	Carrying value			Fair value		
	March , 2018	March 31, 2017	April 01, 2016	March , 2018	March 31, 2017	April 01, 2016
Financial assets						
Loans	1.09	1.06	-	1.09	1.06	-
Other financial assets	448.61	105.44	134.71	448.61	105.44	134.71
Trade receivables	6,863.02	4,462.61	4,338.29	6,863.02	4,462.61	4,338.29
Cash and cash equivalents	2,162.73	151.46	131.08	2,162.73	151.46	131.08
Bank balances other than cash and cash equivalents	930.58	153.71	68.68	930.58	153.71	68.68
Total assets	**10,406.03**	**4,874.28**	**4,672.76**	**10,406.03**	**4,874.28**	**4,672.76**
Financial liabilities						
Trade and other payables	3,886.33	2,709.90	1,795.65	3,886.33	2,709.90	1,795.65
Borrowings	3,038.20	4,299.75	3,819.52	3,038.20	4,299.75	3,819.52
Other financial liabilities	1,152.08	266.78	291.51	1,152.08	266.78	291.51
Total liabilities	**8,076.61**	**7,276.43**	**5,906.68**	**8,076.61**	**7,276.43**	**5,906.68**

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 financial statements approximate their fair values.

Fair value hierarchy

(₹ in Lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income						
Investments	4.11	Level 3	4.11	Level 3	3.65	Level 3

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(₹ in Lakhs)

50 **Financial risk management objectives and policies**

The Group is exposed to market risk, credit risk and liquidity risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors reviews and agrees 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 and commodity prices). 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 risk related to foreign exchange rate risk and interest rate risk. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

i) Interest rate risk

The Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Group monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the years ended March 31, 2018 and March 31, 2017 every 50 basis point decrease in the floating interest rate component applicable to its loan and borrowings would increase the Company's profit by ` 15.02 Lakhs and ` 21.28 Lakhs respectively. A 50 basis point increase in floating interest rate would lead to an equal but opposite effect.

ii) 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.

iii) 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 Group'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 uses natural hedge by foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized 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, cash and cash equivalents : (Amount in Lakhs)

Particulars	March 31, 2018			March 31, 2017		April 01, 2016	
	Currency	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees
Financial assets							
Cash and cash equivalents (EEFC)	EURO	* 0.00	0.30	* 0.00	0.28	* 0.00	0.30
Trade receivables	USD	64.61	4,018.27	16.06	1,039.72	8.66	572.99
	EURO	23.57	1,773.50	34.54	2,400.81	29.47	2,204.80

* Amount less than thousand

B) Significant foreign currency risk exposure relating to borrowings and trade payables : (Amount in Lakhs)

Particulars	March 31, 2018			March 31, 2017		April 01, 2016	
	Currency	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees	Amount in foreign currency	Amount in Indian rupees
Financial liabilities							
Trade payable	CAD	0.01	0.51	-	-	-	-
	CHF	0.02	1.51	-	-	-	-
	EURO	7.35	589.33	11.90	830.21	4.63	347.33
	GBP	-	-	-	0.72	0.01	0.69
	NZD5	0.01	0.62	-	-	-	-
	TRY	* 0.00	0.06	-	-	-	-
	USD	4.87	316.85	1.10	74.34	3.69	244.97
Borrowings (PCFC)	EURO	26.55	2,128.09	16.29	1,132.00	8.03	601.09
Borrowings (Buyers credit)	USD	4.38	284.92	5.70	368.86	-	-
	EURO	-	-	2.72	188.85	-	-

* Amount less than thousand

C) Foreign currency sensitivity

For the years ended March 31, 2018, March 31,2017 and April 01, 2016, 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 total equity by approximately ` 128.23 Lakhs, ` 42.29 Lakhs and ` 79.20 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to 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 and loans. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Exposure to credit risk

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

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(₹ in Lakhs)

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 10)

(₹ in Lakhs)

Trade receivables	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Not due	4,904.74	3,054.03	2,369.35
1 - 90 days	1,118.40	561.00	977.00
91 -180 days	-	285.00	284.00
Beyond 180 days	1,869.17	1,152.00	884.00
	7,892.31	5,052.03	4,514.35

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group 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.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

i) 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.

(₹ in Lakhs)

As at March 31, 2018	within 1 year	1 to 5 years	Total
Borrowings (Including current maturities of long term debt)	2,703.20	335.00	3,038.20
Trade payables	3,886.33	-	3,886.33
Other financial liabilities	1,152.08	-	1,152.08
Total	**7,741.61**	**335.00**	**8,076.61**

(₹ in Lakhs)

As at March 31, 2017	within 1 year	1 to 5 years	Total
Borrowings (Including current maturities of long term debt)	3,693.29	606.46	4,299.75
Trade payables	2,709.90	-	2,709.90
Other financial liabilities	266.78	-	266.78
Total	**6,669.98**	**606.46**	**7,276.44**

(₹ in Lakhs)

As at April 01, 2016	within 1 year	1 to 5 years	Total
Borrowings (Including current maturities of long term debt)	3,456.18	363.34	3,819.52
Trade payables	1,795.65	-	1,795.65
Other financial liabilities	291.51	-	291.51
Total	**5,543.34**	**363.34**	**5,906.69**

The Group had unutilised credit limit of borrowing facilities from banks of ₹ 1486.99 lakhs as at March 31, 2018, NIL as at March 31, 2017, ₹ 52.79 lakhs as at April 01, 2016.

51 Capital management

The Group's capital management objectives are:

- to ensure the Group'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 financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

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

(₹ in Lakhs)

	March 31, 2018	March 31, 2017	April 01, 2016
Debts (Long term and short term borrowings including current maturities of long term borrowings)	3,038.20	4,299.75	3,819.52
Less: Cash and cash equivalents (Note 11)	2,162.73	151.46	131.08
Net debt	**875.48**	**4,148.29**	**3,688.43**
Total equity	17,273.58	9,992.40	9,016.02
Net debt to equity ratio	**5%**	**42%**	**41%**

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52 First-time adoption of Ind AS

The Group has prepared the opening financial statements as per Ind AS as of April 01, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principal is subject to certain exception and certain optional exemptions availed by the Group as detailed below:

Set out below are the applicable Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

1. De-recognition of financial assets and financial liabilities

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

2. Deemed cost for property, plant and equipment and intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

3. Past business combinations

The Group has elected not to apply Ind AS 103- Business Combinations retrospectively to past business combinations that occurred before April 1, 2016 (transition date).

4. Determining whether an arrangement contains a lease

The Group has applied Appendix C "Determining whether an Arrangement contains a Lease" of Ind AS 17 - Leases to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing as on that date.

5. Equity investments at FVTOCI

The Group has designated investment in equity shares of Shivalik Solid Waste Management Limited at FVTOCI on the basis of facts and circumstances that existed at the transition date.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of consolidated total comprehensive income for the year ended March 31, 2017

II. Reconciliation of consolidated equity as at April 01, 2016 and as at March 31, 2017

III. Adjustments to consolidated Statement of cash flows for the year ended March 31, 2017

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(₹ in Lakhs)

52 First-time adoption of Ind AS (Cont'd)

C. I Reconciliation of consolidated total comprehensive income for the year ended March 31, 2017 :

Nature of adjustments	Notes	For the year ended March 31, 2017
Net Profit as per previous GAAP		958.25
Effect of measurement of financial assets at amortised cost (including unwinding of discount)	3	(0.32)
Prior period adjustments under the previous GAAP	9	17.07
Others	4, 6 and 9	28.28
Net profit as per Ind AS		1,003.28
Other comprehensive expenses (Net of tax)	2 and 4	(26.90)
Total comprehensive income as per Ind AS		**976.38**

C. II Reconciliation of consolidated equity as at April 01, 2016 and as at March 31, 2017 :

Nature of adjustments	Notes	As at March 31, 2017	As at April 01, 2016
Equity as per previous GAAP C I (A) (i)		9,979.71	9,021.46
Measurement of equity instrument at fair value through other comprehensive income	2 and 9	1.69	1.32
Effect of measurement of financial assets at amortised cost (including unwinding of discount)	3	(0.46)	(0.15)
Prior period adjustments under the previous GAAP	9	10.47	(6.61)
Others	1	0.99	-
Total adjustment to equity		**12.69**	**(5.44)**
Equity as per Ind AS		**9,992.40**	**9,016.02**

C.III Adjustments to consolidated Statement of cash flows for the year ended March 31, 2017 :

	Notes	For the year ended March 31, 2017		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	7	933.79	85.03	1,018.82
Net cash flows from investing activities	7	(1,083.13)	(85.03)	(1,168.16)
Net cash flows from financing activities	5	169.72	(184.22)	(14.50)
Net increase in cash and cash equivalents		20.38	(184.22)	(163.86)
Cash and cash equivalents at the beginning of the year	5	131.08	(1,489.05)	(1,357.97)
Cash and cash equivalents at the end of the year		**151.46**	**(1,673.31)**	**(1,521.85)**

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(₹ in Lakhs)

52 **First-time adoption of Ind AS (Cont'd)**

Notes to reconciliations

Note 1: Property, plant and equipment

Under the previous GAAP, one time lease premium paid at the inception of the lease arrangement for land was classified as lease hold land under the head "Property, plant and equipment". Under Ind AS, since this lease hold arrangement is not meeting the requirements of finance lease as per Ind AS 17- Leases, the same has been classified as an operating lease. Accordingly, it has been reclassified from property, plant and equipment to unamortised lease premium. The current and non-current portion of such unamortised lease premium have been disclosed under the heads "Other current assets" and "Other non-current assets". The unamortised lease premium are amortised equally in the Statement of profit and loss as rent expense over the remaining period of lease.

Note 2: Fair valuation of an investment

Under the previous GAAP, an investment in equity instruments was classified as a long -term investment. Long-term investment was carried at cost less provision for other than temporary decline in the value of such investment. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value change of an investment in unquoted equity instruments are recognised in other comprehensive income. Corresponding tax impact has been accounted through deferred tax.

Note 3: Security deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under Ind AS. The difference between fair value of security deposits and the carrying value (transaction value) as per previous GAAP has been recognised as "deferred rent" and disclosed under the heads "Other current assets" and "Other non-current assets". The amortisation of deferred rent over the period of lease is charged to the Statement of profit and loss under the head "Finance costs". The notional interest calculated using effective interest method on the fair value of security deposits is credited to the Statement of profit and loss under the head "Interest income on other financial assets carried at amortised cost".

Note 4: Remeasurements of post employment defined benefit obligation

Under the previous GAAP, actuarial gains and losses were recognised in Statements of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Statement of profit and loss. Corresponding tax impact has been accounted through deferred tax .

Note 5: Cash Credit

Under Ind AS, cash credit which are repayable on demand and form an integral part of Company's cash management system are included in cash and cash equivalents for the purpose of presentation of Statement of cash flows. Under previous GAAP, cash credit were considered as part of borrowings and movements in cash credit were shown as part of financing activities.

Note 6: Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

Note 7: Effect of Ind As adoption on statements of cash flows

In the financial statements prepared under previous GAAP, movement in margin money deposit balances was forming part of "movement in working capital". However, under Ind AS, this movement is being grouped under investing activities.

Note 8: Excise duty

Under the previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expenses is presented separately on the face of the Statement of profit and loss. The change does not affect total equity as at April 01, 2016 and March 31, 2017, profit before tax or total profit for the year ended March 31, 2017

Note 9: Restatement of prior period error

Under the previous GAAP, the Company had included a prior period item relating to interest expense in the determination of profit for the year ended March 31, 2017. However, in accordance with the requirements of Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" and Ind AS 101 – "First-time Adoption of Indian Accounting Standards", the same has been corrected by restating the retained earnings as at April 01, 2016 since the error was pertaining to the period prior to that date. Corresponding tax impact has been accounted through deferred tax

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(₹ in Lakhs)

53 Disclosure of additional information pertaining to the Parent Company, subsidiaries as per Schedule III of Companies Act, 2013:

			March 31, 2018								March 31, 2017							
			Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)		Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
Sr No	Particulars	Name of the Entity	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs	% #	` in Lakhs
I	Parent Company	Fermenta Biotech Limited	99.79%	17,236.96	101.1%	7,351.16	100%	6.87	101%	7,358.03	98.86%	9,878.66	103%	1,032.58	100%	(26.90)	103%	1,005.68
II	Subsidiary Companies a.India	G I Biotech Private Limited	0.00%	(0.81)	-0.01%	(0.44)	-	-	0%	(0.44)	0.00%	(0.10)	0%	(0.56)	-	-	0%	(0.56)
	b.Foreign	Fermenta Biotech (Uk) Limited	0.22%	37.43	-1.1%	(76.40)	-	-	-1%	(76.40)	1.14%	113.84	-3%	(28.74)	-	-	-3%	(28.74)
III	Non-controlling interests		0.00%	(0.30)	0.0%	(0.27)	-	-	0%	(0.27)	0.00%	(0.04)	0%	(0.34)	-	-	0%	(0.34)
		Total	100%	17,273.28	100%	7,274.05	100%	6.87	100%	7,280.92	100%	9,992.36	100%	1,002.94	100%	(26.90)	100%	976.04

* Investments accounted as per the equity method
# Percentage (%) to the corresponding consolidated balances

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Fermenta Biotech Limited
CIN : U99999MH1986PLC134021
Notes to the Consolidated financial statements for the year ended March 31, 2018

(₹ in Lakhs)

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

	Country of Incorporation	Proportion of ownership interest as at		
		March 31, 2018	March 31, 2017	April 01, 2016
Parent Company :				
Fermenta Biotech Limited (FBL)	India			
Subsidiaries				
Fermenta Biotech (UK) Limited	United Kingdom	100.00%	100.00%	100.00%
G I Biotech Private Limited	India	62.50%	62.50%	62.50%

55 Capitalization of borrowing costs

The Company had 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 33 are net of amounts capitalised by the Company.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance costs	-	59.22
Total	-	59.22

56 A These Consolidated Ind AS Financial Statements of the Company, have been extracted from the Consolidated Ind AS Financial Statements of DIL Limited ("DIL") which were prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India which were approved by the Board of Directors of DIL on May 15, 2018, and prepared for internal use of the Company

B Previous GAAP figures have been reclassified / regrouped wherever necessary to conform with the financial Statements prepared under Ind AS.

for DIL Limited

Authorised Signatories

for Fermenta Biotech Ltd.

Authorised Signatories

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