

Annual Report 2019-2020

Bilcare
Research





Vision

Transforming Health Outcomes, Touching Lives

Values

Speed

Proactive and swift action are our mantras

Innovation

Our constant approach at all levels is to seek better ways of listening, thinking and doing - making our offerings meaningful and impactful

Happiness

We are motivated by our customers' success and happiness of our stakeholders



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Corporate Information*

Board of Directors

Mr. Mohan Bhandari

Mr. Surendranath Gupte

Mr. Rajesh Devene

Mrs. Alka Sagar

Mr. Rahul Chouhan

Mr. Ashwani Singh

Chief Financial Officer

Mr. Nilesh Tiwari

Company Secretary

Ms. Prabhavi Mungee

Registered Office and Works

1028, Shirol, Rajgurunagar, Pune – 410 505, India

Statutory Auditors

M/s. K.R. Miniyar & Associates,
Practicing Chartered Accountants

Secretarial Auditors

M/s. Shekhar Ghatpande & Co.
Practicing Company Secretaries

Bankers

Multiple Banking under Security Trustee Arrangement

Registrar and Transfer Agents

Link Intime India Pvt. Ltd.

(Unit: Bilcare Limited)

Block No. 202, 2nd Floor, Akshay Complex,

Off Dhole Patil Road, Pune 411 001, INDIA

Telefax: +91-20-26163503

Email: pune@linkintime.co.in

* As on 3rd September, 2020



Chairman's Letter

Dear Shareholders,

We are living in unprecedented times of the Covid-19 pandemic. However, in spite of the challenging times, Bilcare has kept moving forward with momentum and speed to deliver timely pharmaceuticals packaging solutions and drug discovery supplies to pharma customers across the globe

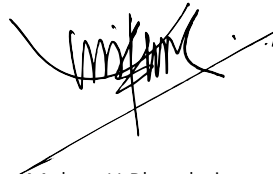
While business stress and market uncertainty has become an inescapable reality, the work we do as a Company, is very critical today and has been termed as an "essential service". Within a short span of time Bilcare has radically shifted and overhauled its business processes to adapt to changing times and exceed customer expectations by delivering innovative pharma packaging products. Despite challenging times limiting our routine operations, we have been able to serve the pharma sector globally, 24x7 uninterrupted. We are offering special services to companies with Covid-19 treatment range as a part of our commitment to fight this pandemic. Across the world, people are experiencing the economic impact and hardships this pandemic has created. I regret to predict that things may get worse before they can get better. I hope that the people who have lost their livelihoods will soon be able to get back on their feet and meaningfully contribute to the global economy again. At Bilcare, we continue to operate with full efficiency without any job cuts. Indian PharmaCos are gaining impetus because of the new world order and Bilcare is well-positioned to surge ahead with sound fundamentals and high-quality offerings.

As a part of debt restructuring plan, we divested our overseas subsidiaries during last financial year, which helped to reduce overall liabilities by over Rs. 2000 crores which is approximately 75% of the Group debt. These overseas subsidiaries assets were engaged in certain non-core activities such as credit card films & sleeves for FMCG packaging, which were dragging down Bilcare's value. Bilcare is now more streamlined and poised towards generating value by focusing sharply at the pharmaceutical sector.

First quarter in the current year has shown a healthy demand upswing. Domestic pharma customers continue to register year on year robust double-digit growth. Access to medicine through various Govt programs such as "Ayushman Bharat Yojana" continue to drive volume growth of this sector. The enterprising ability & research capability of Indian pharma companies is admired globally. Team Bilcare is the industry front runner & preferred partner for major PharmaCos. Our ability to provide value-based research solutions combined with patient-first focus of care & convenience makes us unique. Child resistant, senior citizen friendly & anti-counterfeit security features continue to grow in demand. Therefore, I am confident that Bilcare will continue to thrive in this sector. Bilcare products are approved & registered globally including in USA & Europe. Exports constitute over 30% of total turnover. We continue to penetrate our global reach with renewed energy & determination to grow exports in the coming times.

There is no instruction manual to guide us on how to feel or react in such times. And this can cause stress easily to everyone. My list of worries like yours is long, which includes the well-being of my family, friends, colleagues, Bilcare family & shareholders and the safety of people affected by the economic fallout across the globe. You all are in my prayers and I believe we will get through this, together.

I conclude by humbly thanking you all for your continued support & trust.



Mohan H Bhandari
Chairman & Managing Director

Director's Report

To

The Members,

Your Directors are pleased to present the 33rd Annual Report and the Audited Statements of Account for the year ended 31st March, 2020.

Performance of the Company and State of Company's Affairs

The Company's financial performance, for the year ended 31 March 2020 as per Ind AS is summarised below:

Particulars	INR in Crs			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations including other income	225.86	246.36	1923.88	3057.26
Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional Items	6.51	6.51	142.31	228.69
Profit/ (Loss) before Tax	(126.56)	(314.07)	(113.65)	(432.51)
Tax Expense (incl. Deferred Tax)	(24.23)	1.18	(14.62)	20.78
Profit/ (Loss) for the year	(102.33)	(315.25)	(103.54)	(455.08)
Non-controlling Interest	--	--	4.51	1.79
Profit/ (Loss) for the year	(102.33)	(315.25)	(99.03)	(453.29)

Management Discussion and Analysis

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis Report is part of this Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

Directors & Key Managerial Personnel (KMP)

The following changes have been made to the Board of Directors & Key Managerial Personnel (KMP) of the Company during the year:

Mrs. Alka Sagar is appointed as an Additional Woman Independent Director of the Company w.e.f. 12th February, 2020. Necessary resolutions seeking approval of members of the Company for regularization of appointment of Mrs. Alka Sagar as Woman Independent Director will be set out in the Notice convening the ensuing Annual General Meeting.

Ms. Madhuri Vaidya was appointed as an Additional Woman Independent Director of the Company effective 15th June, 2019, has resigned from the Board of Directors w.e.f. 12th February, 2020. The Board expressed and took on record its deep appreciation of the services rendered by Ms. Madhuri Vaidya during her tenure as a Director of the Company.

Mr. D.K. Sharma, has resigned as the Chief Financial Officer of the Company with effect from 12th February, 2020.

Changes in Directors & KMP after the Balance Sheet date:

The following changes have been made to the Board of Directors and KMP of the Company.

Mr. Rahul Chouhan and Mr. Ashwani Singh were appointed as Additional, Independent Directors of the Company effective from 31st August 2020.

Mr. Nilesh Tiwari was Appointed as the Chief Financial Officer of the Company with effect from 23rd June, 2020

Declaration from Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under SEBI Listing Regulations.

Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY-2019-20 is available on the website of the company at www.bilcare.com.

Number of Meetings of the Board

During the Financial Year 2019-20, Ten (10) Board Meetings were held, details of which are given in the Corporate Governance Report section.

Directors' Responsibility Statement

Pursuant to the requirement under the Section 134(5) of the Companies Act 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards had been followed and there are no material deviations from the same;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and of the loss of the Company for the year ended on that date;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the accounts for the financial year ended 31 March 2020 have been prepared on a 'going concern' basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

Particulars of Loans, Guarantees and Investments under section 186 of the Companies Act, 2013

Particulars of Loans, guarantees and investments form part of the notes to the financial statement provided in this Annual Report.

Contracts and Arrangements with Related Parties

During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All contracts/ arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report. Accordingly, the disclosure of RPTs as required under the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

The Policy on materiality of related party transactions may be accessed on the Company's website at www.bilcare.com.

Amount Transfer to Reserves

In absence of profits, your Board of Directors do not propose to transfer any amount to the reserves.

Dividend

In absence of profits, your Board of Directors do not recommend any Dividend for the financial year ended 31 March 2020.

Conservation of Energy, Technology Absorption and Foreign exchange earnings & outgo

A Conservation of Energy

i. Steps taken for Conservation of Energy:

Bilcare Focused on Energy conservation measures and successfully implemented as follows:

- The effort to maintain the electrical power factor to unit was sustained and this has resulted in savings of Rs. 19.50 lakhs per annum with nil capital investment.
- Optimization of chiller capacity & usage of cooling towers instead of chillers during the winter season has given a saving in electricity consumption of Rs. 9.50 lakhs per annum.

ii. The Capital investment on energy conservation equipment: Nil

B Technology Absorption, Adaptation and Innovation

Company continued its innovations with R&D activities and was not only able to cater to breakthrough solutions but also added newer dimensions to existing offerings in converting the superior process capability achieved in terms of cost effectiveness. The efforts made towards technology absorption include:

- Company developed Polyolefinic based Venus that will have excellent drawability which will help in reducing surface area to form cavity vis a vis the conventional CFB. Two highest selling brands from Multivitamin and Ranitidine formulation being studied for their compatibility in Venus Elite and found satisfactory results. Based on these results commercial discussion is going on for launching of these products In Venus Elite same will be done with other similar brands.
- Company is developing process of getting 4 GSM coating of water based heat seal lacquer in one pass. This will help to increase the production capacity by sparing the capacity of heat seal lacquer coating machine.
- Company commercially supplied developed peelable type CR foil to biggest customer to cater it in US market.
- Company successfully launch next anti -counterfeit version of Bilcare Patina to its Bilcare Protect. This product has more complicated overt feature that is difficult for copying few brands have already converted in Protect and could restrict their counterfeiting in market.
- Company developed transparent peel type lidding foil for healthcare packaging and it has been commercialized after successful extensive machine trials, Product stability and validations for one of the leading pharma health care company.
- Company developed high barrier thermoforming film which is under stability study at various customers and feedback awaited.
- Company developed suppository film and bag customers from AMESA region.
- Company developed and commercialized thermoformed barrier suppository film sample in AMESA region.
- Company developed Nitrocellulose free overprint varnish and ink and given to the various customer for validation.

- Company developed various 4 and 3 ply laminate some are paper based laminates in roll as well as for pouching application in pharmaceutical packaging.
- Company considering the continual improvement process has successfully done the modification in the process of making high thickness polyester based high barrier film for healthcare packaging for Europe which results in improving the quality of the product and reducing the wastage percentage.
- Company has done the modification in the chilling process of the duplex laminator which helps in reducing the blocking of the PVC film after off line primer coating which results in reducing the wastage percentage and improving the productivity and quality of the product.
- Company has successfully done the modification in the Triplex laminator machine which helps in improving the quality of the final product and satisfying the customer.

During the financial year, the Company filed 2 new patent applications related to its innovative products and 1 patent applied earlier was granted.

Expenditure on Research & Development

Particulars	Rs. in Crores
Capital	--
Recurring	1.57
Total	1.57

R&D expenditure as a percentage of total turnover 0.69%

On a consolidated basis total R&D expenditure as a percentage of consolidated turnover is 0.12%

C Foreign Exchange Earnings & Outgo

Particulars	Rs. in Crores
Foreign exchange earned	63.11
Foreign exchange outgo	47.18

Corporate Social Responsibility (CSR)

The Company has Corporate Social Responsibility Policy as per the Provisions of Companies Act 2013 and Rules made thereunder and is available on the website of the Company.

The Annual Report on CSR activities is annexed as Annexure "A".

Audit Committee

The audit committee comprises of Mr. Surendranath Gupte (Chairman of the Committee), Mr. Rajesh Devene and Mr. Mohan H. Bhandari as members. All the recommendations made by the committee were accepted by the Board.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination and Remuneration Policy.

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on 12th February, 2020 without the attendance of Non-Independent Directors and Members of the Management.

Information about Subsidiary/JV/ Associate Company

Consolidated Financial Statements of the Company are inclusive of the results of all the subsidiaries. Further, a statement containing the particulars for each of the subsidiaries is also enclosed. Copies of annual accounts and related information of all the subsidiaries can be sought by any member of the Company by making a written request to the Company Secretary at the Registered Office of the Company. Above information is available for inspection at the Registered Office & on website of the Company. A statement containing the salient features of the financial statement of the subsidiaries in the prescribed format is presented in a separate section forming part of the financial statement. The Policy for determining 'Material' subsidiaries has been displayed on the Company's website at www.bilcare.com.

Post Divestment as on 8th November 2019 Company has four wholly owned subsidiaries viz. Bilcare Mauritius Ltd., Mauritius, Bilcare Technologies Singapore Pte. Ltd., Singapore, Bilcare GCS Limited, UK and Bilcare GCS Inc., USA. Caprihans India Limited, earlier a step down subsidiary, has become a subsidiary of Bilcare Mauritius Limited.

Deposits

Given below are the details of deposits, covered under Chapter V of the Companies Act, 2013:

The Company has not invited/accepted deposits from public/members during the year under review.

As on 31st March 2020, deposits outstanding stood at Rs. 126.61 Crores.

Company is regular in payment of interest to deposit holders. Further, the Company has made payment of matured & claimed deposit to the extent permitted by the liquidity.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Vigil Mechanism

The Company has in place Whistle Blower Policy, wherein the Employees/ Directors/ Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. Your Directors hereby affirm that no personnel has been denied access to the audit committee. The Whistle Blower Policy may be accessed on the Company's website at www.bilcare.com

Secretarial Standards Of ICSI

The Company is in compliance with relevant provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Corporate Governance

A report on Corporate Governance is given in this Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.



Auditors

Statutory Auditors

M/s. K. R. Miniyar & Associates, Chartered Accountants are the Statutory Auditors of the Company. The observations and comments given by the Statutory Auditors in their report read together with notes thereon are self explanatory & addressed by Board of Directors, wherever required.

Cost Auditors

At the 32nd Annual General Meeting (AGM) held on 26 December 2019, M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191) were appointed as Cost Auditors of the Company for the financial year 2019-20 for conducting cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

Secretarial Auditor

The Board has appointed M/s. Shekhar Ghatpande & Co, Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31 March 2020 is annexed herewith marked as Annexure "B" to this Report.

Management's explanation to the observations and comments given by the Auditors

The Company has been through a restructuring phase over the last few years. As a result, the performance of the Company has remained almost the same level since last year mainly due to working capital constraints. Even after having orders in hand, the plant is running at a capacity level of 30-35%.

The Company, due to financial stress could not comply with certain FD Compliances. The Registrar of Companies disqualified some of the Company's directors under section 164(2) of Companies Act, 2013.

Company is regular in payment of interest to deposit holders. However, the Company has made payment of matured & claimed deposit to the extent permitted by the liquidity.

The Company has appointed Mrs. Alka Sagar as the Woman Independent Director w.e.f 12th February 2020. In Pursuant to Regulation 30 of SEBI (LODR) Intimation for her appointment as Woman Independent Director was given to Bombay Stock Exchange immediately. However E- Form DIR-12 intimating her appointment to

the Registrar of Companies in compliance with Section 152(5) of the Companies Act, 2013, could not be processed with the Ministry of Corporate affairs (MCA) due to Technical Issue.

The Company has received a letter from SFIO under Section 212 of the Companies Act, 2013. The Company is attending to the same with appropriate advice from its Advocates.

Details in respect of fraud reported by auditors

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

Particulars of Employees & Related Disclosures

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of the Annual Report. However, as per the provisions of Section 136(1) of the Act, the Report and Accounts are being sent to the members, excluding the aforesaid information. Any member interested in obtaining such particulars may request for the same.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries, except for professional services rendered from time to time.

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

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace.

Your Directors state that during the year under review, there were no complaints filed & there were no complaints pending at the end of the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

All other stakeholders

We thank our domestic and international customers, vendors, investors, banking community and investment bankers for their continued support during the year.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels worldwide.

We thank the Governments of various countries where we have our operations and also thank Central Government, various State Governments and other Government agencies for their positive co-operation and look forward to their continued support in future. Finally, we wish to express our gratitude to the members and shareholders for their trust and support..

For and on behalf of the Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Pune : 3rd September 2020

Corporate Governance

Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has a strong legacy of fair, transparent and ethical governance practices.

The compliance report on Corporate Governance herein signifies adherence by the Company of all the mandatory requirements of Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereon (hereinafter referred to as SEBI Listing Regulations).

Board of Directors

Composition of the Board

The composition of the Board of Directors of Bilcare Limited is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as Act). The Board comprises of Four (4) Directors, One (1) Executive Director, the Chairman and Managing Director, who is also a Promoter Director, one (1) Woman Director, who is a Non- Executive Independent Director and two (2) Non- Executive Independent Directors.

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/Chairmanships including any changes in their positions as on March 31, 2020.

Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. As per the requirement of Regulation 30 read with Schedule III, Para A, Clause (7B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Madhuri Vaidya (DIN 08483512) has resigned as a Woman Independent Director, before completion of her term as an Independent Director. She has resigned on account of her preoccupation & other professional commitments and there being no material reasons other than those mentioned by her for her resignation as the Woman Independent Director from the Board of Directors of the Company.

The terms and conditions for appointment of all Independent Directors are on the Company's website i.e www.bilcare.com

Number of Independent Directorships

In compliance with the SEBI Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed Company, does not hold the position of Independent Director in more than three listed companies.

Number of Board Meetings

The Board met Ten (10) times during the year. The Meetings were on 22 April , 27 May , 15 June , 25 June, 12 August, 25 September, 11 November, 22 November, 20 December 2019 and 12 February 2020, All the meetings were held in such manner that the gap between two consecutive meetings was not more than 120 days.

Name of the Director	Category	Particulars of Attendance		No. of other Directorships*	Committee Memberships / Chairmanships in Public Limited Companies #	
		Board Meetings	Last AGM	Directorships	Committee Memberships•	Committee Chairmanships
Promoter Executive Director						
Mr. Mohan H. Bhandari	Chairman and Managing Director	9	Present	0	0	0
Promoter Non-Executive Director						
Mrs. Nutan M. Bhandari (upto 26 th Dec 2019)	Director	9	--	0	0	0
Independent Directors						
Mr. Surendranath Gupte	Director	10	Present	0	0	0
Mr. Avinash S. Joshi (upto 12 th August 2019)	Director	4	--	0	0	0
Mr. Rajesh Devene (w.e.f 22 nd April 2019)	Director	7	--	0	0	0
Mrs. Madhuri Vaidya (upto 12 th February 2020)	Director	0	--	0	0	0
Mrs. Alka Sagar (w.e.f 12 th February 2020)	Director	1	--	1	1	0
#Mrs. Alka Sagar is a Non-Executive - Non Independent Director and Member of Nomination and Remuneration committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee in Flexituff Ventures International Ltd.						
# For the purpose of reckoning the limit, Memberships of Audit Committee and Stakeholders' Relationship Committee in Public Companies excluding Bilcare Limited has been considered.						
* Directorships in Foreign Companies, Private Limited Companies and Section 8 Companies are excluded in the above table						
None of the Director is related to other Director of the Company, except, Mrs. Nutan Bhandari who is the spouse of Mr. Mohan H. Bhandari, Chairman & Managing Director of the Company.						

List of Core Skills/Expertise/Competence identified by Board as required in context of its Business

S. No	Skills/expertise/competence possessed by the board members	Whether available with the Board?	Names of directors with such Skills/expertise/competence
1	Manufacturing Industry knowledge	Yes	Mr. Mohan H. Bhandari Mr. Surendranath D. Gupte Mr. Rajesh S. Devene
2	Business Strategy and Marketing knowledge	Yes	Mr. Mohan H. Bhandari Mr. Surendranath D. Gupte
3	Technical ability in interpreting financial information	Yes	Mr. Mohan H. Bhandari Mr. Surendranath D. Gupte Mr. Rajesh S. Devene
4	Behavioural Competencies (Like- Leadership qualities, Interpersonal relations etc)	Yes	Mr. Mohan H. Bhandari Mr. Surendranath D. Gupte Mr. Rajesh S. Devene Mrs. Alka Sagar
5	Talent Management qualities	Yes	Mr. Mohan H. Bhandari Mrs. Alka Sagar

Information supplied to the Board

During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

During the year, meeting of the Independent Directors was held on 12th February, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company www.bilcare.com.

CEO/MD and CFO Certification

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI Listing Regulations. The said certificate is annexed and forms part of the Annual Report.

Code of Conduct

The Company has adopted a Code of Conduct (the Code) for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at www.bilcare.com.

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained in this Annual Report.

Committees of the Board

As on 31 March 2020 the Company apart from functional committees, has Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board Committees are set-up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all the Committees.

Audit Committee

The Audit Committee was reconstituted on 25th September 2019, to appoint Mr. Surendranath Gupte as Chairman of the Committee in place of Mr. Avinash Joshi.

The Audit Committee of the Company comprises of three Directors, viz. Mr. Surendranath Gupte (Chairman of the Committee), Mr. Rajesh Devene and Mr. Mohan H. Bhandari, two-thirds of which are independent directors. All the members of the Audit Committee possess accounting, economic, legal and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. Annual General Meeting (AGM) held on Thursday, 26th December, 2019 was attended by the Chairman of the Committee, Mr. Surendranath Gupte, to answer shareholders' queries.

The Audit Committee assists the Board in discharging of its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the

appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors and the performance of Internal Auditors of the Company.

Terms of reference

The terms of reference of the Committee, inter alia covers all the matters specified under SEBI Listing Regulations as well as those specified in Section 177 of the Companies Act, 2013. In addition to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company, seek legal and professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Committee met Five times, on 1 April, 27 May, 12 August, 11 November 2019 and 12 February 2020.

The composition and attendance Record of Audit Committee Members for 2019-20

Name of Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Avinash S. Joshi upto 12 th August 2019	Independent	Chairman	5	3
Mr. Surendranath Gupte Chairman, w.e.f 25 th September 2019	Independent	Chairman	5	5
Mr. Mohan H. Bhandari	Non Independent	Member	5	5
Mr. Rajesh Devene w.e.f 25 th September 2019	Independent	Member	5	2

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and other Management representatives as special invitees as and when required. The Company Secretary acts as the secretary to the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted on 12th February 2020 to appoint Mrs. Alka Sagar as member of the Committee in place of Mrs. Madhuri Vaidya who ceased to be director w.e.f. 12th February 2020

The composition and attendance Nomination and Remuneration Committee Members for 2019-20

Name of Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Surendranath Gupte	Independent	Chairman	4	4
Mr. Avinash S. Joshi upto 12 th August 2019	Independent	Member	4	3
Mrs. Nutan M. Bhandari upto 26 th December 2019.	Non-executive, Non Independent	Member	4	3
Mr. Rajesh Devene w.e.f 22 nd April 2019	Independent	Member	4	3
Mrs. Madhuri Vaidya w.e.f.15 th June 2019 – Upto 12 th February 2020	Independent	Member	4	1
Mrs. Alka Sagar w.e.f. 12 th February 2020	Independent	Member	4	0

During the year in review, the Committee met four times, i.e. on 22nd April, 15th June, 25th June 2019 and 12th February 2020. The Meeting was attended by directors.

Terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Fixing & reviewing the remuneration of the senior officers of the Company;
- Recommending the remuneration including the perquisite package of key management personnel;
- Recommending to the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.
- Devising the policy on diversity of the Board of Directors Company.

Nomination & Remuneration Policy

The Company has laid down the policy for determining the remuneration of the Directors/Senior Management/Key Management Personnel and have also specified the criteria for evaluation of the performance of the Board of Directors of the Company. The same is available on the Company's website viz. www.bilcare.com

Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's weblink viz. www.bilcare.com

Directors' Remuneration:

The non-executive and independent directors are paid only sitting fees for participating in the Board and various Committee meetings.

Stakeholders Relationship Committee:

The composition and attendance of Stakeholders Relationship Committee Members for 2019-20:

Name of Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Avinash S. Joshi upto 12 th August 2019	Independent Director	Chairman	1	0
Mr. Rajesh Devene w.e.f 25 th September 2019	Independent Director	Chairman	1	1
Mr. Mohan H. Bhandari	Executive Director	Member	1	1
Mr. Surendranath Gupte w.e.f 25 th September 2019	Independent Director	Member	1	1
Mrs. Nutan M. Bhandari. Upto 26 th December 2019	Non-executive, Non Independent Director	Member	1	0

The main responsibility of the Committee is to ensure cordial investor relations and supervise the mechanism for redressal of investor grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of declared dividends etc. It performs the functions of transfer/transmission/ remat/ demat/ split-up/ sub-division and consolidation of shares, issue of duplicate share certificates and allied matter(s).

During the year in review, the Committee met once, on 12 February 2020,. No requests for dematerialization and/or transfer were pending for approval as on 31 March 2020. As of 31 March 2020, there were no unresolved investor complaint pertaining to transfer of shares, non-receipt of annual report, non-receipt of declared dividends etc., pending.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redressed system. The salient features of this system include Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

Designated Exclusive Email-ID

The Company has also designated the email-ID cs@bilcare.com exclusively for investor servicing.

Remuneration of Directors

The aggregate value of salary and perquisites for the year ended 31 March 2020 to Wholtime Director, Mr. Mohan H. Bhandari is Nil

Non-executive directors' compensation

The non-executive directors of the Company were paid following sitting fees for meetings of the Board and its Committee thereof:

Name of Non-Executive Director	Sitting Fees* (in Rs.)
Mr. Avinash S. Joshi upto 12 th August 2019	1,10,000/-
Mrs. Nutan M. Bhandari upto 26 th December 2019	1,80,000/-
Mr. Surendranath Gupte	2,50,000/-
Mr. Rajesh Devene w.e.f. 22 nd April 2019	1,60,000/-
Mrs. Madhuri Vaidya w.e.f. 15 th June 2019 – Upto 12 th February 2020	NIL
Mrs. Alka Sagar w.e.f. 12 th February 2020	20,000/-

* Sitting fees include payment for Audit Committee meetings

Shares held by Non Executive Directors as on 31 March 2020

Name of the Director	Number of shares held Equity Shares of Rs.10/- each
Mr. Rajesh Devene	0
Mrs. Alka Sagar	0
Mr. Surendranath Gupte	300

General Body Meetings

Location and time for the last Three Annual General Meetings were:

Financial Year	Venue	Date	Time	Special Resolution
2016-17	Registered Office of the Company	29 September 2017	11.00 a.m.	Nil
2017-18	Registered Office of the Company	29 September 2018	11.00 a.m.	Nil
2018-19	Registered Office of the Company	26 December 2019	11.00 a.m.	Approval for continuation of directorship of Mr. Surendranath Gupte

Postal Ballot

No resolution was passed through Postal Ballot during the year 2019-20.

At present, no special resolution is proposed to be passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution conducted through Postal Ballot.

Other Disclosures

The Company has been complying with the mandatory and discretionary requirements under part E of Schedule II of SEBI Listing Regulations.

The Company complies with the requirements of corporate governance as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Related Party Transactions:

Please refer to Note No. 38 of Notes to Accounts for significant related party transactions.

None of the transactions with any of the related parties were in conflict with the interests of the Company. The

Board has approved a policy for Related Party Transactions which has been uploaded on the website of the Company at the link: www.bilcare.com

Policy on determining “Material” Subsidiaries:

This policy is framed in accordance with the requirement of Regulation 23 of SEBI (LODR) Regulations, 2015 and is intended to identify “Material” Subsidiaries and to establish a governance framework for such subsidiaries. The details of policy on determining “Material” Subsidiaries has been disclosed under Company’s website: www.bilcare.com

Management Discussion and Analysis

This Annual Report has a detailed chapter on management discussion and analysis.

Disclosures by the Management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

Details of Non-compliance

No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

Whistle Blower Policy

The Board had framed and approved Whistle Blower Policy/Vigil Mechanism which has been uploaded on the website of the Company at the link: www.bilcare.com Also, no personnel has been denied access to the Audit Committee.

Complaints Pertaining to Sexual Harassment :

There were no complaints filed & there were no complaints pending at the end of the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of fees Paid to Statutory Auditors

The details of statutory fees to the Statutory Auditor during the FY 2019-20 are provided in the Note no 31 to the Notes to the Standalone Financial Statements.

Means of Communication

The Company puts forth vital information about the Company and its performance, including quarterly results, official news releases, and communication to investors, on its website: www.bilcare.com regularly for the benefit of the public at large. The quarterly results are published in ‘Financial Express’ and ‘Loksatta’.

News releases. Official news and media releases are sent to the Stock Exchanges.

Website

The Company’s website contains a separate dedicated section titled “Investors”. The basic information about the Company, as called for in terms of SEBI Listing Regulations, is provided on the Company’s website: www.bilcare.com and the same is updated from time to time.

Shareholders

Annual Report

Annual Report containing, inter alia, Audited financial statement. Consolidated financial statement, Boards’ Report, Independent Auditors’ Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company’s website: www.bilcare.com.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

General Shareholder Information

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28939PN1987PLC043953

Annual General Meeting

Date : 29th September 2020

Time : 12.00 p.m

The Annual General Meeting of the Company shall be held through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) in compliance with the applicable provisions of the Companies Act, 2013 and General Circular No. 20/2020 read with General Circular Nos. 14/2020 and 17/2020 issued by Ministry of Corporate Affairs (“MCA Circulars”).

Financial Calendar

1 April 2019 to 31 March 2020

For the year ended 31 March 2020, results were announced on –

- 12 August 2019 : First Quarter
- 11 November 2019 : Half yearly
- 12 February 2020 : Third Quarter
- 26 June 2020 : Fourth Quarter and Annual

Key financial reporting dates for the financial year 2020-21

- Quarter ending 30 June 2020: on or before 14 September 2020
(Vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020)
- Quarter ending 30 September 2020: on or before 14 November 2020
- Quarter ending 31 December 2020: on or before 14 February 2021
- Audited results for the financial year 2020-21: on or before 30 May 2021

Book Closure

The books will be closed from Wednesday, 23 September 2020 to Tuesday, 29 September 2020 (both days inclusive).

Credit Rating

There has been no credit rating /revision during the year.

Share Holding Pattern

The tables below give the pattern of shareholding by ownership and share class respectively.

Distribution of shareholding as on 31 March 2020

Category	Number of Shares held	Shareholding %
Promoters	7,066,611	30.01
Foreign Portfolio Investors	10,000	0.04
Corporate Bodies (India+ Foreign)	4,306,271	18.29
Non Resident Indians	440,228	1.87
Indian Public	11,722,121	49.79
Total	23,545,231	100.00

Pattern of shareholding by Share Class as on 31 March, 2020

Shareholding Class	Number of Shareholders	Number of Shares	Shareholding %
Up to 500	13,958	1,617,404	6.87
501 - 1,000	1,021	828,112	3.52
1,001 - 2,000	542	826,008	3.51
2,001 - 3,000	211	549,105	2.33
3,001 - 4,000	94	333,429	1.42
4,001 - 5,000	75	351,408	1.49
5,001 - 10,000	154	1,110,042	4.71
10,001 & above	120	17,929,723	76.15
	16,175	23,545,231	100.00

Registrar and Transfer Agents and Share Transfer and Demat System

The Board's Share Transfer Committee generally meets as and when required for dealing with matters concerning securities/share transfers of the Company. The Company has appointed Link Intime India Pvt. Ltd. as the Registrar and Transfer Agents of the Company, to carry out the share transfer Agents of the Company, to carry out the share transfer work on behalf of the Company.

Address of the Registrar and Transfer Agent

Link Intime India Pvt. Ltd.,
(Unit: Bilcare Limited)
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road. Pune – 411 001, India
Telefax : 020 – 26163503

Listing

The Equity shares of Bilcare Limited are listed on Bombay Stock Exchange Limited.

Stock Code

BSE : 526853

Stock Data

Table below gives the monthly high and low prices and volumes of Bilcare Limited at Bombay

Stock Exchange Limited, Mumbai (BSE) for the year 2019-20.

Month	Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April-19	30.00	24.40	39,487.45	38,460.25
May-19	30.00	19.50	40,124.96	36,956.10
June-19	29.00	19.25	40,312.07	38,870.96
July-19	26.10	18.30	40,032.41	37,128.26
August-19	19.25	12.30	37,807.55	36,102.35
September-19	24.75	13.50	39,441.12	35,987.80
October-19	24.50	19.50	40,392.22	37,415.83
November-19	25.80	20.10	41,163.79	40,014.23
December-19	19.75	16.65	41,809.96	40,135.37
January-20	21.70	18.80	42,273.87	40,476.55
February-20	22.25	15.20	41,709.30	38,219.97
March-20	24.70	13.30	39,083.17	25,638.90

Dematerialization of Shares and Liquidity

The equity shares of Bilcare Limited are under compulsory demat trading. As on 31 March 2020, dematerialized shares accounted for 99.51% of the total equity.

Demat ISIN numbers in NSDL & CDSL for Equity Shares: INE986A01012.

Bilcare Limited shares are actively traded at BSE Limited.

Plant Location

1028, Shiroli, Rajgurunagar, Pune 410 505, India

Investor Correspondence Address

For transfer / dematerialisation of shares and any other query relating to the shares of the Company:

Link Intime India Pvt. Ltd.,
(Unit: Bilcare Limited)
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road,
Pune – 411 001, India
Telefax : +91-20-26163503
E-mail : pune@linkintime.co.in

Deposit holders Correspondence Address

For any query relating to Fixed Deposit :

Company Address	Registrar's Address (Fixed Deposit)
Bilcare Limited 18, D G Chambers, 1st Floor, 100-104 Nagindas Master Road, Near BSE, Fort, Mumbai 400 001 Phone (022) 86559 12999	Kisu Corporate Services Pvt. Ltd. D-28 Mazanon Floor, Supariwala Estate, Prasad Chambers Compound, Near Roxy Cinema, Opera House, Mumbai - 400 004 Phone (022) 23810486/ 23886255



DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, Mohan H. Bhandari, Chairman & Managing Director of Bilcare Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31 March, 2020.

Pune : 26 June, 2020

Mohan H. Bhandari
Chairman & Managing Director

CERTIFICATE ON COMPLIANCE OF REGULATIONS OF CORPORATE GOVERNANCE

To,
The Members
Bilcare Limited,
1028 Shirol, Rajgurunagar
Pune 410505

We have examined the compliance of the conditions of Corporate Governance by Bilcare Limited for the year ended 31st March, 2020, as stipulated in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 except Regulation 17 (1) (a) to the extent of non compliance on the ROC / MCA Portal. The Company has appointed Ms. Alka Sagar as the Woman Director on resignation of Ms. Madhuri Vaidya and has informed the particulars of her appointment to BSE and BSE Website is also updated for the same. However as informed to us, her name could not be updated on ROC / MCA Portal, due to technical reasons.

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

Date: 13th August 2020
Place: Pune

For Shekhar Ghatpande & Co.
Company Secretaries

Shekhar Ghatpande
Proprietor
FCS: 1659 CP: 782

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer, of Bilcare Limited, ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for 2019-20 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2019-20 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chief Financial Officer

Chairman & Managing Director

Pune: 26th June 2020

Certificate Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of
Bilcare Limited,
1028 Shiroli, Rajgurunagar,
Pune 410505

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bilcare Limited having CIN L28939PN1987PLC043953 and having Registered Office at 1028 Shiroli, Rajgurunagar, Pune 410505 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or any such other Statutory Authority. However, all the Directors except Mr. Rajesh Shankarrao Devene (DIN 05320201) and Ms. Alka Sagar (DIN 07138477) who were appointed as the Director on 22nd April, 2019 and 12th February, 2020 respectively have been disqualified by Registrar of Companies u/s 164(2) of the Companies Act, 2013.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Shekhar Ghatpande & Co
Company Secretaries

Date: 13th August 2020
Place: Pune

Shekhar Ghatpande
Proprietor
FCS No. 1659/CP No. 782



Management Discussion and Analysis

Industry Outlook:

The Indian pharma market is expected to grow at a Compound Annual Growth Rate (CAGR) of 18 per cent, driven by an ageing and growing population, rising income levels, emerging medical conditions, and new diseases, etc., as per Market Research Report and as packaging plays a crucial role in this industry and is a connector between the industry and the end consumer, it will have a bigger role to play in times to come. Global pharma packaging market is expected to reach \$105 billion by 2022 from \$69 billion in 2015, growing at a CAGR of 6.27 per cent from 2016 to 2022, according to the report. The country has one of the lowest manufacturing costs in the world, more economical than that of the USA and almost half of Europe, it is the largest supplier of generic medicines in the world (~20% of global export volume). It has fueled the research and development of efficient packing solutions for the pharmaceutical sector that substantially prevents contamination, provides drug safety, and convenience of delivery and handling.

Pharma Packaging Films with most innovative overt printed features are fast replacing the otherwise plain PVC films giving a unique identity to the pharma brands in this highly brand driven market. Bilcare being a pioneer of such ideas has an edge as an innovative solutions provider for many pharma companies globally. "Innovation, our DNA, Patient Care our Mission" has been the motto of the company ever since its advent into the highly competitive and innovation pharm-focused packaging industry. Our philosophy has not only led us to be the most trusted partner amongst our esteemed pharma clients but also has enabled us to lead by example. Innovation is the ability to see the change as an opportunity and not as a threat. Bilcare over the years has developed technologically advanced printing and packaging designs that address the core challenges of the pharma industry commonly known as 5 Cs viz. Compliance – direction of dosage administration; Counterfeiting – deterring piracy and counterfeit in medicine packaging; Communication – differentiating and brand recall strategies; Convenience – Smart and easy to carry/ dispensing; Child Resistant Packaging – to avoid accidental misuse of medicines by children.

Bilcare firmly believes in Moving with the Times and this is the culture of Innovation that goes beyond the Research labs to touch every business function and activity, benefitting our customers and impacting the Patient health outcomes.

Pharma Packaging Innovations

Bilcare's Pharma Packaging Innovations business is technologically driven focused on producing a range of Films and Foils to meet the most challenging requirements of the pharma industry and has been steadily working on bringing innovation to its range of products and services. Some of the key factors taken up by Bilcare are:

- The Indian Market in line with the Global Trend is witnessing voluntary use of Child Resistant and Senior Friendly (CRSF) Lid Foils, though not mandated by the Regulatory Authorities in India, as a part of Global Social Responsibility being pursued by some of the market leaders. Bilcare being a global leader in the CRSF market has a natural advantage in this shift as it is already qualified as a CRSF supplier globally.
- The other trend which was noticeable during the period in question was the focus on cost effective Ultra High Barrier films. Bilcare being a pioneer in this segment has come out with a few variants which are at various stages in the approval process with Major Formulation manufacturers.
- Bilcare has been able to consolidate its brand - Bilcare Venus, as a Leader not only in the Indian market but also in other important markets across the globe. A market shift towards the newer printed ideas segment is also being witnessed which will further consolidate our position in the said segment, which was conceptualized and developed by Bilcare.
- Emergence of Compact Packaging over Conventional Strip Packaging - Bilcare was able to identify the implicit need of the consumers of various ultrasensitive formulations as regards to convenience in terms of a compact packaging against the conventional strip packaging. Bilcare's Venus Elite range of packing has been able to offer solution to this segment and have already passed the stability test for certain formulations. The saving in area ranges from 30 - 60 % over the conventional packaging and will help

the manufacturers of the formulations in terms of saving in secondary and tertiary packaging cost, transportation cost per unit and optimum use of shelf space with the chemists. In-house & customer-end stability over 12 – 18 months have shown very encouraging results in the multi-vitamins and anti-ulcerant segment.

- Environmental Concern towards use of PVC in Blisters - The Dioxin emission arising out of incineration of PVC is being taken up by various Environmental Protection Groups with the Government. Though the Pharmaceutical Applications in Blister Packaging is currently not a part of the Bilcare has capitalized this opportunity for developing a Barrier Film that will be having a significantly lower Dioxin Emission levels. A similar environmentally friendly trend was noticeable in the use of solvent free lacquer in the lidding foil segment. Bilcare's Zeon Aqua has been appreciated across the Globe and being a Drug Contact Material is under evaluation with the Pharmaceutical Companies across the Globe.
- During the year, Bilcare India site implemented the quality management system standards to the latest version ISO 9001:2015 and Environmental Management Systems standards to ISO 14001:2015 version with all necessary internal audits and management reviews and recertified by TUV SUD South Asia during the Q3 of the financial year 2019-20. Also, the Good Manufacturing Practices (GMP) Systems standards for Primary packaging components for pharmaceuticals is documented and aligned to ISO 15378:2017 standards and certified by TUV SUD during the Q3 of the financial year 2019-20.
- Bilcare India site has Drug Master File (DMF) Registered with USFDA, Health CANADA for entire range of products with an annual submission is completed in Q1 of the financial year 2019-20. Successfully completed the CFDA registration for four major range of products in the Q3 of the financial year 2019-20. As a part of Social compliance, Bilcare India plant is SEDEX registered and conforms to the SMETA audit requirements as per ETI Base Code and successfully completed the SMETA audit in the Q3 of the financial year 2019-20.

Global Clinical Supplies

Market information

The clinical trial supplies market is projected to reach USD 2.5 billion by 2025 from USD 1.7 billion in 2020, at a CAGR of 7.8%. The growth of this market is majorly driven by the increasing R&D expenditure in pharmaceutical and biopharmaceutical companies and the globalization of clinical trials & harmonization of regulations. The geography, the clinical trial materials and supplies market in Asia Pacific, especially in Australia and New Zealand,

China, and India, is expected to witness the rapid growth during the forecast period. The rapid growth in this region is attributed to increasing prevalence of chronic diseases, patient recruitment, low cost of conducting a clinical trial compared to western region and increasing government initiatives to conduct clinical trials. Moreover, due to the stringent regulations for importing clinical supplies, clinical material and supply end-users are expected to strengthen their domestic presence in these countries.

Indian regulatory for Clinical trials

With an exponentially growing clinical trial market, India promises to be one of the hottest destinations for global clinical trials and with the implementation of the New Rules, CDSCO has made sweeping changes in the regulatory framework governing the clinical trials in India. The New Rules provide for a predictable, clear and transparent system for regulation of clinical trials. The changes such as reduced approval period and online registry are expected to revive and drive the growth of the clinical trials industry in India. The New Rules are expected to put the clinical trials industry back on track. The condition of waiving local clinical trials under the New Rules will help early access to drugs for patients in India. The faster approval process will also speed up the trial procedure and encourage local drug development.

Major Projects taken up during the year

Majorly in the current year, Bilcare has handled domestic and global manufacturing of IMPs and Placebos, Primary and secondary packaging with various innovative blinding techniques, IWRS, Storage at variable temperatures along with distribution on global depots/ sites having about 30+ depots spread worldwide with equivalent capabilities to facilitate storage and distribution, handling of returns and destruction. We have expanded our scope of services to cater to cosmetics and nutraceuticals storage and distribution too. Bilcare GCS is also honored to have handled Covid-19 clinical projects in year 2020 on provision of the clinical supplies for domestic as well as global clients on a very fast track basis maintaining quality and compliance at every level.

Key achievements

- Handled the GMP audit by local regulatory successfully for one-year renewal certification for 2019-20 as well as the ISO 9001:2015 audit successfully leading to three-year renewal certification for 2019-22. No critical audit observations were observed by the national/ international clients during audit and by regulatory inspectors. We have also attended successfully remote audits conducted by clients due to Covid-19 outbreak and restrictions, leading to addition of business subsequently.
- Expanded global depot partners to cater to the global trials.

- Bilcare's name was published in the research paper with reference to one of the esteemed multicentric Global trial done by one of the renowned NGO and sponsored by Eunice Kennedy Shriver National Institute of Child Health and Human Development (NICHD). Study was conducted in 6 countries.
- Year 2020 for the entire human race was very tough because of the spread of the pandemic. Despite the Covid-19 pandemic and lock down situations, team Bilcare supported with clinical supplies for many global and Indian trials on Covid-19 trials on fast track basis. For the first time a Covid 19 trial IMP management was successfully handled in Arab country remotely by Bilcare-GCS and for another continued study the distribution of the IMPs will take place in 19 global countries.
- Handled new business vertical of medical devices/ diagnostics like rapid test kits, VTM tubes, RT-PCR kits, RNA extraction kits, etc.; by getting regulatory approvals for import on a fast track basis from the DCGI, India for the rapid test kits and RT-PCR kits and ICMR approvals before distribution to clients.
- With this, Bilcare GCS is poised to regain its market share and looks forward to maximizing profits by providing innovative, compliant and faster services to its clients.

Internal Control System and Adequacy:

According to Section 134(5)(e) of the Companies Act 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business. The Company has a well-placed and adequate Internal Financial Control system, which ensures that all the transactions are authorized, recorded and reported correctly as well as is compliant with the Company's policies and Standard Operating Procedures (SOP's). The Internal Auditors independently evaluate the adequacy of the internal controls and report to the Audit Committee of any major deviations.

Human Resources

Amidst the global pandemic of COVID-19 crisis, the safety of our employees has been our top-most priority and Bilcare has taken several measures to ensure their well-being. All employees who can work from home without any loss of effectiveness of operations are WFH (Working From Home) in accordance with the guidelines issued by the Central/State/ Municipal authorities. An exclusive helpline for employees is operational and the Company has been providing help to the employees as and when needed for various purposes. The safety of employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all safety precautions.

Financial Highlights

The Company has been in a restructuring and realignment phase during the last few years. The Company has completed the debt resolution of more than 85% with only two banks remaining. Despite the working capital constraints, the Company continued to perform though at almost similar levels as last year and meet its restructured debt obligations. The ongoing support of the customers and vendors has enabled the Company to sustain its operations and run at capacity levels of 45%. Focus on the cost reduction and improved production efficiencies have remained primary. Especially during the global pandemic of Covid-19, the Company has implemented stringent cost control measures to conserve the liquidity to mitigate any evolving situation resulting from the pandemic.

During the year, the Company divested its investment in the step down subsidiaries viz. Swiss Cos Group for a net proceeds of upto Euro 27 mn. Part of these monies have been upstreamed to Company and have been utilized to meet the debt obligations and ramp up the production levels. With higher turnovers and improved EBIDTA, the Company is confident of moving ahead of a growing and sustainable business.

Key Change in Financial Ratios – Debt Equity Ratio

The Debt equity ratio in the current financial year is 2.89 as compared to 4.43 in the previous financial year. This is mainly due to repayment in long term borrowings and the equity is adjusted to the extent of one time exceptional items as per IND AS.

Risks and Concern

The Company is subjected to various risks affecting its financial health, both in terms of external environment and internal operations. Raw material input prices, crude price hike, currency fluctuations and financial costs are some of the major risks. Industry curve with PVDC market going through stress is also a major concern for product substitution.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objective, projection, estimates, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual outcome may differ substantially or material from those expressed or implied. Important developments that could affect the Company's operation include significant changes in the political and economic environment in India or overseas in key markets, applicable statutes, litigation, labor relations, exchange rate fluctuation, interest and other costs.

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is: www.bilcare.com
2	The Composition of the CSR Committee	N.A.
3	Average net profit of the company for last three financial years	—
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	—
5	Details of CSR spent during the financial year.	N.A.
	a) Total amount to be spent for the financial year;	
	b) Amount unspent , if any;	
	c) Manner in which the amount spent during the financial year is detailed below:	

The Responsibility Statement

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Mohan H. Bhandari
Chairman & Managing Director



ANNEXURE - B

(FORM MR-3)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Bilcare Limited,
1028 Shiroli, Rajgurunagar
Pune 410505

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good Corporate Practices by Bilcare Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (*)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (*)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*)
 - (i) The Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations 2015.

(*) There were no events/ actions occurred during the year under the report which attracts the provisions of these Act/ Regulations/Guidelines, hence the same were not applicable.

As informed to us by the Company, no other Laws were specifically applicable to the Company during the Audit Period.

I have also examined compliance with the applicable Clauses of the following and report that:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118[10] of the Companies Act, 2013 and revised thereafter from time to time have been complied with.
- (ii) I have also examined the compliance with the applicable clauses of The Listing Agreement entered into by the Company with BSE Ltd.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for certain provisions and Rules in respect of Fixed Deposits.

I further report that the Compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, including Bank and Financial matters has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other Designated Professionals.

I further report that:-

- i) As on 31st March, 2020 none of the Directors on the Board of the Company for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or any such other Statutory Authority. However, all the Directors except Mr. Rajesh Shankarrao Devene (DIN 05320201) and Ms. Alka Sagar (DIN 07138477) who were appointed as the Director on 22nd April, 2019 and 12th February, 2020 respectively have been disqualified by Registrar of Companies u/s 164(2) of the Companies Act, 2013.
- ii) The Managing Director of the Company did not receive any remuneration or commission from the Company or any of its subsidiaries, except for professional services rendered from time to time.
- iii) The changes in the composition of the Board of Directors, Key Managerial Personnel (KMP) that took place during the Year under review were carried out in compliance with the provisions of the Act. The Company has appointed Ms. Alka Sagar as the Woman Director on resignation of Ms. Madhuri Vaidya and has informed the particulars of her appointment to BSE, and BSE Website is also updated for the same. However as informed to us, her name could not be updated on ROC / MCA Portal, due to technical reasons.
- iv) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI LODR Regulations, 2015 and Section 149(6) of the Act. However the Independent Directors of the Company have so far not registered on the Portal of 'Independent Directors Data Bank' introduced by Indian Institute of Corporate Affairs.

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

All the decisions in the Board meetings were carried through by the majority and it was informed to us while there were no dissenting views of the members and hence not captured and recorded as part of the Minutes.

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

I further Report that:-

- 1) During the Audit period there was no event/action having a major bearing on the Company's affairs, except the following:-

As reported in my previous Secretarial Audit Report dated 27th May, 2019, the Shareholders of the Company in their Extra Ordinary General Meeting held on 11th January, 2019 approved the Special Resolution under Regulation 24 and other applicable provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 regarding divestment of its Step- down Overseas Subsidiaries.

Accordingly, as informed to us, on 8th November, 2019, Company has divested its overseas step down subsidiaries viz. Bilcare Research Swiss I AG and Bilcare Research Swiss II AG.



2) The Company vide its Letter dated 28th July, 2020 addressed to BSE Ltd., has intimated pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that the Company has received a Letter from SFIO under Section 212 of the Companies Act, 2013. As informed to BSE Ltd. In the said Letter the Company is attending to the said Letter.

For Shekhar Ghatpande & Co
Company Secretaries

Date: 13th August, 2020
Place: Pune

Shekhar S. Ghatpande
Practicing Company Secretary
FCS No. 1659/CP No. 782
UDIN: F001659B000576728

This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.

Annexure 'A' to the Secretarial Audit Report of Bilcare Limited

To,

The Members
Bilcare Limited,
1028 Shiroli
Rajgurunagar
Pune 410505

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

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

For Shekhar Ghatpande & Co
Company Secretaries

Date: 13th August, 2020
Place: Pune

Shekhar S. Ghatpande
Practicing Company Secretary
FCS No. 1659/CP No. 782



STANDALONE IND AS FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF BILCARE LIMITED

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 39 of the standalone financial statements, which state the impact of Covid-19 on the operations of the Company.

We draw your attention to Note 24 read with Note 5 (i) and (ii) of the standalone financial statements, which includes impairment and net fair value changes of the investment in Bilcare Mauritius Ltd (BML) and gain on one time settlement with banks & creditors.

The Company has not provided interest on term loans from banks classified as Non-Performing Assets and the same has not been quantified. Refer Annexure A (b) to the standalone financial statements.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S No	Key Audit Matters	Auditor's Response
1	<p>Impairment of Investment in Subsidiary relating to divestment of the step down subsidiaries - refer note 5 (a) (ii) of the standalone financial statements</p> <p>As part of the global strategy of the Group, the Company decided to divest its stake in the step down subsidiaries – Swiss Cos Group which was affected on 8th November 2019. As part of the same divestment transaction, Caprihans India Limited, which was a step down subsidiary of the Swiss Cos Group was acquired by Bilcare Mauritius Ltd (BML) a wholly owned subsidiary of the Company. The investment of the Company including fair valuation in BML, insomuch, was impaired to the extent of INR 23,806.94 lacs.</p> <p>Given the complexity and judgment involved in the fair value measurements and magnitude of the divestment made by the Company, this is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have assessed whether the methodology established by the Management to identify indications of the impairment of the investment and the quantification thereof was appropriate • We have assessed that the impairment was in line with the accounting treatment for valuation and impairment of investments as specified in Ind AS 36. • We have evaluated the design and implementation of control relating to the Management's estimation of the recoverable amount of the investment • We have evaluated the Management's valuation method used and the accuracy of the inputs used • We have critically evaluated the key assumptions, for the divestment and the identification and valuation of the Discontinued business assets by relying on the valuation specialists and based on our knowledge of the Company and the industry. • We have assessed the adequacy of the Company's Disclosures in respect of the impairment in accordance with the Ind AS 36.
2	<p>Existence and condition of inventory of raw material, work in progress and finished goods - refer note 9 of the standalone financial statements</p> <p>As at March 31, 2020, the Company carried inventories aggregating INR 2,221.94 lacs, comprising 2.3% of the total assets of the Company as on that date, which inventories are in one location of the factory premises.</p> <p>These inventories are physically verified by the Management in accordance with a physical verification plan.</p> <p>Owing to the COVID-19 related lock-down, we were unable to participate in the year-end physical verification of inventories carried out by the Management at the year-end. For the aforementioned reason and also since the inventory balance is material, the existence and condition thereof has been considered as a key audit matter.</p>	<p>We have performed the following principal audit procedures in relation to validating the existence and condition of inventories, which include a combination of testing internal controls and substantive testing as under:</p> <ul style="list-style-type: none"> • Understood Management's control over physical inventory counts. • Evaluation of the design and testing the operating effectiveness of the internal controls relating to physical inventory counts. • Evaluation of the design and testing the operating effectiveness of the internal controls relating to purchases, sales and inventories including automated controls. • Performed alternate procedures including inspection of documentation of the subsequent sale of inventories to audit the existence and condition of inventory as per guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence. We have also performed roll-forward procedures for establishing the existence of inventory as at year-end by validating purchases, sales, stock movement of inventory during the intervening period i.e. from the date physical verification was done till the year end date. • Verification of documentary evidences of damaged and expired stock and the adequacy of recorded allowance in respect of these.

3	<p>Provisions and contingent liabilities relating to taxation, litigations, and claims - refer note 36 of the standalone financial statements</p> <p>The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business.</p> <p>As at the year ended 31 March 2020, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgment by the Company because of the inherent complexity in estimating future costs. The amount recognized as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgment and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgments previously made by authorities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. • Using our subject matter experts to assess the value of significant provisions and contingent liabilities, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team. We assessed the assumptions and critical judgments made by the Company which impacted the computation of the provisions and inspected the computation and estimates of outcome and financial effect. We considered the judgment of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors. • Evaluating judgments made by the Company by comparing the estimates of prior year to the actual outcome. • Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities.
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Other Information

The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Company's Board of Directors is responsible for the other information. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from directors as on March 31, 2020 taken on records by Board of Directors, except Mr. Rajesh Shankarrao Devene and Mrs Alka Sagar, all other directors of the Company are disqualified u/s 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197 (16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act. We further report that no remuneration has been paid during the year to the Managing Director of the Company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements — Refer Note 36 to the financial statements;
 - ii. As informed to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K.R.Miniyar & Associates
Chartered Accountants
Firm Registration No. 124806W

Date: June 26, 2020
Place: Aurangabad

K.R. Miniyar
Proprietor
(Membership No.108015)
UDIN: 20108015AAAAAT2311

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

To the Members of Bilcare Limited

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For K.R.Miniyar & Associates
Chartered Accountants
Firm Registration No. 124806W

Date: June 26, 2020
Place: Aurangabad

K.R. Miniyar
Proprietor
(Membership No.108015)
UDIN: 20108015AAAAAT2311

'ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bilcare Limited of even date)

- i. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The property, plant and equipment were physically verified by the Management in accordance with a regular programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable periods. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us by the Management, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. As explained to us, the inventory has been physically verified in a phased manner at reasonable intervals during the year by the Management and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses 3(iii)(a),(b) and (c) are not applicable.
- iv. The Company has not granted any loans, made any investments, provided guarantees or security and hence reporting under clause (iv) of CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not complied with the provisions of sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). The total deposits outstanding are ₹ 12,661.10 lacs. However, as informed to us, the Company has made an application to NCLT and no order has been received till date and the matter is sub-judicial as on March 31, 2020.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same with a view to determine whether they are accurate and complete.
- vii. a. The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess, Goods and Service Tax and other statutory dues with the appropriate authorities. Further Company has not deducted Tax Deduction at Source, on capital advance of ₹ 10,620.67 lacs, as on March 31, 2020 for purchase of land as required under section 194-IA of Income Tax Act, 1961.

According to the information and explanations given to us, the undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period more than six months from the date of becoming payable, are Tax Deducted at Source of ₹ 94.61 lacs.
- b. Details of Income tax, Sales tax, Service tax, Customs Duty, Goods and Service Tax and Cess which have not been deposited as on March 31, 2020 on account of disputes are given below:

(₹. in lacs)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Assessment Year)	Gross Amount	Amount paid under protest	Amount Unpaid
Income Tax Act, 1961	Income Tax (TP)	Income Tax Appellate Tribunal	A.Y. 2013-14	747.47	150.32	597.15
Total of Income Tax Act 1961 (A)				747.47	150.32	597.15
Finance Act, 1994 (Service Tax)	Service tax - Penalty	CESTAT, Mumbai	November 2012 to May 2015	33.91	33.91	—
	Service tax - Penalty	CESTAT, Mumbai	June 2015 to December 2016	31.22	31.22	—
Total of Finance Act 1994 (Service Tax) (B)				65.13	*65.13	—
Total C =(A+B)				812.6	215.45	597.15

*Amount reversed through GSTR -3B of May 2018

- viii. As per the information and explanations given to us, the Company has defaulted in repayment of loans or borrowing to a financial institution, banks, government amounting to ₹ 12,403.68 lacs.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause (ix) of CARO 2016 is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud in the Company by the officers and employees of the Company have been noticed or reported during the year.
- xi. According to information and explanation given to us, the Company has not paid or provided any managerial remuneration.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- xiii. According to the information and explanations given by the Management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.
- xv. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.
- xvi. In our opinion, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K.R.Miniyar & Associates
Chartered Accountants
Firm Registration No. 124806W

Date: June 26, 2020
Place: Aurangabad

K.R. Miniyar
Proprietor
(Membership No.108015)
UDIN: 20108015AAAAAT2311



STANDALONE BALANCE SHEET

AS AT 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	49,010.53	57,555.28
Capital work-in-progress	3	—	28.27
Intangible assets	4	1,610.36	1,817.68
Intangible asset under development	4	—	—
Investments in subsidiaries	5	17,295.80	51,335.50
Financial assets	6		
(i) Investments		1.00	1.00
(ii) Other financial assets		168.70	171.81
Non Current tax asset (net)	10	581.04	500.72
Other non-current assets	7	10,968.79	10,711.21
Deferred tax assets (net)	8	8,566.97	6,146.53
Total non-current assets		88,203.19	128,268.00
Current assets			
Inventories	9	2,221.94	3,166.78
Financial assets	6		
(i) Investments		20.62	—
(ii) Trade receivables		3,909.90	3,705.60
(iii) Cash and cash equivalents		492.02	600.11
(iv) Bank balances other than (iii) above		51.58	51.83
Other current assets	7	2,358.80	1,722.04
Total current assets		9,054.86	9,246.36
TOTAL ASSETS		97,258.05	137,514.36
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	2,354.52	2,354.52
Other equity			
Reserves and surplus	12	3,562.59	13,788.31
Total Equity		5,917.11	16,142.83
LIABILITIES			
Non-current liabilities			
Financial liabilities	13		
(i) Borrowings		55,883.52	71,437.19
(ii) Trade payables		1,349.37	1,200.64
(iii) Other financial liabilities		4,494.23	13,767.45
Provisions	14	444.86	365.90
Total non-current liabilities		62,171.98	86,771.18
Current liabilities			
Financial liabilities	13		
(i) Borrowings		14,972.42	15,326.06
(ii) Trade payables		5,060.33	7,206.21
(iii) Other financial liabilities		7,549.77	9,054.72
Provisions		59.45	113.10
Other current liabilities	15	1,526.99	2,900.26
Total current liabilities		29,168.96	34,600.35
Total liabilities		91,340.94	121,371.53
TOTAL EQUITY AND LIABILITIES		97,258.05	137,514.36

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniyar & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniyar

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	16	21,175.11	23,980.80
Other income	17	1,411.26	655.60
Total income		22,586.37	24,636.40
EXPENSES			
Cost of materials consumed	18	14,497.44	17,184.53
(Increase) / Decrease in inventories of finished goods and work in progress	19	(154.05)	(283.87)
Employee benefits expense	20	2,729.87	2,922.58
Depreciation and amortisation expense	21	8,806.17	24,847.36
Other expenses	22	4,861.64	4,162.64
Finance costs	23	6,907.61	7,209.79
Total expenses		37,648.68	56,043.03
Profit before exceptional items and tax		(15,062.31)	(31,406.63)
Exceptional items gain/(loss)	24	2,407.28	—
Profit / (loss) before tax		(12,655.03)	(31,406.63)
Tax Expense	25		
Current tax		—	—
Deferred tax		(2,422.68)	118.06
Total tax expense		(2,422.68)	118.06
Profit / (loss) for the year		(10,232.35)	(31,524.69)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
– Remeasurements of defined benefit obligations		8.86	7.98
– Income tax relating to the above items		(2.23)	(2.49)
Other comprehensive income for the year, net of tax		6.63	5.49
Total comprehensive income for the year		(10,225.72)	(31,519.20)
Earning per equity share of ₹ 10 each	26		
Basic earning per share		(43.46)	(133.89)
Diluted earning per share		(43.46)	(133.89)

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniyaar & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniyaar

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO



STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at April 1, 2018		2,354.52
Changes in equity share capital during the year	11	—
As at March 31, 2019		2,354.52
Changes in equity share capital during the year	11	—
As at March 31, 2020		2,354.52

B. Other Equity

Particulars	Notes	Attributable to owners				
		Reserves and Surplus				Total
		Securities premium reserve	Capital redemption reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2018		51,034.41	271.63	11,622.47	(17,621.00)	45,307.51
Profit for the year		—	—	—	(31,524.69)	(31,524.69)
Other comprehensive income		—	—	—	5.49	5.49
Total comprehensive income for the year		—	—	—	(31,519.20)	(31,519.20)
Balance at March 31, 2019		51,034.41	271.63	11,622.47	(49,140.20)	13,788.31
Profit for the year		—	—	—	(10,232.35)	(10,232.35)
Other comprehensive income		—	—	—	6.63	6.63
Total comprehensive income for the period		—	—	—	(10,225.72)	(10,225.72)
Balance at March 31, 2020		51,034.41	271.63	11,622.47	(59,365.92)	3,562.59

As per our report of even date

K. R. Miniyaar & Associates

Firm Registration Number: 124806W
Chartered Accountants

CA K.R. Miniyaar

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

For and on behalf of the Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Rajesh Devene
Director

Prabhavi Mungee
Company Secretary

Nilesh Tiwari
CFO

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	31-Mar-20	31-Mar-19
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before exceptional items and tax	(15,062.31)	(31,406.63)
Adjustments for:		
Depreciation, amortisation and impairment	8,806.19	24,847.36
Interest and Dividend income from financial assets	(10.00)	(19.60)
(Gain)/ Loss on disposal of property, plant and equipment (net)	—	96.92
Withholding tax payments (net)	(144.30)	—
Liabilities for advances and others written back / (written off)	10,540.85	—
Net fair value changes in Investment (including loss on sale of investment)	9,114.26	—
Interest expenses - PV unwinding & rear end cost	4,572.23	4,669.29
Interest expenses - others	2,335.39	2,540.50
Provision for doubtful debts, advances, deposits and others	—	4.52
	20,152.31	732.36
Changes in working capital:		
(Increase)/Decrease in inventories	944.84	(618.05)
(Increase)/Decrease in trade receivables	(204.30)	377.95
(Increase)/Decrease in other financial assets	3.11	(10.87)
(Increase)/Decrease in other non-current assets	(257.58)	(219.91)
(Increase)/Decrease in other current assets	(636.74)	(10.16)
Increase/(Decrease) in trade payables	(1,997.16)	1,621.00
Increase/(Decrease) in other financial liabilities	(9,472.70)	4,015.56
Increase/(Decrease) in other current liabilities	(1,373.26)	271.32
Increase/(Decrease) in provisions	34.18	142.54
Cash generated from / (used in) operations	7,192.70	6,301.74
Income taxes paid	(80.32)	(88.88)
Net cash generated from / (used in) operating activities (A)	7,112.38	6,212.86
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	(25.82)	(54.24)
Proceeds from sale of property, plant and equipment	—	105.83
Interest received	9.02	14.75
Dividend received	0.98	4.85
Investment in bank deposits (having original maturity more than 3 months)	0.25	13.26
Net changes in investment	1,118.49	—
(Purchase)/ Redemption of investments in mutual funds	(20.62)	67.00
Net cash generated from / (utilised in) investing activities (B)	1,082.30	151.45
C CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (repaid) / taken including interest and gain on restructuring	(1,860.48)	841.68
Other borrowings (repaid) / taken including interest and gain on restructuring	465.33	342.79
Interest expenses - PV unwinding & rear end cost	(4,572.23)	(4,669.29)
Interest expenses - others	(2,335.39)	(2,540.50)
Net cash generated from / (used in) financing activities (C)	(8,302.77)	(6,025.32)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(108.09)	338.99
Cash and cash equivalents at the beginning of the year	600.11	261.12
Cash and cash equivalents at the end of the year	492.02	600.11
Cash and cash equivalents comprise of the following:		
Cash on hand	13.99	32.55
Balances with banks - Current accounts	478.03	567.56
	492.02	600.11

Note: The cash & cash equivalents balance as on March 31, 2019 has been regrouped to be in line with the balances as on March 31, 2020.

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniya & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniya

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

1 Company overview

Bilcare Ltd., is a listed Company domiciled and based in Pune, India. It was incorporated in July 1987 with its manufacturing unit at Rajgurunagar. The Company floated its IPO in 1995 and was listed on the Bombay Stock Exchange (BSE). Bilcare is in the business of Pharmaceutical Packaging, Global Clinical Services, R&D services and Anti Counterfeit Technology (nCid).

2 (a) Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

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

These standalone financial statements were authorised for issue by the Company's Board of Directors as on 26th June 2020.

(ii) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis except for the following items

- Certain financial assets and liabilities which are measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

(iii) Use of estimates

The preparation of these standalone financial statements, requires the Management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets & liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions & estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, the Management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes:

Note 2.6 (b) - Recognition of deferred tax assets

Note 2.17 - Measurement of defined benefit obligations

Note 2.21 - Provision for contingent liabilities

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

2.2 Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Operating cycle: Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its Operating cycle.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

2.3 Foreign currencies

(i) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the standalone financial statements of the Company are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the company's functional currency of the entity at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

(a) Sale of goods

Revenue is recognised when significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(b) Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

2.5 Income recognition

(a) Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original effective interest rate.

(b) Dividend income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(c) Government Grants

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

(d) Export Incentives

Export Incentives under various schemes are recognised as other income in the Statement of profit or loss, if the entitlements can be estimated and conditions precedents to the claim are fulfilled.

2.6 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity) and are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

2.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

(b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

2.8 Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets under development are tested for impairment annually.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For Investments, the Company assesses the fair value, if any, at each reporting date and recognizes the impairment loss in the event it is so required.

2.9 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of 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 consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at lower of cost are determined on a weighted average basis and net realisable value.

Scrap is valued at net realizable value.

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

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit and loss, the transaction costs that are attributable to the acquisition of the financial asset are measured and recognized.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amount in ₹ lacs, unless otherwise stated)

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

1. Financial assets at amortised cost

Financial asset is measured at the amortised cost if both the following conditions are met:

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

2. Financial assets at fair value through profit and loss (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. Debt instruments included within FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR). This category generally applies to trade and other receivables.

3. Equity Investments measured at fair value through other comprehensive income (FVTOCI)

Equity investment is classified as 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 asset's contractual cash flows represent SPPI

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

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However the Company may transfer the cumulative gain or loss within the equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(c) Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(d) Impairment

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

- Financial assets that are debt instruments and are measured at amortised cost (e.g., loans, debt securities, deposits, trade receivables and bank balance)
- Lease receivables under Ind AS 17
- 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
- Financial assets that are measured at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of 'simplified approach' does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

(ii) Financial Liabilities

(a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an ineffective hedge, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification and the financial liabilities are classified in the following measurement categories:

Classification

1. Financial liabilities to be measured at fair value through profit or loss

All financial liabilities are recognised initially at fair value and are subsequently measured at amortized cost using the EIR method.

2. Financial liabilities to be measured at amortised cost

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 as finance costs in the statement of profit and loss. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The EIR is the rate that exactly discounts estimated future cash outflow (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

This is the category most relevant to the Company and generally applies to borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(c) Derecognition

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

(iii) 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Investments in Subsidiaries

The Company has accounted for its investment in subsidiaries, at cost less accumulated impairment as per Ind AS 27. All other investments including Non-current Assets Held for Sale and Discontinued Operations shall be accounted for in accordance with Ind AS 105.

Investment in subsidiary is carried at cost less impairment loss, if any, in the separate Standalone Financial Statements.

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The useful lives are based on a technical evaluation and have not undergone a change on account of transition to the Companies Act, 2013.

The useful life of Property, plant and equipment as estimated by the Management is as follows:

Class of asset	Life of the asset
Leasehold Land	79 years
Factory Building	50 years
Buildings (Other than factory building)	60 years
Plant and equipment	20 years
Vehicles	8 years
Electric fittings	15 years
Furniture and fixtures	15 years
Office equipment	5 years
Computers	3 years
Tools and equipments (fully amortized in this year)	3 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and recorded in profit and loss account.

2.15 Intangible assets

(i) Recognition and measurement

Identifiable intangible assets are recognised when the Company controls the asset and it is probable that future economic benefits 'attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as

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the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(ii) Amortisation methods and periods

The useful life of Intangible assets as estimated by the Management is as follows:

Class of asset	Life of the asset
Computer software	10 years
Patent	15 years

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.17 Employee Benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

(a) Defined Benefit Plans - Gratuity obligations

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

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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(b) Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

2.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the 'lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

2.20 Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head "Exceptional Items".

2.21 Provision and contingent liabilities

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. The 'increase in the provision due to passage of time is recognised as an interest expense.

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

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Internal Management and the Board of Directors of the Company who are responsible for allocating the resources, assess the financial performance and position of the Company and make strategic decisions. The Company has identified one reportable segment "Pharma Packaging Research Solutions" based on the 'information reviewed by the Internal Management and Board of Directors. Refer Note 37 for segment information presented.

2.23 Rounding off amounts

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

2 (b) Critical Estimates and Judgements

The preparation of Standalone Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

i) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

ii) Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the Management. The useful lives as estimated are the same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. 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 technology.

iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

iv) Impairment of assets

The Company reviews the carrying amounts of its property, plant and equipment, capital work in progress, intangible assets and investments, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Further details on the Company's accounting policies on this are set out in the accounting policy above. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires company to estimate the fair value less cost of disposal. The impairment loss by the Company have been detailed in Note 5 (a) (ii).

v) Going Concern

As per Ind AS 1, the Management neither intends to liquidate the entity nor to cease its business operations. The Company has been making losses over the last few years, however on an operational level the Company is in profits. Further the Company has restructured the bank debts and the same are now payable with longer repayment tenors. The net assets of the Company comprise of PPE at its actual values and Investment in subsidiaries have been restated to its historical cost with the fair valuations being impaired. As at the date of approval of the financial statements, the Company's turnover has increased and the margins have improved. Thus going forward the Company expects to breakeven and become profitable thereafter. On this basis the Board of Directors believe it is appropriate to prepare the financial statements on a going concern basis.

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(All amount in ₹ lacs, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold Land	Buildings	Plant and equipment	Vehicles	Electric Fitting	Furniture and fixtures	Office equipment	Tools & equipments	Total	Capital Work In Progress
Year ended March 31, 2019											
Gross Carrying Amount											
Carrying amount as at April 1, 2018	5,193.42	33.77	7,336.36	73,169.34	67.59	970.07	349.55	96.16	68,536.70	155,752.96	24.91
Additions	—	—	1.47	43.83	—	—	1.05	4.48	—	50.83	28.27
Transfer from CWIP to PPE	—	—	—	—	—	—	—	—	—	—	(24.91)
Disposals	(202.29)	—	—	—	(7.94)	—	—	—	—	(210.23)	—
At March 31, 2019	4,991.13	33.77	7,337.83	73,213.17	59.65	970.07	350.60	100.64	68,536.70	155,593.56	28.27
Accumulated depreciation and impairment, if any											
As at April 1, 2018	—	9.05	749.55	29,679.14	64.21	776.51	260.43	65.35	41,803.86	73,408.10	—
Charge for the year	—	0.43	146.63	3,053.21	—	25.10	12.40	13.67	21,386.28	24,637.72	—
Disposals	—	—	—	—	(7.54)	—	—	—	—	(7.54)	—
At March 31, 2019	—	9.48	896.18	32,732.35	56.67	801.61	272.83	79.02	63,190.14	98,038.28	—
Net Block at March 31, 2019	4,991.13	24.29	6,441.65	40,480.82	2.98	168.46	77.77	21.62	5,346.56	57,555.28	28.27
Year ended March 31, 2020											
Gross Carrying Amount											
Carrying amount as at April 1, 2019	4,991.13	33.77	7,337.83	73,213.17	59.65	970.07	350.60	100.64	68,536.70	155,593.56	28.27
Additions	—	—	—	46.63	—	—	—	5.07	—	51.70	—
Transfer from CWIP to PPE	—	—	—	—	—	—	—	—	—	—	(28.27)
Disposals	—	—	—	—	—	—	—	—	—	—	—
At March 31, 2020	4,991.13	33.77	7,337.83	73,259.80	59.65	970.07	350.60	105.71	68,536.70	155,645.26	—
Accumulated depreciation and impairment, if any											
As at April 1, 2019	—	9.48	896.18	32,732.35	56.67	801.61	272.83	79.02	63,190.14	98,038.28	—
Charge for the year	—	0.43	146.64	3,053.98	—	25.10	12.45	11.29	5,346.56	8,596.45	—
Disposals	—	—	—	—	—	—	—	—	—	—	—
At March 31, 2020	—	9.91	1,042.82	35,786.33	56.67	826.71	285.28	90.31	68,536.70	106,634.73	—
Net Block at March 31, 2020	4,991.13	23.86	6,295.01	37,473.47	2.98	143.36	65.32	15.40	—	49,010.53	—

(i) Refer Note 13(a) and 13(b) for details of the assets pledged as security.

(ii) The remaining useful life of certain technology related assets was estimated on Jan 1, 2019 to be five quarters instead of one quarter. The depreciation and amortisation thus is now of ₹ 5,346.56 lacs for the year ended 31 March 2020 (31 March 2019: ₹ 21,386.28 lacs).

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4 INTANGIBLE ASSETS

	Patents & trademarks	Softwares	Total	Intangible asset under development
Year ended March 31, 2019				
Gross Carrying Amount				
Carrying amount as at April 1, 2018	1,965.74	947.55	2,913.29	—
Additions	—	—	—	—
Disposals	—	—	—	—
At March 31, 2019	1,965.74	947.55	2,913.29	—
Accumulated depreciation and impairment, if any				
As at April 1, 2018	492.91	393.06	885.97	—
Charge for the year	136.01	73.63	209.64	—
Disposals	—	—	—	—
As at March 31, 2019	628.92	466.69	1,095.61	—
Net Block at March 31, 2019	1,336.82	480.86	1,817.68	—
Year ended March 31, 2020				
Gross Carrying Amount				
Carrying amount as at April 1, 2019	1,965.74	947.55	2,913.29	—
Additions	—	2.40	2.40	—
Disposals	—	—	—	—
As at March 31, 2020	1,965.74	949.95	2,915.69	—
Accumulated depreciation and impairment, if any				
As at April 1, 2019	628.92	466.69	1,095.61	—
Charge for the year	136.01	73.71	209.72	—
Disposals	—	—	—	—
As at March 31, 2020	764.93	540.40	1,305.33	—
Net Block at March 31, 2020	1,200.81	409.55	1,610.36	—

5 INVESTMENTS IN SUBSIDIARIES

	Notes	31-Mar-20	31-Mar-19
Investment in equity shares of subsidiaries (unquoted) (fully paid-up)	See note (a)	17,295.80	51,335.50
		17,295.80	51,335.50

(a) Investment in equity shares of subsidiaries (unquoted)

	Notes	Nos	31-Mar-20 Amount	Nos	31-Mar-19 Amount
Bilcare Mauritius Limited (of USD 1000 each)	See note (i) & (ii)	15,839	17,294.16	25,892	51,333.86
Bilcare GCS Limited, UK (of GBP 1 each)		1,000	0.95	1,000	0.95
Bilcare GCS Inc, USA (of USD 10 each)		100	0.69	100	0.69
Bilcare Technologies Singapore Pte Limited (of SGD 0.01 each)		125,000	0.001	125,000	0.001
Total			17,295.80		51,335.50

(i) During the year 2019-20, Bilcare Mauritius Limited (BML), a wholly owned subsidiary of the Company, has bought back its equity shares at a premium. During the year ended 31 March 2020, BML bought back 10,053 shares for a total cash consideration of ₹ 10,454.54 lacs.

(ii) Pursuant to sale of Swiss Cos (refer note 38 of Consolidated Financial Statements) the investment in BML including the fair valuation was impaired to the extent of ₹ 23,806.94 lacs.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

6 FINANCIAL ASSETS

(a) Investments

	Notes	31-Mar-20	31-Mar-19
Non-Current			
Investment in equity shares (unquoted) (fully paid-up)	See note (i)	1.00	1.00
Investment in preference shares (unquoted) (fully paid-up)	See note (ii)	—	—
		1.00	1.00
Current			
Investments in mutual funds		20.62	—
		20.62	—
		21.62	1.00
Aggregate amount of quoted investments and market value thereof		20.62	—
Aggregate amount of unquoted investments		1.00	1.00
Aggregate amount of impairment in the value of investments		—	—

(i) 1,000 shares of Cosmos Bank having face value of ₹ 100 each.

(ii) 78,332 Preference shares of Bilcare Technologies Singapore Pte Limited having no par value.

(b) Trade Receivables

	31-Mar-20	31-Mar-19
Current		
Secured		
Considered good	123.07	241.51
Unsecured		
Considered good	3,786.84	3,464.08
Considered doubtful	233.54	233.54
Subtotal	4,143.44	3,939.14
Less: Allowance for doubtful debts	(233.54)	(233.54)
Total	3,909.90	3,705.60

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) No trade and other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

(iii) Details of trade receivables from related parties are disclosed as part of note 38 - Related party disclosures.

(c) Cash and Cash Equivalent

	31-Mar-20	31-Mar-19
Cash on hand	13.99	32.55
Balances with banks - Current accounts	478.03	567.56
	492.02	600.11

Cash at banks earns interest at floating rates based on daily bank deposit rates. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period.

(d) Bank balance other than cash & cash equivalents

	Notes	31-Mar-20	31-Mar-19
Deposits with maturity more than 3 months and less than 12 months	See note (i)	51.58	49.54
Earmarked balances on unclaimed dividend account		—	2.29
		51.58	51.83

(i) Deposits with bank include earmarked deposits as margin money for guarantees, advance license etc. ₹ 46.13 lacs (including interest) (31-Mar-2019: ₹ 44.17 lacs).

(e) Other financial assets

	Notes	31-Mar-20	31-Mar-19
Non-Current			
Security deposits	See note (i)	168.70	171.81
		168.70	171.81

(i) Security deposits primarily include security deposits given towards rented premises, warehouses and electricity deposits

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

7 OTHER ASSETS

	Notes	31-Mar-20	31-Mar-19
Non-current			
Capital advances	See note (i)	10,968.79	10,711.21
Total		10,968.79	10,711.21
Current			
Advance to suppliers		810.87	323.79
Advance to employees		90.61	55.15
Advance to related parties	See note (i)	6.58	162.63
Balance with Government authorities		911.98	1,134.36
Prepaid expenses		21.68	28.88
Other receivables		517.08	17.23
Total		2,358.80	1,722.04

(i) Advances to related parties are disclosed as part of note 38 - Related party disclosures.

8 DEFERRED TAX ASSETS (Net)

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset / (liabilities)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Property, plant and equipment, including fair valuation	—	—	(9,314.00)	(11,665.00)	(9,314.00)	(11,665.00)
Provision for gratuity & leave encashment	127.00	149.00	—	—	127.00	149.00
Investments	7,128.00	1,959.00	—	—	7,128.00	1,959.00
Receivables and advances	10,625.97	15,703.53	—	—	10,625.97	15,703.53
Total	17,880.97	17,811.53	(9,314.00)	(11,665.00)	8,566.97	6,146.53

(i) Movement in temporary differences for the year ended March 31, 2019

	31-Mar-18	Recognised in			31-Mar-19
		Profit or loss	OCI	Equity	
Property, plant and equipment	(11,599.00)	(66.00)	—	—	(11,665.00)
Provision for gratuity & leave encashment	104.00	47.49	(2.49)	—	149.00
Investments	2,582.00	(623.00)	—	—	1,959.00
Receivables and advances	15,180.08	523.45	—	—	15,703.53
Total	6,267.08	(118.06)	(2.49)	—	6,146.53

(ii) Movement in temporary differences for the year ended March 31, 2020

	31-mar-19	Recognised in			31-Mar-20
		Profit or loss	OCI	Equity	
Property, plant and equipment	(11,665.00)	2,351.00	—	—	(9,314.00)
Provision for gratuity & leave encashment	149.00	(19.77)	(2.23)	—	127.00
Investments	1,959.00	5,169.00	—	—	7,128.00
Receivables and advances	15,703.53	(5,077.56)	—	—	10,625.97
Total	6,146.53	2,422.67	(2.23)	—	8,566.97

(iii) Unrecognised deferred tax assets

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

	31-Mar-20	31-Mar-19
Unabsorbed loss*	109,796.32	108,258.77
Unabsorbed depreciation	25,768.72	23,580.67

*Includes long term capital losses of ₹89,910.54 lacs (in appeal)

The losses can be carried forward for a period of 8 years and unabsorbed depreciation without any limit as per local tax regulations and the Company expects to recover the losses.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

9 INVENTORIES

	31-Mar-20	31-Mar-19
<i>(at lower of cost or net realisable value)</i>		
Raw materials	783.10	1,890.80
Stores and consumables	131.74	122.93
Work-in-progress	438.55	500.25
Finished goods	868.55	652.80
Total	2,221.94	3,166.78
Included in inventories goods in transit as follows:		
Finished goods (CIF sales)	690.45	557.34
Total	690.45	557.34

10 NON CURRENT TAX ASSETS

	31-Mar-20	31-Mar-19
Non-Current		
Opening balance	500.72	315.49
Add: Taxes paid during the year	80.32	185.23
Closing balance	581.04	500.72

11 SHARE CAPITAL

[a] Authorised share capital

	Equity shares of ₹ 10 each (PY ₹ 10 each)		Redeemable preference shares of ₹ 10 each (PY ₹ 10 each)	
	No. of shares	Amount	No. of shares	Amount
As at 31-Mar-2018	40,000,000	4,000	5,000,000	500
Increase during the year	—	—	—	—
As at 31-Mar-2019	40,000,000	4,000	5,000,000	500
Increase during the year	—	—	—	—
As at 31-Mar-2020	40,000,000	4,000	5,000,000	500

[b] Issued equity share capital

	Equity shares of ₹ 10 each (PY ₹ 10 each)	
	No. of shares	Amount
As at 31-Mar-2018	23,545,231	2,354.52
Change during the year	—	—
As at 31-Mar-2019	23,545,231	2,354.52
Change during the year	—	—
As at 31-Mar-2020	23,545,231	2,354.52

(i) Terms / rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees, if any. During the year ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was NIL (31 March 2019 : NIL). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: ₹ 10 each)

	31-Mar-20		31-Mar-19	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mohan H. Bhandari	5,856,489	24.87	5,856,489	24.87
Monument Pte. Ltd.	3,871,428	16.44	3,871,428	16.44
Rakesh R. Jhunjhunwala	1,735,425	7.37	1,735,425	7.37
Nutan M. Bhandari	1,205,122	5.12	1,205,122	5.12

12 RESERVES AND SURPLUS

	31-Mar-20	31-Mar-19
Securities premium reserve	51,034.41	51,034.41
Capital redemption reserve	271.63	271.63
General Reserve	11,622.47	11,622.47
Retained earnings	(59,365.92)	(49,140.20)
	3,562.59	13,788.31

(i) Securities premium reserve

Security Premium Reserve is the premium on issue of shares and is utilised in accordance with the provisions of the Act.

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	51,034.41	51,034.41
Movement during the year	—	—
Balance at the end of the year	51,034.41	51,034.41

(ii) Capital redemption reserve

Capital redemption reserve has been created on account of redemption of cumulative preference shares in earlier years.

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	271.63	271.63
Movement during the year	—	—
Balance at the end of the year	271.63	271.63

(iii) General reserve

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	11,622.47	11,622.47
Movement during the year	—	—
Balance at the end of the year	11,622.47	11,622.47

(iv) Retained earnings

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	(49,140.20)	(17,621.00)
Net profit for the year	(10,232.35)	(31,524.69)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	6.63	5.49
Balance at the end of the year	(59,365.92)	(49,140.20)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

13 FINANCIAL LIABILITIES

13 (a) Non Current Borrowings

	Notes	31-Mar-20	31-Mar-19
Secured			
(i) Rupee Term loans - From banks	See note (i) & (ii)	19,168.59	31,308.41
(ii) Rupee Term loans - From financial institutions and others		25,786.34	29,549.32
Unsecured			
(i) Rupee Term loans - From banks	See note (i)	4,585.00	4,635.00
(ii) Rupee Term loans - From others		751.97	751.97
(iii) Deferred sales tax loan		577.62	753.52
Non Convertible Debentures (Zero Coupon Bonds)	See note (i) & (ii)	5,014.00	4,438.97
		55,883.52	71,437.19

(i) Refer Annexure A to the Notes to the Standalone financial statements

(ii) Term loans are secured by first charge on the immovable and movable properties and second charge on current assets, both present and future, under the Security Trustee Arrangement.

13 (b) Current Borrowings

	Notes	31-Mar-20	31-Mar-19
Secured			
(i) Working capital loans from banks	See note (i) & (ii)	2,123.82	2,053.74
Unsecured			
(i) Fixed deposits from Public (issued in 2012)	See note (iii)	12,661.10	13,047.32
(ii) Inter Corporate deposit from related parties	See note (iv)	187.50	225.00
		14,972.42	15,326.06

(i) The working capital loans from bank include cash credit facility which are renewed annually. This facility carries an interest rate ranging from 12% to 15% p.a.

(ii) The working capital loans are secured by first charge on current assets and second charge on immovable and movable properties, both present and future, under Security Trustee Arrangement.

(iii) Fixed deposits from public carries interest @ 11.50% to 12.25% p.a.

(iv) The inter corporate deposit from Caprihans India Limited carries an interest rate of 14% p.a.

13 (c) Other Financial Liabilities

	31-Mar-20	31-Mar-19
Non-current		
Advance from subsidiaries	—	9,240.76
Reimbursements due to related parties	—	440.76
Capital creditors	4,486.47	4,021.13
Other payables	7.76	64.80
	4,494.23	13,767.45
Current		
Interest accrued on borrowings	1,003.10	2,773.93
Share subscription payable for shares in subsidiaries	1.64	1.64
Salaries and wages payable	281.64	392.00
Unclaimed dividend	—	2.29
Outstanding liabilities for expenses	353.20	259.79
Other payables and acceptances	5,910.19	5,625.07
	7,549.77	9,054.72

13 (d) Trade Payables

	Notes	31-Mar-20	31-Mar-19
Non-current			
Dues to others		1,349.37	1,200.64
		1,349.37	1,200.64
Current			
Dues to Micro and Small Enterprises	See note 35	167.26	117.11
Dues to others	See note (i)	4,893.07	7,089.10
		5,060.33	7,206.21

(i) Includes creditors related to raw material purchase of ₹ 3,344.54 lacs (31 March 2019: ₹ 4,522.23 lacs)

Trade payables to related parties are disclosed as part of note 38 - Related party disclosures.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

14 PROVISIONS

	Notes	31-Mar-20	31-Mar-19
Non-current			
Provision for gratuity	See note 30	444.86	365.90
		444.86	365.90
Current			
Provision for leave encashment		59.45	113.10
		59.45	113.10

15 OTHER LIABILITIES

	Notes	31-Mar-20	31-Mar-19
Current			
Advance from customers		368.86	504.80
Advance from related parties	See note 38	830.50	1,728.55
Statutory liabilities		327.63	657.84
Bank overdraft		—	9.07
		1,526.99	2,900.26

16 REVENUE FROM OPERATIONS

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Revenue from sale of products		
Sale of Products		
Domestic products	12,952.78	12,985.69
Export products	7,198.52	9,695.69
	20,151.30	22,681.38
Revenue from rendering services		
Domestic services	645.73	775.45
Export services	174.88	253.85
	820.61	1,029.30
Other operating income		
Sale of Scrap	203.20	270.12
	203.20	270.12
	21,175.11	23,980.80

17 OTHER INCOME

	Notes	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Other non-operating income			
Interest on deposits and others		9.02	14.75
Rental Income		69.34	—
Dividend income		0.98	4.85
Duty drawback		166.82	178.18
Liabilities written back	See note (i)	1,161.34	333.48
Miscellaneous income		3.76	124.34
		1,411.26	655.60

(i) Includes excess provision of interest written back on fixed deposits.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

18 COST OF CONSUMPTION AND TRADED GOODS SOLD

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Inventory at the beginning of the year	1,890.80	1,551.79
Add: Purchases	13,389.74	17,523.54
Less: Inventory at the end of the year	(783.10)	(1,890.80)
Cost of raw materials consumed	14,497.44	17,184.53

19 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Inventory at the end of the year		
- Finished goods	868.55	652.80
- Work-in-progress	438.55	500.25
	1,307.10	1,153.05
Inventory at the beginning of the year		
- Finished goods	652.80	482.02
- Work-in-progress	500.25	387.16
	1,153.05	869.18
Net (increase) / decrease in inventories	(154.05)	(283.87)

20 EMPLOYEE BENEFITS EXPENSE

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Salaries, wages, bonus etc.	2,409.98	2,594.66
Contribution to provident and other funds	115.99	113.18
Gratuity expense	86.01	76.15
Staff welfare expenses	117.89	138.59
	2,729.87	2,922.58

21 DEPRECIATION AND AMORTIZATION EXPENSE

	Notes	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Depreciation on property, plant and equipment	See note 3(ii)	8,596.45	24,637.72
Amortisation of intangible assets		209.72	209.64
		8,806.17	24,847.36

22 OTHER EXPENSES

	Notes	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Consumables, spares and loose tools		145.91	133.71
Power and fuel		1,059.23	1,122.02
Freight & forwarding charges		526.68	600.05
Sub-contracting expenses		178.22	222.77
Job work charges		502.84	453.15
Rent		126.03	125.58
Rates and taxes		45.23	6.28
Repairs			
- Building		27.89	36.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

- Plant and machinery	139.78	121.66
- Others	48.43	74.74
Insurance	127.95	57.49
Communication expenses	28.25	36.99
Travelling and conveyance	135.35	186.49
Printing & Stationery	37.73	39.74
Sales commission	471.37	127.25
Brokerage & Commission	31.47	0.70
Advertising and sales promotion	13.44	15.46
Legal and professional expenses	714.21	380.53
Payment to auditor	12.00	10.00
Bad debts / advances written off	—	4.52
License & Registration expenses	112.13	59.46
Donations	—	0.20
Exchange differences (net)	216.96	103.60
Miscellaneous expenses	160.54	147.22
Net Loss on disposal of Assets	—	96.92
	4,861.64	4,162.64

23 FINANCE COSTS

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Interest	2,746.38	3,035.17
Unwinding of present value and effect of changes in discount rate	4,083.19	4,017.63
Bank charges and commission	78.04	156.99
	6,907.61	7,209.79

24 EXCEPTIONAL ITEMS GAIN / (LOSS)

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Settlement gain on restructuring of loans	9,993.50	—
Present value gain on restructured loans	5,824.17	—
Net fair value changes in Investment (including loss on sale of investment)	(23,806.94)	—
Liabilities for advances and others written back	10,540.85	—
One time foreign tax payment	(144.30)	—
	2,407.28	—

a Restructuring of loans

- (i) Some of the bank / ARC loans were restructured and the gain on settlement is considered.
(ii) Accordingly, the Company has recognised the present value gain on these restructured loans.

b Investment in subsidiaries

Bilcare Mauritius Limited (BML), a wholly owned subsidiary of the Company, has bought back 10,053 equity shares at a premium for cash consideration and accordingly the impairment loss is considered.

c Related party liabilities

As a part of Sale transaction of Swiss Cos by BML, the inter company dues were settled and accordingly the said dues were written back.

d Foreign tax payment

The Company has paid the demand raised by foreign tax authorities pertaining to advances from overseas subsidiary, which was netted off with the refund due from the said authorities.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

25 INCOME TAX

[a] Income tax expense is as follows:

	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Statement of profit and loss		
Current tax:		
Current tax on profits for the year	—	—
Total current tax expense	—	—
Deferred tax:		
Deferred tax expense / (income)	(2,422.68)	118.06
Total deferred tax expense / (benefit)	(2,422.68)	118.06
Income tax expense	(2,422.68)	118.06
Other comprehensive income		
Deferred tax related to OCI items:		
- On loss / (gain) on remeasurements of defined benefit plans	(2.23)	(2.49)
	(2.23)	(2.49)

[b] Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate:

	Note	For the year ended on 31-Mar-20	For the year ended on 31-Mar-19
Profit/(loss) before tax		(12,655.03)	(31,406.63)
Tax rate in India (%)	See note (i)	25.17%	31.20%
Expected Income Tax expense		(3,185.27)	(9,798.87)
Tax effect of adjustments in calculating taxable income:			
Income exempt from tax		(0.25)	(1.51)
Expenses not deductible		1,006.56	1,214.50
Loss in respect of Deferred tax assets not recognised for the year*		2,283.47	8,081.24
Effect of tax rate difference of earlier year temporary difference		2,641.81	—
Reversal of deferred tax on account of change in earlier year temporary differences		(5,169.00)	622.70
Income tax expense		(2,422.68)	118.06

(i) Tax rate has been considered as per the option permitted u/s 115BAA of the Income Tax Act, 1961.

*Deferred Tax assets on unabsorbed depreciation/business loss have been recognised to the extent of deferred tax liabilities on taxable temporary differences available.

26 EARNING PER SHARE

	31-Mar-20	31-Mar-19
Basic earning per share (face value of ₹ 10 each)	(43.46)	(133.89)
Diluted earning per share (face value of ₹ 10 each)	(43.46)	(133.89)
- Profit attributable to the equity share holders of the Company used in calculating basic earning per share	(10,232.35)	(31,524.69)
- Weighted average number of shares used as denominator in calculating basic earning per share (in Nos.)	23,545,231	23,545,231

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

27 FINANCIAL RISK MANAGEMENT

The Company is exposed to market risk, credit risk and liquidity risk. The management oversees these risks and has the overall responsibility for establishing and governing the risk management framework. The financial risk-taking activities are governed by appropriate policies and procedures and these risks are identified, measured and managed in accordance with Company policies and Company risk appetite. The sources of risk, which the entity is exposed to and how the entity manages these risks and their impact on financial statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables	Aging analysis, Credit ratings	Credit limits
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Restructuring / Resolution which would enable the Company to raise fresh funds.
Market risk - Foreign Currency	Foreign currency receivables and payables	Cash flow forecasting and Sensitivity analysis	The Company has a natural hedge against the exports for the receivables and payables and evaluates the need for hedging options in case the need arises.
Market risk - Interest rate	Borrowings at variable interest rates	Sensitivity analysis	The Company primarily has fixed rate borrowings. It regularly monitors the variable rate borrowings.

[A] Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

Trade receivables

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer base is large and diverse as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a quarterly basis. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of life-time expected losses in respect of trade receivables under simplified approach.

The impairment provisions for financial assets disclosed below are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31-Mar-20	31-Mar-19
Past not due	1,782.54	2,129.91
Past due but not impaired		
- Past due 0 to 180 days	1,431.35	854.69
- Past due more than 180 days	929.55	954.54
	4,143.44	3,939.14

Reconciliation in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	233.54	233.54
Additional provision during the year	—	—
Provision reversed during the year	—	—
Amounts used against provisions	—	—
Balance at the end of the year	233.54	233.54



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

[B] Liquidity risk

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

However, the Company is already under liquidity stress and is not able to meet its obligations in a timely manner. The Management has already completed a major part of the debt resolution with the lenders and are negotiating further restructuring of the borrowings which will allow them to manage the liquidity in the long term. Post the final debt resolution of the existing borrowings, the Management expects to get additional credit lines to meet their working capital requirements. The Company regularly monitors the rolling forecasts to assess its cash flow requirements to meet operational needs.

Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows.

	Upto 1 year	Between 1 and 5 years	More than 5 years	Total
31-Mar-20				
Non-derivatives				
Borrowings (including interest accrued)*	36,808.46	49,259.80	3,054.61	89,122.87
Trade payables	6,412.50	—	—	6,412.50
Capital creditors	2,710.65	2,117.87	—	4,828.52
Total	45,931.61	51,377.67	3,054.61	100,363.89
31-Mar-19				
Non-derivatives				
Borrowings (including interest accrued)*	62,472.83	33,674.84	8,714.45	104,862.12
Trade payables	8,304.45	142.46	—	8,446.91
Capital creditors	1,425.98	3,193.04	—	4,619.02
Total	72,203.26	37,010.34	8,714.45	117,928.05

*doesnot include PV impact

[C] Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk;
- Price risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company is not exposed to price risk, since the Company is primarily invested in equity instruments of subsidiaries and carries no other external investments. The Company's exposure to and management of these risks are explained below:

(i) Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and investments. The risk exposure is with respect to various currencies viz. SGD, USD, EUR, and GBP. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	SGD	USD	EUR	GBP	Others
31-Mar-20					
Financial assets / liabilities					
Trade and other receivables	-	2,021.44	11.49	33.27	517.08
Trade and other payables	4,492.33	4,721.88	81.45	9.92	1,332.42
	SGD	USD	EUR	GBP	Others
31-Mar-19					
Financial assets / liabilities					
Trade and other receivables	—	1,788.85	—	24.72	—
Trade and other payables	4,461.90	2,551.11	1,503.03	14.36	540.93

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in SGD, USD, EUR and GBP exchange rates, with all other variables held constant:

	Impact on profit before tax		Impact on other components of Equity	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
SGD				
- Increase by 9%	(404.31)	(401.57)	—	—
- Decrease by 9%	404.31	401.57	—	—
USD				
- Increase by 9%	(243.04)	(68.60)	—	—
- Decrease by 9%	243.04	68.60	—	—
EUR				
- Increase by 9%	(6.30)	(135.27)	—	—
- Decrease by 9%	6.30	135.27	—	—
GBP				
- Increase by 9%	2.10	0.93	—	—
- Decrease by 9%	(2.10)	(0.93)	—	—

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk on account of term loans as the restructured loans do not carry any interest and the Company does not expect any future interest risk except to the extent of change in the discount rate for the present value. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's non-current / current borrowings with floating interest rates.

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

Variable rate borrowings	31-Mar-20	31-Mar-19
Carrying amount	2,123.82	2,053.74
Movement on account of decrease by 100 basis points	(21.24)	(20.54)
Movement on account of increase by 100 basis points	21.24	20.54



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

28 FAIR VALUE MEASUREMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(A) Financial instruments by category

	31-Mar-20			31-Mar-19		
	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
[i] Financial assets						
Security deposit	—	168.70	—	—	171.81	—
Trade receivables	—	3,909.90	—	—	3,705.60	—
Cash and cash equivalents	—	543.60	—	—	651.94	—
Investments						
- Equity instruments	1.00	—	—	1.00	—	—
- Mutual funds	20.62	—	—	—	—	—
	21.62	4,622.20	—	1.00	4,529.35	—
[ii] Financial liabilities						
Borrowings	—	70,855.94	—	—	86,763.25	—
Trade payables	—	6,409.70	—	—	8,406.85	—
Other financial liabilities	—	12,044.00	—	—	13,581.41	—
	—	89,309.64	—	—	108,751.51	—

Particulars	Fair value as at		Fair value	Valuation
	31-Mar-20	31-Mar-19		
Investments				
- Equity instruments	1.00	1.00	Level 2	Unquoted bid prices
- Mutual funds	20.62	—	Level 1	Quoted market prices

(a) The Company's long-term loans have been restructured and contracted at fixed /NIL rates of interest. However, since these loans prior to restructuring were classified as NPA accounts, the fair value of these loans cannot be derived. Majority of the Company's borrowings have been restructured as on date and the principal and interest amounts have been reset to effect the restructuring.

(B) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(C) Valuation Techniques

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

29 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Debt equity ratio :

	31-Mar-20	31-Mar-19
Long term debt	55,883.52	71,437.19
Equity *	19,327.50	16,142.83
	2.89	4.43

* The equity is adjusted to the extent of one time exceptional items for the divestment transaction.

30 EMPLOYEE BENEFIT OBLIGATIONS

30(a) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

30(b) Defined Benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation.

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-18	466.95	181.78	285.17
Current service cost	54.10	—	54.10
Interest expenses / income	35.85	13.80	22.05
Past Service Cost	—	—	—
Total amount recognised in profit and loss	89.95	13.80	76.15
Remeasurements			
Gain/loss from change in demographic assumption	0.16	—	0.16
Gain/loss from change in financial assumption	13.28	0.53	12.75
Experience gain / loss	(6.53)	(1.14)	(5.39)
Total amount recognised in other comprehensive income	6.91	(0.61)	7.52
Employer contributions	—	4.97	(4.97)
Benefit payments	(14.70)	(14.70)	—
Mortality Charges and Taxes	—	(2.04)	2.04
Total	(14.70)	(11.77)	(2.93)
31-Mar-19	549.11	183.20	365.91
	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-19	549.11	183.20	365.91
Current service cost	58.57	—	58.57
Interest expenses / income	40.98	13.54	27.44
Past Service Cost	—	—	—
Total amount recognised in profit and loss	99.55	13.54	86.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Remeasurements			
Gain / loss from change in demographic assumption	—	—	—
Gain / loss from change in financial assumption	24.27	(0.54)	24.81
Experience gain / loss	(33.16)	0.52	(33.68)
Total amount recognised in other comprehensive income	(8.89)	(0.03)	(8.86)
Employer contributions	—	—	—
Benefit payments	(5.40)	(5.40)	—
Mortality charges and taxes	—	(1.82)	1.82
Total	(5.40)	(7.22)	1.82
31-Mar-20	634.37	189.49	444.88

(ii) Net assets / liabilities

An analysis of net (deficit)/assets is provided below for the Company's principal defined benefit gratuity scheme.

	31-Mar-20	31-Mar-19
Present value of funded obligations	634.37	549.11
Fair value of plan assets	189.49	183.20
Net deficit for funded schemes	(444.88)	(365.91)

(iii) Analysis of plan assets is as follows:

	31-Mar-20	31-Mar-19
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-20	31-Mar-19
Salary growth rate	10.00%	10.00%
Discount rate	7.00%	7.50%
Attrition rate	5.00%	5.00%

Notes:

1. Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
2. Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. Assumptions regarding future mortality experience are in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult).

Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-20	31-Mar-19
Discount rate - Increase by 1%	587.34	506.81
Discount rate- Decrease by 1%	687.99	597.42
Salary growth rate - Increase by 1%	674.22	585.37
Salary growth rate- Decrease by 1%	596.88	515.05
Attrition rate - Increase by 1%	627.73	544.10
Attrition rate- Decrease by 1%	641.68	554.61

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis are same as previous period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(v) Expected future benefits payments

The Company monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are ₹ 5.00 lacs. The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

	Less than a year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2020				
Defined benefit obligation - Gratuity	88.04	51.65	180.68	479.24
As at 31-Mar-2019				
Defined benefit obligation - Gratuity	69.64	31.60	148.39	453.88

31 PAYMENT TO AUDITOR (net of GST)

	31-Mar-20	31-Mar-19
As auditor*		
- Audit Fee	6.50	6.50
- Limited review	1.00	1.00
- Tax Audit Fee	2.50	2.50
- Other matters	2.00	—
	12.00	10.00

* The amounts presented are net of GST

32 RESEARCH AND DEVELOPMENT EXPENDITURE

	31-Mar-20	31-Mar-19
Revenue expenditure	156.54	156.62

33 COMMITMENTS

Capital commitments

Capital commitment at the end of the reporting period but not recognised as liabilities is as follows :

Property, plant and equipments	31-Mar-20	31-Mar-19
Estimated amount of contracts towards purchase of Land remaining to be executed (net of advances)	1,487.34	1,740.34

For lease related commitments see note 34

34 OPERATING LEASE

The Company has entered into operating leases in respect of office / factory premises, factory godowns and others which are mostly cancellable by giving appropriate notices as per respective agreements. However, there are certain non-cancellable lease/s which have an average life of between three and ten years. During the year, the lease expense recorded in the Statement of Profit and Loss is ₹ 126.03 lacs (31-Mar-2019: ₹ 125.10 lacs).

The future minimum lease payments (MLP) under non-cancellable operating lease in the aggregate and for each of the following periods are as under:

Particulars	31-Mar-20	31-Mar-19
Not later than one year	—	8.20
Later than one year and not later than five years	—	11.53
Later than five years	—	—

35 MICRO, SMALL AND MEDIUM ENTERPRISES

Details of dues to Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

	31-Mar-20	31-Mar-19
Principal amount due to suppliers	167.26	117.11
Interest accrued and due to suppliers on the above amount	18.48	2.77
Interest paid to suppliers other than Section 16 of the Act	—	—
Interest paid to suppliers under Section 16 of the Act	—	—
Interest accrued and remaining unpaid to suppliers at the end of the year	18.48	2.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

36 CONTINGENT LIABILITIES

	31-Mar-20	31-Mar-19
a) Claims against the Company not acknowledged as debts:		
- Disputed Income Tax matters in Appeal	747.46	1,110.82
- Penal interest on delayed payment of TDS	542.26	—
- Service Tax matters	65.13	55.68
- Liabilities to suppliers earlier written back on account of pending legal cases	901.44	827.13
- Interest on unclaimed cumulative Fixed Deposits (after maturity date)	1,571.81	—
b) In view of the terms of settlement, the long term borrowings (primarily with Banks) which have been restructured till date, the Company is showing the remission amount as a contingent liability till the final repayment of the outstanding restructured/ settlement amounts. In the event of a default in payment of the restructured/ settlement amounts as per the agreed schedule, the Company will be liable to pay the entire original amount of the said loan, which is inclusive of interest due there upon.	54,314.60	44,321.10
c) In case of all the present as well as the restructured loans there may be a penal interest charge, which is currently contingent and undeterminable.		

37 SEGMENT INFORMATION

The Company is engaged mainly in Pharma Packaging Research Solutions & its products are covered under a one business segment as the primary segment.

The geographical information as per Ind AS 108 of revenues from operations and non current assets other than financial instruments, deferred tax assets, post employment benefit assets is as under:

Particulars	31-Mar-20	31-Mar-19
a) Revenue from external customers		
Sale of products / services		
Within India	13,801.71	14,031.26
Outside India	6,061.28	5,801.76
	19,862.99	19,833.02
b) Non-current assets*		
Within India	62,170.72	70,613.16
Outside India	17,295.80	51,335.50
	79,466.52	121,948.66

*includes balances with related parties

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

38 RELATED PARTY DISCLOSURES

Related Party Disclosures as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Subsidiaries

Ultimate holding Company

Wholly owned subsidiary

Bilcare Limited

Bilcare GCS Limited, UK

Bilcare GCS Inc., USA

Bilcare Technologies Singapore Pte. Ltd., Singapore

Bilcare Technologies Italia Srl , Italy

Bilcare Mauritius Ltd., Mauritius

Caprihans India Limited

Bilcare Research Swiss I AG*

Bilcare Research Swiss II AG*

Bilcare Research Holding AG*

Bilcare Research AG*

Bilcare Germany Management GmbH*

Bilcare Research Singapore Pte.Ltd.*

Bilcare Research Inc*

Bilcare Research SRL*

Bilcare Agency GmbH*

Bilcare Research (Shanghai) Co. Ltd.*

Films Germany Holding GmbH*

Bilcare Research GmbH*

Bilcare Research PPI Holding GmbH*

Bilcare Research PPI GmbH & Co. KG*

Bilcare Research SFS Holding GmbH*

Bilcare Research SFS GmbH & Co. KG*

BIL Leasing Verwaltungs GmbH & Co*

Step down subsidiaries

Wholly owned subsidiary

Step down subsidiaries

**Pursuant to divestment as on 8th November 2019, these companies are not part of the Group as on date.*

Key Management Personnel

Mohan H. Bhandari (Chairman & Managing Director)

D. K. Sharma (Company Secretary & CFO) (for part of the F.Y.)

Prabhavi Mungee (Company Secretary) (w.e.f. 25th June 2019)

Nilesh Tiwari (CFO) (w.e.f. 23rd June 2020)

Relatives of Key Management Personnel

Ankita J. Kariya

Nutan M. Bhandari

Kiran H. Bhandari

Prakash H. Bhandari

Monica Sharma

	31.03.2020	31.03.2019
Compensation to the Key management personnel	44.25	30.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Balances due from / to related parties as at 31 March 2020:

(All amount in ₹ lacs, unless otherwise stated)

Related Party	Non Current Liabilities / Other financial liabilities	Current Liabilities / Other financial liabilities	Borrowings	Trade payables	Investment in subsidiaries	Non Current Assets	Trade receivables	Current Assets / Other financial assets	Capital commitments
Subsidiaries:									
Bilcare Research AG	—	—	—	—	—	—	—	—	—
	(9,681.53)	(948.92)	—	(725.39)	—	—	—	—	—
Bilcare Research GMBH	—	—	—	—	—	—	—	—	—
	—	—	—	(80.85)	—	—	784.58	—	—
Bilcare Research Inc	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	30.26	—	—
Bilcare Research Singapore Pte. Limited	—	—	—	—	—	—	—	—	—
	—	(3.36)	—	—	—	—	7.73	—	—
Caprihans India Limited	—	(489.72)	(187.50)	—	—	—	—	—	—
	—	(478.97)	(225.00)	—	—	—	—	—	—
Bilcare Mauritius Ltd.	—	(2,791.84)	—	—	17,294.16	—	—	6.58	—
	—	(1,895.04)	—	—	51,333.86	—	—	162.63	—
Bilcare Technologies Singapore Pte. Limited	—	—	—	(5.86)	0.001	—	—	—	—
	—	—	—	(5.61)	0.001	—	—	—	—
Bilcare GCS Limited	—	(0.95)	—	(25.02)	0.95	—	10.71	—	—
	—	(0.95)	—	(1.53)	0.95	—	18.79	—	—
Bilcare GCS Inc.	—	(0.69)	—	—	0.69	—	158.72	—	—
	—	(0.69)	—	—	0.69	—	161.42	—	—
Key Management Personnel:									
Mohan H. Bhandari	—	(3.99)	—	—	—	8,262.29	—	—	412.71
	—	(3.99)	—	—	—	8,009.29	—	—	665.71
Relative of Key Management Personnel:									
Nutan M. Bhandari	—	—	—	—	—	2,358.38	—	—	341.62
	—	—	—	—	—	2,358.38	—	—	341.62
Total	—	(3,287.19)	(187.50)	(30.88)	17,295.80	10,620.67	169.43	6.58	754.33
	(9,681.53)	(3,331.92)	(225.00)	(813.38)	51,335.50	10,367.66	1,002.78	162.63	1,007.34

Figures in *italic* represent figures as on 31 March 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Transactions during the year with related parties:

Related Party	Sale of Goods	Purchase of Goods/ Services	Capital advance	Remuneration / Sitting Fees	Interest - Expense / (Income)	Others - Reimbursement of expense
Subsidiaries:						
Bilcare Research AG	—	219.49	—	—	—	53.50
	—	1,446.67	—	—	—	5.50
Bilcare Research GMBH	562.46	—	—	—	—	—
	3,323.93	—	—	—	—	—
Bilcare Research Inc	675.86	8.44	—	—	—	—
	635.62	7.52	—	—	—	—
Bilcare Technologies Singapore Pte. Limited	—	—	—	—	—	—
	—	—	—	—	—	—
Caprihans India Limited	—	—	—	—	53.62	—
	—	—	—	—	55.93	—
Bilcare Research Singapore Pte. Ltd.	73.80	—	—	—	—	—
	186.04	—	—	—	—	—
Bilcare GCS Limited	—	22.81	—	—	—	27.58
	2.19	0.67	—	—	—	52.66
Bilcare GCS Inc.	—	—	—	—	—	5.90
	—	0.63	—	—	—	65.68
Key Management Personnel:						
Mohan H. Bhandari	—	—	253.00	—	—	—
	—	—	230.00	—	—	—
Anil Tikekar	—	—	—	—	—	—
	—	—	—	1.54	—	—
D .K. Sharma	—	—	—	39.03	—	—
	—	—	—	29.34	—	—
Prabhavi Mungee	—	—	—	5.22	—	—
	—	—	—	—	—	—
Relative of Key Management Personnel:						
Ankita J. Kariya	—	—	—	20.00	—	—
	—	—	—	20.00	—	—
Nutan M. Bhandari	—	—	—	1.80	—	—
	—	—	—	1.80	—	—
Monica Sharma	—	—	—	9.71	—	—
	—	—	—	7.21	—	—
Total	1,312.12	250.74	253.00	75.76	53.62	86.98
	4,147.78	1,455.48	230.00	59.88	55.93	123.83

Figures in *Italic* represent previous FY amounts i.e. 31 March 2019

39 COVID-19

The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. We have been extending support to our multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company based on current estimates expects the carrying amount of these assets will be recovered.

40 Previous year figures have been regrouped / reclassified wherever necessary.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

	31-Mar-20	31-Mar-19
Secured		
Term loans - From banks		
1. Bank of Baroda # (Payable from 31.12.2019 in 10 quarterly installments, rate of interest 8.5% p.a., Maturity date 31-Mar-22) (Default in payment of interest till date, ₹ 125.38 lacs)	5,725.38	15,371.55
2. United Bank of India (Payable from 31.03.2020 in 11 quarterly installments, rate of interest 9.65% p.a., Maturity date 30-Sept-22)	3,172.29	3,329.35
3. Canara Bank (Payable from 28.03.2018 in 12 quarterly installments, rate of interest 9.25% p.a., Maturity date 28-Dec-20) (Default in payment till date, ₹ 1,025.00 lacs)	1,601.59	1,909.05
4. Indusind Bank Limited # (Refer point 18 below)	—	1,885.79
5. Central Bank of India (Payable from 30.06.2017 in 16 quarterly installments, rate of interest 8.50% p.a., Maturity date 31-Mar-21) (Default in payment till date, ₹ 1,008.50 lacs)	1,929.11	1,844.20
6. Cosmos Bank # (Payable from 30.06.2017 in 24 quarterly installments, rate of interest 11% p.a., Maturity date 30-Jun-23) (Default in payment till date, ₹ 374.92 lacs)	1,849.92	1,876.86
7. IDBI Bank # (Loan on account of devolvement of SBLC ` 5,091.62 lacs (on 13.10.2017), rate of interest 15.50% p.a., now repayable on demand)*	4,890.30	5,091.62
Term loans - From financial institutions and others		
8. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of India) (Payable from 31.03.2020 in 12 quarterly installments, Maturity date 31-Dec-22)	4,948.64	6,468.42
9. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of Hyderabad) (Payable from 31.03.2020 in 13 quarterly installments, Maturity date 31-Mar-23)	1,757.97	1,800.39
10. Invent Assets Securitisation & Reconstruction Private Limited (Karnataka Bank) (Payable from 31.03.2020 in 14 quarterly installments, Maturity date 30-Jun-23)	1,725.74	1,800.39
11. Invent Assets Securitisation & Reconstruction Private Limited (Andhra Bank) # (Payable from 31.03.2020 in 17 quarterly installments, Maturity date 31-Mar-24)	1,653.51	1,800.39
12. Invent Assets Securitisation & Reconstruction Private Limited (Dhanlaxmi Bank)# (Payable from 31.03.2020 in 17 quarterly installments, Maturity date 31-Mar-24)	1,752.18	1,907.24
13. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of Bikaner and Jaipur) # (Payable from 31.03.2020 in 14 quarterly installments, Maturity date 30-Jun-23)	1,616.77	1,686.22
14. Phoenix ARC Private Limited ("Phoenix") (Federal Bank) # (Payable from 31.03.2020 in 21 quarterly installments, Maturity date 31-Mar-25)	2,138.05	2,490.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	31-Mar-20	31-Mar-19
15. Phoenix ARC Private Limited ("Phoenix") (Punjab National Bank) # (Payable from 31.03.2020 in 21 quarterly installments, Maturity date 31-Mar-25)	2,208.32	2,630.96
16. Phoenix ARC Private Limited ("Phoenix") (Axis Bank) (Payable from 31.03.2020 in 9 quarterly installments, Maturity date 31-Mar-22)	800.64	1,255.66
17. Asset Reconstruction Company India Limited ("Arcil") (South Indian Bank) # (Payable from 31.03.2020 in 13 quarterly installments , Maturity date 31-Mar-23)	5,484.03	7,709.40
18. Indiabulls Asset Reconstruction Company Limited (Indusind Bank Limited) # (Payable from 30.06.2019 in 16 quarterly installments, Maturity date 31-Mar-23)	1,700.49	—
Non Convertible Debentures (Zero Coupon Bonds)		
19. Zero Coupon Redeemable Non Convertible Debentures (Lakshmi Vilas Bank Limited) # (Redeemable in 3 equal annual installments from 31.03.2024)	5,014.00	4,438.97
Unsecured		
Term loans - From banks		
20. Corporation Bank # (Payable from 31.01.2013 in 3 installments, rate of interest 13.25% p.a.) (Default in payment from Jan '13 till date, ₹ 4,585.00 lacs, now repayable on demand) *	4,585.00	4,635.00
Term loans - From others		
21. Council of Scientific & Industrial Research (CSIR) (Payable from 01.10.2014 in 10 yearly installments, rate of simple interest 3.00% p.a.) (Default in payment from October 2015 till date, ₹ 394.58 lacs)	751.97	751.97
22. Deferred sales tax loan (Payable in equal annual installments till 2023, interest free)	577.62	753.52
Total	55,883.52	71,437.19

The Director/s have issued personal guarantee for these loans.

* a) The Company is in negotiation of restructuring these loans and hence these have been disclosed as Non- Current Borrowings.

b) In view of the on- going discussions for restructuring, the Company has not provided interest on these loans which have been classified by the respective banks as Non Performing Assets (NPA), from the date of such classification.



CONSOLIDATED IND AS FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO, THE MEMBERS OF BILCARE LIMITED

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

Opinion

We have audited the accompanying consolidated financial statements of Bilcare Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 41 of the consolidated financial statements, which state the impact of Covid-19 on the operations of the Company.

We draw attention to Note 38 of the consolidated financial statements which state the Divestment of the Swiss Cos Group by the Company on 8th November 2019, under Ind AS 105. Consequently, the financial information for the year ended March 31, 2020, include the financials of the Swiss Cos Group only up to 8th November 2019 in the Profit and Loss account and the Balance Sheet as on March 31, 2020 is of only Continued Business.

The company has not provided interest on term loans from banks classified as Non-Performing Assets and the same has not been quantified. Refer Annexure A (b) to consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S No	Key Audit Matters	Auditor's Response
1	<p>Divestment of step-down subsidiary - refer note 38 of the consolidated financial statements</p> <p>As part of the global strategy of the Group, the Company decided to divest its stake in the step down subsidiaries – Swiss Cos Group which was affected on 8th November, 2019. As part of the divestment transaction, Caprihans India Limited, which was a step down subsidiary of the Swiss Cos Group was acquired by Bilcare Mauritius Ltd (BML) a wholly owned subsidiary of the Company.</p> <p>Further, the Group has also agreed not to compete for two years effective from 8th November, 2019 in the PVC/ PVDC segment in markets other than India, Saudi Arabia, Iran & Bangladesh (“Non-compete markets”) without any consideration.</p> <p>Given the complexity and judgment involved in the fair value measurements and magnitude of the divestment made by the Company, this is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have read the Minutes of the meetings of the Board of Directors of BML for the said divestment of Swiss Cos. Group. • We have relied on the unaudited financial statements of BML to verify that the fair value less cost of disposal of the investment exceeds its carrying amount in the financial statements. • We have verified and relied on the relevant documents and the Escrow bank statements as furnished by the Management relating to the divestment transaction. • We have assessed the appropriateness of the disclosures included in the consolidated financial statements for compliance with the disclosure requirements. • We have relied on the audited financial statements of Caprihans India Limited and the audit procedures applied by its auditors and also discussed with the Management about their assessment of materiality and impact on the capacity utilization of the products, consequent to the acceptance of the Non-compete restrictions and also assessed the relevant disclosures made in the financial statements.
2	<p>Provisions and contingent liabilities relating to taxation, litigations, and claims - refer note 33 of the consolidated financial statements</p> <p>The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business.</p> <p>As at the year ended 31 March 2020, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgment by the Company because of the inherent complexity in estimating future costs. The amount recognized as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgment and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgments previously made by authorities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities. • Using our subject matter experts to assess the value of significant provisions and contingent liabilities, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team. We assessed the assumptions and critical judgments made by the Company which impacted the computation of the provisions and inspected the computation and estimates of outcome and financial effect. We considered the judgment of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors. • Evaluating judgments made by the Company by comparing the estimates of prior year to the actual outcome. • Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities.

3	<p>Impairment of Property, Plant and Equipment including Intangible assets – refer note 21 of the consolidated financial statements</p> <p>Pursuant to the divestment of the Swiss Cos Group, the Goodwill was impaired as required by Ind AS 36 for specified assets.</p> <p>In view of the foregoing, impairment of the specified assets has been identified as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have assessed the adequacy of the Company's Disclosures in respect of the impairment in accordance with the Ind AS 36.
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Other Information

The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Company's Board of Directors is responsible for the other information. Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors to the extent it relates to the entity, and in doing so, place reliance on the work of the other auditors and consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements 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 statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other matters

- (a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 19,136.04 lacs, total revenues of ₹ 31,344.88 lacs and net cash inflows/ (outflows) amounting to ₹ 1,096.21 lacs as considered in the consolidated financial statements. These financial statements have been audited/reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 18,413.18 lacs, total revenues of ₹ 5,306.61 lacs and net cash inflows/ (outflows) amounting to ₹ 2,760.70 lacs as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements.
- (c) The above para (a) & (b) represent the continued business for the year ended 31 March, 2020, as considered in the consolidated financial statements. The balance 16 subsidiaries represent the discontinued / divested business whose financial statements reviewed by the Management, reflect total revenues of ₹ 155,206.30 lacs up to 8th November, 2019 as considered in the consolidated financial statements and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review of the Management.

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- a) we / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- e) on the basis of the written representations received from directors as on March 31, 2020 taken on records by Board of Directors, except Mr. Rajesh Shankarrao Devene and Mrs Alka Sagar, all other directors of the Company are disqualified u/s 164 (2) of the Act. None of the directors of the Group/subsidiaries incorporated in India are disqualified as on March 31, 2020;
- f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its step subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For K.R.Miniyar & Associates
Chartered Accountants
Firm Registration No. 124806W

Date: June 26, 2020
Place: Aurangabad

K.R. Miniyar
Proprietor
(Membership No.108015)
UDIN: 20108015AAAAAT2311



'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT 31 MARCH 2020 ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bilcare Limited of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Bilcare Limited (hereinafter referred to as "the Company") and its step down subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its step down subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Company, insofar as it relates to one step down subsidiary company, which are companies incorporated in India, is based on the corresponding standalone reports of the auditor as applicable of such step down subsidiary company incorporated in India.

For K.R.Miniyar & Associates
Chartered Accountants
Firm Registration No. 124806W

Date: June 26, 2020
Place: Aurangabad

K.R. Miniyar
Proprietor
(Membership No.108015)
UDIN: 20108015AAAAAT2311

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment (net)	3	50,837.87	160,258.89
Capital work-in-progress	3	31.71	7,891.17
Investment properties	4	66.28	79.73
Goodwill	5	—	35,940.94
Other Intangible assets	5	2,528.95	4,268.15
Intangible asset under development		—	—
Financial assets	6		
(i) Investments		1.00	32.45
(ii) Other financial assets		634.78	808.89
Other non-current assets	7	11,055.54	10,742.15
Non-current tax assets		581.04	507.46
Deferred tax assets	8	8,899.27	7,187.96
Total non-current assets		74,636.44	227,717.79
Current assets			
Inventories	9	7,697.40	36,930.50
Financial assets	6		
(i) Investments		20.62	—
(ii) Trade receivables		10,783.56	30,938.24
(iii) Cash and cash equivalents		4,126.51	7,587.63
(iv) Bank balances other than (iii) above		2,286.09	1,541.09
(v) Other financial assets		75.77	759.27
Current tax asset, net		0.73	538.19
Other current assets	7	11,528.37	9,921.93
Total current assets		36,519.04	88,216.86
TOTAL ASSETS		111,155.49	315,934.65
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	2,354.52	2,354.52
Other equity		8,474.39	(9,338.04)
Equity attributable to owners of Bilcare Limited		10,828.91	(6,983.52)
Non-controlling interests	12	6,788.19	6,402.29
Total Equity		17,617.10	(581.23)
LIABILITIES			
Non-current liabilities			
Financial liabilities	13		
(i) Borrowings		55,883.52	74,542.64
(ii) Trade payables		1,349.37	1,200.64
(iii) Other financial liabilities		4,494.23	4,085.94
Provisions	14	688.25	20,704.61
Deferred tax liabilities	8	—	9,069.23
Total non-current liabilities		62,415.37	109,603.05
Current liabilities			
Financial liabilities	13		
(i) Borrowings		14,784.92	150,646.11
(ii) Trade payables		9,596.50	32,021.61
(iii) Other financial liabilities		5,118.29	16,772.37
Provisions	14	186.44	2,295.94
Other current liabilities	15	1,403.14	1,837.43
Current tax liabilities		33.72	3,339.35
Total current liabilities		31,123.02	206,912.82
Total liabilities		93,538.39	316,515.87
TOTAL EQUITY AND LIABILITIES		111,155.49	315,934.65

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements

Mar 2020 figures does not include discontinued business (Refer Note 38)

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniyaar & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniyaar

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO



STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	16	182,700.91	299,701.11
Other income	17	9,687.08	6,024.45
Total income		192,387.99	305,725.56
EXPENSES			
Cost of materials consumed	18	81,979.06	163,167.88
Change in inventory of finished goods and work in progress	19	18,176.07	611.06
Employee benefits expense	20	37,077.85	61,693.19
Depreciation and amortisation expense	21	23,879.83	37,835.84
Other expenses	22	40,923.66	57,384.69
Finance costs	23	17,415.85	28,283.55
Total expenses		219,452.32	348,976.21
Loss from before exceptional items and tax		(27,064.33)	(43,250.66)
Exceptional items gain / (loss)	24	15,699.89	—
Loss before tax		(11,364.44)	(43,250.66)
Tax Expense			
Current tax	25	1,333.72	2,462.55
Adjustment of Tax relating to earlier years		(110.35)	—
Deferred tax	25	(2,685.32)	(384.17)
Total tax expense		(1,461.95)	2,078.38
Loss for the year		(9,902.50)	(45,329.04)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		(554.87)	(344.85)
- Income tax relating to the above items	25	155.59	95.49
(ii) Items that will be reclassified to profit or loss			
- Exchange difference on Translation of foreign operation.		2,289.08	483.91
Other comprehensive income for the year, net of tax		1,889.80	234.55
Total comprehensive income for the year		(8,012.69)	(45,094.48)
Profit is attributable to:			
Owners of equity		(10,353.16)	(45,508.46)
Non-controlling interests		450.66	179.42
		(9,902.50)	(45,329.04)
Other comprehensive income is attributable to:			
Owners of equity		1,896.37	234.82
Non-controlling interests		(6.57)	(0.27)
		1,889.80	234.55
Total comprehensive income is attributable to:			
Owners of equity		(8,456.78)	(45,273.64)
Non-controlling interests		444.09	179.16
		(8,012.69)	(45,094.48)
Earning per equity share of Rs 10 each (PY ₹ 10 each)			
Basic earnings per share	26	(43.97)	(193.28)
Diluted earnings per share	26	(43.97)	(193.28)

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements

March 2020 figures include discontinued business upto 8th November 2019 (Refer Note 38)

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniyaar & Associates

Firm Registration Number: 124806W
Chartered Accountants

CA K.R. Miniyaar

Proprietor
Membership No.: 108015

Place: Pune /Aurangabad
Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at April 1, 2018		2,354.52
Changes in equity share capital during the year	10	—
As at March 31, 2019		2,354.52
Changes in equity share capital during the year	10	—
As at March 31, 2020		2,354.52

B. Other Equity

Particulars	Attributable to owners						Total other equity	Non controlling interest	Total
	Reserves and Surplus								
	Securities premium reserve	Reserve on consolidation	General Reserve	Retained Earnings	Capital redemption reserve	Exchange difference on foreign exchange translation reserve			
Balance as at April 1, 2018	51,034.41	17,762.00	11,725.44	(43,065.36)	271.63	(94.89)	37,633.23	6,339.50	43,972.73
Profit for the year	—	—	—	(45,508.46)	—	—	(45,508.46)	179.42	(45,329.04)
Other comprehensive income	—	—	—	(249.09)	—	483.91	234.82	(0.27)	234.55
Adjustments effected in retained earnings	—	—	—	(1,697.63)	—	—	(1,697.63)	—	(1,697.63)
Total comprehensive income for the year	—	—	—	(47,455.18)	—	483.91	(46,971.27)	179.16	(46,792.11)
Transaction with owners in their capacity as owners									
Transfer to general reserve	—	—	15.30	(15.30)	—	—	—	—	—
Dividend paid to non controlling interest	—	—	—	—	—	—	—	(116.37)	(116.37)
Balance at March 31, 2019	51,034.41	17,762.00	11,740.74	(90,535.84)	271.63	389.02	(9,338.04)	6,402.29	(2,935.75)
Profit for the year	—	—	—	(10,353.16)	—	—	(10,353.16)	450.66	(9,902.50)
Other comprehensive income	—	—	—	(392.70)	—	2,289.08	1,896.37	(6.57)	1,889.80
Adjustments due to sale of Swiss Cos.	—	(11,677.11)	—	39,953.59	—	(2,007.26)	26,269.21	—	26,269.21
Total comprehensive income for the year	—	(11,677.11)	—	29,207.73	—	281.82	17,812.43	444.09	18,256.52
Transaction with owners in their capacity as owners									
Transfer to general reserve	—	—	7.65	(7.65)	—	—	—	—	—
Dividend paid to non controlling interest	—	—	—	—	—	—	—	(58.19)	(58.19)
Balance at March 31, 2020	51,034.41	6,084.89	11,748.39	(61,335.76)	271.63	670.84	8,474.39	6,788.19	15,262.58

For and on behalf of the Board of Directors

As per our report of even date

K. R. Miniyaar & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniyaar

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari
Chairman & Managing Director

Rajesh Devane
Director

Prabhavi Mungee
Company Secretary

Nilesh Tiwari
CFO

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	31-Mar-20	31-Mar-19
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before exceptional items and tax	(27,064.33)	(43,250.66)
Adjustments for:		
Depreciation, amortisation and impairment	23,879.83	37,835.84
Interest and Dividend income from financial assets	(395.99)	(193.22)
Other equity (including Retained earnings and sale of subsidiaries)	26,269.21	(1,676.97)
Exchange difference on translation of foreign currency	2,289.08	483.91
(Gain)/ Loss on disposal of property, plant and equipment (Net)	—	110.92
Withholding tax payments	(144.30)	—
Interest expenses	17,415.85	28,283.55
Provision for doubtful debts, advances, deposits and others	594.34	194.20
	42,843.68	21,787.58
Changes in working capital:		
(Increase)/Decrease in inventories	29,233.11	356.26
(Increase)/Decrease in trade receivables	19,560.34	(2,109.98)
(Increase)/Decrease in other financial assets	870.57	(223.34)
(Increase)/Decrease in other non-current assets	(313.39)	(214.03)
(Increase)/Decrease in other current assets	(1,606.44)	5,525.16
Increase/(Decrease) in trade payables	(22,276.38)	(10,400.43)
Increase/(Decrease) in other financial liabilities	(7,381.64)	4,706.44
Increase/(Decrease) in other current liabilities	(434.30)	261.44
Increase/(Decrease) in provisions	(22,680.72)	5,478.99
Cash generated from / (used in) operations	37,814.82	25,168.10
Income taxes paid	(12,004.74)	(4,606.13)
Net cash generated from / (used in) operating activities (A)	25,810.08	20,561.96
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets	131,094.24	(11,535.91)
Proceeds from sale of property, plant and equipment	—	116.29
Interest received	382.04	224.71
Dividend received	0.98	4.85
Investment in bank deposits (having original maturity more than 3 months)	(745.00)	738.50
Changes in non current investments	31.45	1.18
(Purchase)/ Redemption of investments in mutual funds	(20.62)	67.00
Net cash generated from / (utilised in) investing activities (B)	130,743.10	(10,383.37)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (repaid) / taken including interest and gain on restructuring	(143,005.60)	17,792.77
Other borrowings (repaid) / taken including interest and gain on restructuring	465.33	342.79
Interest expenses	(17,415.85)	(28,283.55)
Dividend paid to non controlling interest	(58.19)	(116.37)
Net cash generated from / (used in) financing activities (C)	(160,014.31)	(10,264.37)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(3,461.13)	(85.77)
Cash and cash equivalents at the beginning of the year	7,587.63	7,673.40
Cash and cash equivalents at the end of the year	4,126.51	7,587.63
Cash and cash equivalents comprise of the following:		
Cash on hand	17.60	37.93
Balances with banks - Current accounts	4,108.91	7,549.71
	4,126.51	7,587.63

Note: The cash & cash equivalents balance as on March 31, 2019 has been regrouped to be in line with the balances as on March 31, 2020.

As per our report of even date

For and on behalf of the Board of Directors

K. R. Miniya & Associates

Firm Registration Number: 124806W

Chartered Accountants

CA K.R. Miniya

Proprietor

Membership No.: 108015

Place: Pune /Aurangabad

Date: 26 June 2020

Mohan H. Bhandari

Chairman & Managing Director

Prabhavi Mungee

Company Secretary

Rajesh Devene

Director

Nilesh Tiwari

CFO



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

1 Company overview

Bilcare Ltd., is a listed Company domiciled and based in Pune, India. It was incorporated in July 1987 with its manufacturing unit at Rajgurunagar. The Company floated its IPO in 1995 and was listed on the Bombay Stock Exchange (BSE). Bilcare and its subsidiaries (collectively referred to as "the Group") is in the business of Pharmaceutical Packaging, Global Clinical Services, R& D facilities and Anti Counterfeit Technology (nCid).

2(a) Significant accounting policies

2.1 Basis of preparation

(i) Statement of compliance

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

These consolidated financial statements were authorised for issue by the Group's Board of Directors as on 26th June 2020.

(ii) Basis of measurement

The financial statement has been prepared on a historical cost basis except for following items:

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

(iii) Use of estimates

The preparation of these consolidated financial statements, require the Management to make made judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, the Management has made the following judgement, estimates and assumptions which have a significant risk on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 2.6 (b) - recognition of deferred tax assets

Note 2.9 - impairment of financial assets

Note 2.17 - estimation of useful life of intangible assets

Note 2.23 - recognition and measurement of provisions and contingencies

Note 2.19 - measurement of defined benefit obligations

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

(iv) Principles of Consolidation

(a) Subsidiaries

- Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- The Group combines the financial statements of the Parent and its subsidiaries, line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.
- The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the subsidiary's separate financial statements. If, however, any subsidiary uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to ensure conformity with the Group's accounting policies.
- The excess of cost to the Company of its investment in the subsidiary is recognised in the financial statements as goodwill, which has been amortised over a period of ten years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

- If the difference of the aggregate of the consideration transferred, the amount recognised for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the said deficit is recognized as a capital reserve.

(b) Consolidation procedure

- i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- iii) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements.
- iv) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Changes in ownership interests

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Current versus non-current classification

The Group presents its assets and liabilities in the Balance Sheet based on current and non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Operating cycle: Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its Operating cycle.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

2.3 Foreign currencies

(i) *Functional and presentation currency*

The consolidated financial statements are presented in Indian Rupees (INR), which is the Group's functional and presentation currency. The Group determines its own functional currency (the currency of the primary economic environment in which the Group operates) and items included in the consolidated financial statements of the Group are measured using that functional currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Group's functional currency of the entity at the rates prevailing on the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise except for differences pertaining to Long-term Foreign Currency Monetary Items.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

(iii) *Foreign operations*

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(a) *Sale of goods*

Revenue is recognised when significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(b) *Rendering of services*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

(c) *Rights of return*

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability.

2.5 Income recognition

(a) *Interest income*

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original effective interest rate.

(b) *Dividend income*

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

(c) *Government Grants*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

2.6 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of Goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity) and are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

2.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.8 Business combinations

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

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

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

Acquisition-related costs are expensed as incurred. The excess of the

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

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2.9 Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets under development is tested for impairment annually.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

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Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For Investments, the Company assesses the fair value, if any, at each reporting date and recognizes the impairment loss in the event it is so required.

2.10 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 consists 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.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Traded goods are valued at lower of cost are determined on a weighted average basis and net realisable value. Scrap is valued at net realizable value.

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

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

1. Financial assets at amortised cost

Financial asset is measured at the amortised cost if both the following conditions are met:

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

2. Financial assets at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.



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3. **Equity Investments measured at fair value through other comprehensive income (FVTOCI)**

Equity investment is classified as the 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 asset's contractual cash flows represent SPPI.

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

(c) **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(d) **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:

- The rights to receive cash flows from the asset have expired, or
- 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.

(e) **Impairment**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Lease receivables under Ind AS 17
- c) 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
- d) Financial assets that are measured at FVTOCI

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

(ii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an ineffective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Classification

The financial liabilities are classified in the following measurement categories:

1. Financial liabilities at fair value through profit or loss,

All financial liabilities are recognised initially at fair value and are subsequently measured at amortized cost using the EIR method.

2. Financial liabilities at amortized cost

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 as finance costs in the statement of profit and loss. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash outflow (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

This is the category most relevant to the Group and generally applies to borrowings.

(c) Derecognition

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.14 Investments in Subsidiaries

The Group has accounted for its investment in subsidiaries, at cost less accumulated impairment as per Ind AS 27. All other investments including Non-current Assets Held for Sale and Discontinued Operations shall be accounted for in accordance with Ind AS 105. Investment in subsidiary is carried at cost less impairment loss, if any, in the separate standalone Financial Statements.



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2.15 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the group and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight line method over the estimated useful lives of the assets which are in some cases higher and in some cases lower than the rates prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The useful lives are based on a technical evaluation and have not undergone a change on account of transition to the Companies Act, 2013.

Depreciation is provided using the straight line method (SLM) over the estimated useful lives of the assets, as estimated by the Management. The life estimated by the Management is as follows:

Class of asset	Life of the asset
Leasehold Land	79 years
Factory Building	50 years
Buildings (Other than factory building)	60 years
Plant and equipment	20 years
Electric fittings	15 years
Furniture and fixtures	15 years
Office equipment	5 years
Tools and equipments (fully amortized in this year)	3 years
Vehicles	8 years
Computers	3 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and recorded in profit and loss account.

2.16 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciation on investment property is calculated on a written down value basis over the estimated useful life of assets as follows:

Class of asset	Life of the asset
Buildings	60 years

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

An investment property is derecognised on disposal or on permanent withdrawal from use and no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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2.17 Intangible assets

(i) Recognition and measurement

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

(ii) Amortisation methods and periods

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

Class of asset	Life of the asset
Computer software	10 years
Patent	15 years
Client relationships	5 years

2.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.19 Employee Benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

(a) Defined Benefit Plans - Gratuity obligations

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

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The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plan

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

2.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the 'lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

2.22 Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional Items".

2.23 Provision and contingent liabilities

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as an interest expense.

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

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Internal Management and the Board of Directors of the separate Companies who are responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decisions.

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The Group has identified one reportable segment “Pharma Packaging Research Solutions” based on the information reviewed by the Internal Management and the Board of Directors. Refer Note 40 for segment information presented.

2.25 Rounding off amounts All amounts disclosed in the consolidated

financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

2(b) Critical Estimates and Judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

ii) Estimation of useful life

Useful lives of tangible assets and intangible assets are based on the estimate by the Management. The useful lives as estimated are the same as prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers’ warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised. The useful lives and residual values of Group’s assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. 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 technology.

iii) Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

iv) Impairment of assets

The Group reviews the carrying amounts of its property, plant and equipment, capital work in progress, intangible assets and investments, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Further details on the Group’s accounting policies on this are set out in the accounting policy above. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group to estimate the Fair value less cost of disposal. The profit earned by the Group have been detailed in Note 17.

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3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold Land	Buildings	Plant and machinery	Vehicles	Electric Fitting	Furniture and fixtures	Office equipment	Tools & equipments	Total
Year ended March 31, 2019										
Gross Carrying Amount										
Carrying amount as at April 1, 2018	12,310.27	15,038.07	60,315.31	215,914.42	673.20	1,232.56	603.45	953.35	68,536.70	375,577.34
Additions	—	—	313.24	20,609.12	—	—	109.02	156.52	—	21,187.89
Other adjustments	—	—	—	(273.09)	—	—	—	—	—	(273.09)
Disposals	(202.29)	—	—	(599.58)	(20.00)	—	—	(0.74)	—	(822.61)
Exchange differences	12.01	—	(84.20)	(2,616.86)	(19.82)	(9.51)	6.55	17.22	0.00	(2,694.61)
At March 31, 2019	12,119.99	15,038.07	60,544.34	233,034.00	633.38	1,223.06	719.02	1,126.35	68,536.70	392,974.92
Accumulated depreciation and impairment, if any										
As at April 1, 2018	—	11.21	24,963.79	130,456.07	637.75	867.07	460.94	728.49	41,803.86	199,929.17
Charge for the year	—	0.47	1,838.79	13,125.81	8.81	45.34	29.84	99.30	21,386.28	36,534.63
Other adjustments	—	—	—	(273.09)	—	—	—	—	—	(273.09)
Disposals	—	—	(0.00)	(859.04)	(18.12)	—	—	(0.73)	—	(877.89)
Exchange differences	—	—	(429.65)	(2,166.45)	(19.16)	(4.09)	6.62	15.95	—	(2,596.78)
At March 31, 2019	—	11.68	26,372.93	140,283.29	609.28	908.32	497.39	843.01	63,190.14	232,716.03
Net Block at March 31, 2019	12,119.99	15,026.40	34,171.42	92,750.71	24.11	314.74	221.62	283.34	5,346.56	160,258.89
Year ended March 31, 2020										
Gross Carrying Amount										
Carrying amount as at April 1, 2019	12,119.99	15,038.07	60,544.34	233,034.00	633.38	1,223.06	719.02	1,126.35	68,536.70	392,974.92
Additions	—	503.32	0.72	4,413.76	351.57	—	1.61	486.30	—	5,757.27
Other adjustments	—	—	—	113.04	—	—	—	(113.04)	—	—
Disposals*	(7,168.09)	(15,503.32)	(52,900.30)	(160,107.87)	(916.90)	(257.33)	(268.98)	(1,087.05)	—	(238,209.84)
Exchange differences	39.23	—	852.09	2,684.08	9.04	4.33	5.39	13.86	—	3,608.02
At March 31, 2020	4,991.13	38.07	8,496.86	80,137.01	77.09	970.06	457.03	426.42	68,536.70	164,130.37
Accumulated depreciation and impairment, if any										
As at April 1, 2019	—	11.68	26,372.93	140,283.29	609.28	908.32	497.39	843.01	63,190.14	232,716.03
Charge for the year	—	44.50	1,134.90	9,090.44	70.67	36.51	29.54	161.28	5,346.56	15,914.41
Other adjustments	—	—	—	0.01	—	—	—	0.01	—	0.02
Disposals*	—	(44.82)	(25,969.10)	(110,159.42)	(615.99)	(120.07)	(165.66)	(632.20)	—	(137,707.26)
Exchange differences	—	0.79	434.22	1,906.55	9.44	1.94	3.56	12.79	—	2,369.29
At March 31, 2020	—	12.15	1,972.94	41,120.87	73.40	826.71	364.83	384.89	68,536.70	113,292.50
Net Block at March 31, 2020	4,991.13	25.93	6,523.91	39,016.14	3.68	143.36	92.20	41.53	—	50,837.87

*represents disposal of assets due to sale of Swiss Cos. Group

(i) Capital work-in-progress

The carrying value of capital work-in progress as at 31 March 2020 was ₹ 31.71 lacs (31 March 2019: ₹ 7,891.17 lacs)

(ii) Assets pledged as security

Refer Note 13(a) and 13(b) for details on the charge for Property, plant and equipments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

4 INVESTMENT PROPERTY

	Building
<u>Year ended March 31, 2019</u>	
Gross carrying amount	
Carrying amount as at April 1, 2018	96.50
Additions	—
Disposals	—
As at 31 March 2019	96.50
Accumulated depreciation and impairment, if any	
As at April 1, 2018	12.87
Charge for the year	3.90
Disposals	—
As at 31 March 2019	16.77
Net block at March 31, 2019	79.73
<u>Year ended March 31, 2020</u>	
Gross carrying amount	
Carrying amount as at April 1, 2019	96.50
Additions	—
Disposals	11.80
As at 31 March 2020	84.70
Accumulated depreciation and impairment, if any	
As at April 1, 2019	16.77
Charge for the year	3.65
Disposals	2.00
As at 31 March 2020	18.42
Net block at March 31, 2020	66.28

Notes:

(i) Information regarding income and expenditure of investment property:

	31 March 2020	31 March 2019
Rental income derived from investment properties	0.06	13.04
Direct operating expenses (including repairs and maintenance) generating rental income	—	(3.48)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(8.83)	—
(Loss)/Profit arising from investment properties before depreciation and indirect expenses	(8.77)	9.56
Less : Depreciation	(3.65)	(3.90)
(Loss)/Profit arising from investment properties before indirect expenses	(12.42)	5.66

(ii) During the year ended March 31, 2020, Caprihans India Limited (CIL) has sold its investment property at SION for a consideration of ₹ 200 lacs to a non related party and the book profit of ₹ 190.16 lacs from the said sale is considered under Other Income. The investment property at Bandra was not leased. The fair values of the properties are based on valuations by an accredited independent valuer of investment properties. There are no restrictions on the realisability of these investment properties and CIL has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value of the investment properties are as under:

	Building
Balance as at 1 April 2018	972.48
Fair value movement for the year	147.14
Sales at fair value	—
Balance as at 31 March 2019	1,119.62
Fair value movement for the year	(60.42)
Sales at fair value	(200.00)
Balance as at 31 March 2020	859.20

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FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation techniques	Fair value hierarchy	Fair Value	
			31 March 2020	31 March 2019
Flat at Bandra (West), Mumbai	Fair market value	Level 2	859.20	802.82
Flats at Sion (East), Mumbai	Fair market value	Level 2	—	316.80

Fair value note as per valuation report of accredited valuer

The strengths and weakness of the said property, the environmental conditions, prevailing market conditions in the nearby locality and other relevant factors have been taken into account in carrying out the exercise of valuation.

5 INTANGIBLE ASSETS

	Patents & trademarks	Software	Other Intangibles assets	Total	Goodwill
Year ended March 31, 2019					
Gross Carrying Amount					
As at April 1, 2018	2,126.09	1,232.25	28,316.88	31,675.21	36,895.98
Additions	—	7.40	(365.11)	(357.71)	—
Disposals	—	—	(272.38)	(272.38)	—
Exchange differences	(5.81)	—	(438.12)	(443.92)	(955.04)
At March 31, 2019	2,120.28	1,239.65	27,241.27	30,601.20	35,940.94
Accumulated depreciation and impairment, if any					
As at April 1, 2018	635.89	558.80	25,148.65	26,343.34	—
Charge for the year	142.63	106.83	1,047.87	1,297.32	—
Disposals	—	—	(623.62)	(623.62)	—
Exchange differences	(5.44)	—	(678.56)	(684.00)	—
At March 31, 2019	773.07	665.62	24,894.35	26,333.04	—
Net Block at March 31, 2019	1,347.21	574.02	2,346.92	4,268.15	35,940.94
Year ended March 31, 2020					
Gross Carrying Amount					
As at April 1, 2019	2,120.28	1,239.65	27,241.27	30,601.20	35,940.94
Additions	—	4.17	375.37	379.54	—
Disposals*	(157.20)	—	(21,253.25)	(21,410.44)	(36,139.58)
Exchange differences	2.65	—	795.52	798.17	198.65
At March 31, 2020	1,965.73	1,243.82	7,158.91	10,368.46	—
Accumulated depreciation and impairment, if any					
As at April 1, 2019	773.07	665.62	24,894.35	26,333.04	—
Charge for the year	138.58	108.33	824.81	1,071.72	6,890.05
Disposals*	(149.22)	—	(20,063.18)	(20,212.40)	(7,031.07)
Exchange differences	2.50	—	644.65	647.15	141.02
At March 31, 2020	764.93	773.95	6,300.63	7,839.51	—
Net Block at March 31, 2020	1,200.80	469.86	858.28	2,528.95	—

*represents disposal of assets due to sale of Swiss Cos. Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

6 FINANCIAL ASSETS

(a) Investments

	Notes	31-Mar-20	31-Mar-19
Non-Current			
Investment in equity shares (unquoted) (fully paid-up)			
BIL Leasing Management GmbH & Co		—	18.67
Cosmos Bank	see note (i)	1.00	1.00
Others		—	0.16
Other non-current investments			
Investment in partnership firms		—	8.74
Others		—	3.89
		1.00	32.45
Current			
Investments in mutual funds		20.62	—
		20.62	—
		21.62	32.45
Aggregate amount of quoted investments and market value thereof		20.62	—
Aggregate amount of unquoted investments		1.00	32.45
Aggregate amount of impairment in the value of investments		—	—

(i) 1,000 shares of Cosmos Bank having face value of ₹ 100 each.

(ii) 78,332 Preference shares of Bilcare Technologies Singapore Pte Limited having no par value.

(b) TRADE RECEIVABLES

	31-Mar-20	31-Mar-19
Current		
Secured		
Considered good	123.07	241.51
Unsecured		
Considered good	10,660.49	30,696.72
Considered doubtful	742.96	2,521.34
Subtotal	11,526.51	33,459.58
Less: Allowance for doubtful debts	(742.96)	(2,521.34)
Total	10,783.56	30,938.24

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) No trade and other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

(c) CASH AND CASH EQUIVALENTS

	31-Mar-20	31-Mar-19
Cash on hand	17.60	37.93
Balances with banks - Current accounts	4,108.91	7,549.71
	4,126.51	7,587.63

Cash at banks earns interest at floating rates based on daily bank deposit rates. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(d) Bank balance other than cash & cash equivalents

	31-Mar-20	31-Mar-19
Deposits with maturity more than 3 months and less than 12 months	2,272.86	1,523.64
Earmarked balances on unclaimed dividend account	13.23	17.45
	2,286.09	1,541.09

(e) Other financial assets

	Notes	31-Mar-20	31-Mar-19
Non-Current			
Interest receivable		2.17	2.21
Security deposits	See note (i)	334.77	364.74
Term deposits (with maturity more than 12 months)		50.00	48.93
Other receivable		247.85	393.00
		634.78	808.89
Current			
Interest receivable		65.08	52.07
Other receivable		10.69	707.20
		75.77	759.27

(i) Refer Note 6 (e)(i) of standalone financial statements.

7 OTHER ASSETS

	Notes	31-Mar-20	31-Mar-19
Non-current			
Capital advances	See note (i)	10,968.79	10,711.21
Balance with GST and sales tax authorities		—	—
Other receivables		86.75	30.93
		11,055.54	10,742.15
Current			
Advance to suppliers		1,220.39	323.79
Advance to employees		90.61	55.15
Balance with customs, GST and sales tax authorities		1,004.72	1,134.36
Prepaid expenses		58.94	7,609.61
Other receivables		9,153.71	799.01
		11,528.37	9,921.93

(i) Capital advances to related parties are disclosed as part of note 36 - Related party disclosures.

8 DEFERRED TAX

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset / (liabilities)	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Property, plant and equipment	—	(11,452.87)	(9,363.35)	(15,899.25)	(9,363.35)	(27,352.12)
Unabsorbed loss	21.91	3,453.87	—	—	21.91	3,453.87
Provisions	225.65	2,501.83	—	—	225.65	2,501.83
Investments	7,128.00	1,959.00	—	—	7,128.00	1,959.00
Borrowings	—	1,015.57	—	—	—	1,015.57
Receivables and advances	10,887.00	15,994.14	—	(234.66)	10,887.00	15,759.48
Accounts payable	—	135.20	—	(213.68)	—	(78.48)
Inventories	—	758.42	—	—	—	758.42
Other items	—	(7,177.20)	—	7,278.37	—	101.17
Total	18,262.62	7,187.96	(9,363.35)	(9,069.23)	8,899.27	(1,881.26)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(i) Movement in temporary differences for the year ended March 31, 2019

	1-Apr-18	Recognised in			31-Mar-19
		Profit or loss	OCI	Exchange differences	
Property, plant and equipment	(27,390.28)	(227.53)	—	265.69	(27,352.12)
Unabsorbed loss	3,091.06	494.47	—	(131.66)	3,453.87
Provisions	2,304.18	19.97	267.00	(89.32)	2,501.83
Investments	2,582.00	(623.00)	—	—	1,959.00
Borrowings	1,323.82	(271.11)	—	(37.14)	1,015.57
Receivables and advances	15,479.19	281.47	—	(1.18)	15,759.48
Accounts payable	148.34	(230.65)	—	3.83	(78.48)
Inventories	334.33	447.94	—	(23.85)	758.42
Other items	(235.28)	492.59	(171.51)	15.37	101.17
	(2,362.64)	384.15	95.49	1.74	(1,881.26)

(ii) Movement in temporary differences for the year ended March 31, 2020

		Recognised in				
	1-Apr-19	Profit or loss (continued business)	Profit or loss (discontinued business)*	OCI	Exchange differences	31-Mar-20
Property, plant and equipment	(27,352.12)	2,390.41	15,598.36	—	—	(9,363.35)
Unabsorbed loss	3,453.87	20.66	(3,453.87)	—	1.31	21.97
Provisions	2,501.83	(61.03)	(2,212.92)	(2.23)	0.00	225.65
Investments	1,959.00	5,169.00	—	—	—	7,128.00
Borrowings	1,015.57	—	(1,015.57)	—	—	—
Receivables and advances	15,759.48	(5,091.14)	218.66	—	—	10,887.00
Accounts payable	(78.48)	—	78.48	—	—	—
Inventories	758.42	—	(758.42)	—	—	—
Other items	101.17	—	(101.17)	—	—	—
	(1,881.26)	2,427.90	8,353.55	(2.23)	1.31	8,899.27

*Swiss Cos. Group divested on 8th November 2019 and hence March 2020 balances represent only continued business

(iii) Unrecognised deferred tax assets

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

	31-Mar-20	31-Mar-19
Unabsorbed loss	109,889.80	180,077.24
Unabsorbed depreciation	25,768.72	23,580.67

The losses can be carried forward for a period of 8 years and unabsorbed depreciation without any limit as per local tax regulations and the Group expects to recover the losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

9 INVENTORIES

	31-Mar-20	31-Mar-19
<i>(at lower of cost or net realisable value)</i>		
Raw materials	2,752.70	9,402.39
Stores and consumables	281.90	4,689.24
Work-in-progress	588.23	4,122.42
Finished goods	4,074.57	18,716.45
	7,697.40	36,930.50
Included in inventories goods in transit as follows:		
Finished goods	2,903.93	1,482.21
	2,903.93	1,482.21

10 SHARE CAPITAL

[a] Authorised share capital

	Equity shares of ₹ 10 each (PY ₹ 10 each)		Redeemable preference shares of ₹ 10 each (PY ₹ 10 each)	
	No. of shares	Amount	No. of shares	Amount
As at 1-Apr-2018	40,000,000	4,000.00	5,000,000	500.00
Increase during the year	—	—	—	—
As at 31-Mar-2019	40,000,000	4,000.00	5,000,000	500.00
Increase during the year	—	—	—	—
As at 31-Mar-2020	40,000,000	4,000.00	5,000,000	500.00

[b] Issued equity share capital

	Equity shares of ₹ 10 each (PY ₹ 10 each)	
	No. of shares	Amount
As at 1-Apr-2018	23,545,231	2,354.52
Change during the year	—	—
As at 31-Mar-2019	23,545,231	2,354.52
Change during the year	—	—
As at 31-Mar-2020	23,545,231	2,354.52

(i) Terms / rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees, if any. During the year ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was NIL (31 March 2019 : NIL). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

[c] Details of shareholders holding more than 5% of the aggregate shares in the Company:

(i) Equity shares of (face value: ₹ 10 each)

	31-Mar-20		31-Mar-19	
	No. of shares	% of total equity shares	No. of shares	% of total equity shares
Mohan H. Bhandari	5,856,489	24.87	5,856,489	24.87
Monument Pte. Ltd.	3,871,428	16.44	3,871,428	16.44
Rakesh R. Jhunjhunwala	1,735,425	7.37	1,735,425	7.37
Nutan M. Bhandari	1,205,122	5.12	1,205,122	5.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

11 RESERVES AND SURPLUS

	31-Mar-20	31-Mar-19
Securities premium reserve	51,034.41	51,034.41
Capital redemption reserve	271.63	271.63
Reserve on consolidation	6,084.89	17,762.00
General reserve	11,748.39	11,740.74
Exchange difference on foreign exchange translation reserve	670.84	389.02
Retained earnings	(61,335.76)	(90,535.84)
	8,474.39	(9,338.04)

(i) Securities premium reserve

Security Premium Reserve is the premium on issue of shares and is utilised in accordance with the provisions of the Act.

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	51,034.41	51,034.41
Movement during the year	—	—
Balance at the end of the year	51,034.41	51,034.41

(ii) Capital redemption reserve

Capital redemption reserve represents redemption of redeemable preference shares in earlier years.

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	271.63	271.63
Movement during the year	—	—
Balance at the end of the year	271.63	271.63

(iii) Reserve on consolidation

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	17,762.00	17,762.00
Movement during the year	(11,677.12)	0.00
Balance at the end of the year	6,084.89	17,762.00

(iv) General reserve

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	11,740.74	11,725.44
Movement during the year	7.65	15.30
Balance at the end of the year	11,748.39	11,740.74

(v) Exchange difference on foreign currency translation reserve

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	389.02	(94.89)
Movement during the year	2,289.08	483.91
FCTR elimination due to sale of Swiss Cos	(2,007.26)	—
Balance at the end of the year	670.84	389.02

(vi) Retained earnings

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	(90,535.84)	(43,065.36)
Net profit for the year	(10,353.16)	(45,508.46)
Other comprehensive income for the period	(392.70)	(249.09)
Adjustments effected in retained earnings due to sale of Swiss Cos	39,953.59	(1,697.63)
Less: Appropriation		
Transfer to general reserve	(7.65)	(15.30)
Balance at the end of the year	(61,335.76)	(90,535.84)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

12 Non Controlling interest (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations

	Caprihans India Limited (51%)	
Summarised balance sheet	31-Mar-20	31-Mar-19
Current assets	15,357.31	13,210.18
Current liabilities	4,162.40	2,908.12
Net current assets	11,194.91	10,302.06
Non-current assets	2,901.93	2,983.45
Non-current liabilities	243.39	219.62
Net non-current assets	2,658.54	2,763.83
Net assets	13,853.45	13,065.89
Accumulated NCI	6,788.19	6,402.29
Summarised statement of profit and loss	31-Mar-20	31-Mar-19
Revenue	29,435.75	27,245.70
Profit for the year	919.71	366.17
Other comprehensive income	(13.41)	(0.54)
Total comprehensive income	906.30	365.63
Profit allocated to NCI	450.66	179.42
OCI allocated to NCI	(6.57)	(0.27)
Dividend paid to NCI	58.19	116.37
Summarised cash flows	31-Mar-20	31-Mar-19
Cash flow from operating activities	990.08	(270.97)
Cash flow from investing activities	(921.99)	867.12
Cash flow from financing activities	(198.80)	(306.34)
Net increase/ (decrease) in cash and cash equivalent	(130.71)	289.81

13 FINANCIAL LIABILITIES

(a) NON-CURRENT BORROWINGS

	Notes	31-Mar-20	31-Mar-19
Secured	See note (i)		
(i) Rupee Term loans - From banks		19,168.59	31,308.41
(ii) Rupee Term loans - From financial institutions and others		25,786.34	29,549.32
Unsecured	See note (i)		
(i) Rupee Term loans - From banks		4,585.00	4,635.00
(ii) Rupee Term loans - From others		751.97	751.97
(iii) Deferred sales tax loan		577.62	753.52
Non Convertible Debentures (Zero Coupon Bonds)	See note (i)	5,014.00	4,438.97
Long term maturities of finance lease obligations		—	4,871.33
		55,883.52	76,308.52
Less: Current maturities of finance lease obligations		—	1,765.88
Non-current borrowings		55,883.52	74,542.64

(i) Refer Note 13 (a) (i) & (ii) of standalone financial statements.

(b) CURRENT BORROWINGS

	Notes	31-Mar-20	31-Mar-19
Secured			
- Working capital loans from banks	See note (i)	2,123.82	2,053.74
Unsecured			
- Fixed deposits from Public (issued in 2012)	See note (i)	12,661.10	13,047.32
- Foreign currency term loans - From banks		—	134,406.91
- Factoring of receivables - From banks		—	1,138.14
		14,784.92	150,646.11

(i) Refer Note 13 (b)(i), (ii) & (iii) of standalone financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(c) OTHER FINANCIAL LIABILITIES		
	31-Mar-20	31-Mar-19
Non-current		
Capital creditors	4,486.47	4,021.13
Other payables	7.76	64.80
	4,494.23	4,085.94
Current		
Interest accrued on borrowings	764.38	3,327.98
Current maturities of finance lease obligation	—	1,765.88
Employees payables	281.64	7,173.47
Unpaid dividend	13.23	17.45
Outstanding liability for expenses	353.20	259.79
Other payables and acceptances	3,705.84	4,227.80
	5,118.29	16,772.37
(d) TRADE PAYABLES		
	31-Mar-20	31-Mar-19
Non-current		
Dues to others	1,349.37	1,200.64
	1,349.37	1,200.64
Current		
Trade payables	9,596.50	32,021.61
	9,596.50	32,021.61
14 PROVISIONS	31-Mar-20	31-Mar-19
Non-current		
Provision for gratuity	688.25	13,650.09
Other provisions	—	7,054.52
	688.25	20,704.61
Current		
Provision for employee benefits	170.26	699.81
Other provisions	16.18	1,596.13
	186.44	2,295.94
15 OTHER LIABILITIES	31-Mar-20	31-Mar-19
Current		
Advance from customers	573.34	907.98
Book overdraft	—	9.07
Others liabilities	829.81	920.38
	1,403.14	1,837.43
16 REVENUE FROM OPERATIONS	For the year ended on	
	31-Mar-20	31-Mar-19
Revenue from sale of products		
Sale of Products	181,121.26	297,807.36
	181,121.26	297,807.36
Revenue from rendering services		
Sale of services	1,055.73	1,276.53
	1,055.73	1,276.53
Other operating income		
Sale of Scrap and others	523.91	617.23
	523.91	617.23
	182,700.91	299,701.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

17 OTHER INCOME

	Notes	For the year ended on	
		31-Mar-20	31-Mar-19
Other non-operating income			
Royalty income		0.90	13.88
Interest on deposits and others		395.00	188.37
Dividend income		0.98	4.85
Profit on Assets Sold / Discarded		193.94	3.46
Profit on sale of investment	See note 38	4,949.39	—
Rental Income		69.34	—
Exchange differences (net)		823.74	3,778.09
Duty drawback		166.82	178.18
Liabilities written back	See note (i)	1,214.69	368.19
Miscellaneous income		1,872.28	1,489.42
		9,687.08	6,024.45

(i) Refer Note 17 (i) of standalone financial statements.

18 COST OF CONSUMPTION AND TRADED GOODS SOLD

	For the year ended on	
	31-Mar-20	31-Mar-19
Inventory at the beginning of the year	9,402.39	10,353.62
Add: Purchases	75,329.37	162,216.65
Less: Inventory at the end of the year	(2,752.70)	(9,402.39)
Cost of raw materials consumed	81,979.06	163,167.88

19 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

		For the year ended on	
		31-Mar-20	31-Mar-19
Inventory at the end of the year			
- Finished goods		4,074.57	18,716.45
- Work-in-progress		588.23	4,122.42
	See note (i)	4,662.80	22,838.87
Inventory at the beginning of the year			
- Finished goods		18,716.45	17,291.87
- Work-in-progress		4,122.42	6,158.06
		22,838.87	23,449.93
Net (increase) / decrease in inventories		18,176.07	611.06

(i) Inventory at the end of the year does not include inventory of discontinued business (Refer Note 38)

20 EMPLOYEE BENEFITS EXPENSE

	For the year ended on	
	31-Mar-20	31-Mar-19
Salaries, wages, bonus etc.	27,731.25	46,294.19
Contribution to provident and other funds	8,432.72	14,162.64
Staff welfare expenses	913.88	1,236.35
	37,077.85	61,693.19

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FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

21 DEPRECIATION AND AMORTIZATION EXPENSE

	Notes	For the year ended on	
		31-Mar-20	31-Mar-19
Depreciation on property, plant and equipment		15,914.41	36,534.63
Amortisation of intangible assets	See note (i)	7,961.77	1,297.32
Depreciation on investment property		3.65	3.90
		23,879.83	37,835.84

(i) includes amortisation of Goodwill ₹ 6,890.05 lacs of Bilcare Research Singapore Pte. Ltd. (part of Swiss Cos. Group)

22 OTHER EXPENSES

	Notes	For the year ended on	
		31-Mar-20	31-Mar-19
Consumables, spares and loose tools		2,975.31	4,372.57
Power and fuel		7,364.11	11,984.33
Freight & forwarding charges		10,387.63	16,806.65
Sub-contracting expenses		178.22	222.77
Factory expenses		782.09	1,318.98
Job work charges		502.84	453.15
Rent		1,167.80	2,415.47
Rates and taxes		169.55	217.12
Repairs & Maintenance			
- Building		127.79	121.10
- Plant and machinery		1,283.74	1,938.94
- Others		77.01	111.11
Insurance		605.82	765.84
Communication expenses		1,365.36	1,986.79
Travelling and conveyance		915.25	1,622.36
Printing and stationery		37.73	39.74
Sales commission		2,023.20	2,532.54
Advertising and sales promotion		385.87	594.09
Legal and professional expenses		3,344.94	5,504.74
Payment to Auditors	See note (i)	307.68	613.13
Allowances for doubtful debts and advances		402.36	149.21
Bad debts / advances written off		191.97	44.99
License & Registration expenses		112.13	59.46
Donations		3.57	3.35
Miscellaneous expenses		2,827.19	3,395.34
Net Loss on disposal of Assets		—	110.92
Loss on Settlement of Liability	See note (ii)	3,384.49	—
		40,923.66	57,384.69

(i) Includes ₹ 295.68 lacs (31 March 2019: ₹ 603.13 lacs) paid to subsidiary auditors.

(ii) This is the loss considered for settlement of liability / intercompany balances as part of the sale transaction of the Swiss Cos Group



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

23 FINANCE COSTS

	For the year ended on	
	31-Mar-20	31-Mar-19
Interest (including Interest unwinding)	16,986.79	24,059.00
Bank charges and commission	429.07	4,224.55
	17,415.85	28,283.55

24 EXCEPTIONAL ITEMS GAIN / (LOSS)

	For the year ended on	
	31-Mar-20	31-Mar-19
Settlement gain on restructuring of loans	9,993.50	—
Present value gain on restructured loans	5,824.17	—
Gain on costs capitalized	26.52	—
One time foreign tax payment	(144.30)	—
	15,699.89	—

Refer Note 24 of standalone financial statements

25 [a] Income tax expense is as follows:

	For the year ended on	
	31-Mar-20	31-Mar-19
Statement of profit and loss		
Current tax:		
Current tax on profits for the year	1,333.72	2,462.55
Total current tax expense	1,333.72	2,462.55
Adjustment in tax relating to earlier years	(110.35)	—
	For the year ended on	
	31-Mar-20	31-Mar-19
Deferred tax:		
Deferred tax expense / (income)	(2,685.32)	(384.17)
Total deferred tax expense / (benefit)	(2,685.32)	(384.17)
Income tax expense	(1,461.95)	2,078.38
Other comprehensive income		
Deferred tax related to OCI items:		
- On loss / (gain) on remeasurements of defined benefit plans	155.59	95.49
	155.59	95.49

[b] Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate:

	For the year ended on	
	31-Mar-20	31-Mar-19
Profit/(loss) before tax	(11,364.44)	(43,250.66)
Tax rate in India (%)	25.17%	31.20%
Expected Income Tax expense	(2,860.43)	(13,494.20)
Tax effect of adjustments in calculating taxable income:		
Effect of tax rate difference	2,721.80	1,594.65
Adjustment relating to prior year	(110.35)	104.40
Expenses not deductible	1,025.20	3,875.44
Income exempt from tax	(0.25)	(179.55)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Loss in respect of Deferred tax assets not recognised for the year	2,283.47	9,328.35
Reversal of deferred tax on account of change in earlier year temporary differences	(5,169.00)	622.70
Trade tax / other adjustments	658.52	213.65
Other tax allowances	(10.90)	12.95
Income tax expense	(1,461.95)	2,078.38

26 EARNING PER SHARE

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

	31-Mar-20	31-Mar-19
Basic earning per share (face value of ₹ 10 each)	(43.97)	(193.28)
Diluted earning per share (face value of ₹ 10 each)	(43.97)	(193.28)
- Profit attributable to the equity share holders of the Company used in calculating basic earning per share	(10,353.16)	(45,508.46)
- Weighted average number of shares used as denominator in calculating basic earning per share (in Nos.)	23,545,231	23,545,231

27 FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, credit risk and liquidity risk. The management oversees these risks and has the overall responsibility for establishing and governing the risk management framework. The financial risk-taking activities are governed by appropriate policies and procedures and these risks are identified, measured and managed in accordance with Group policies and Group risk appetite. The sources of risk, which the entity is exposed to and how the entity manages these risks and their impact on financial statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables	Aging analysis, Credit ratings	Credit limits and Letters of credit
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow forecasts	Restructuring of Credit lines, which would enable the Company to raise fresh funds.
Market risk - Foreign Currency	Foreign currency receivables and payables	Cash flow forecasting and Sensitivity analysis	The Group monitors both foreign currency receivables and payables and periodically evaluates the need for hedging the net position
Market risk - Interest rate	Borrowings at variable interest rates	Sensitivity analysis	The Group primarily has fixed rate borrowings. It regularly monitors the variable rate borrowings.

[A] Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The requirement for impairment is analysed at each reporting date on an individual basis for major clients and an allowance for doubtful debts and impairment that represents its estimate of life-time expected losses in respect of other trade receivables under simplified approach. The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

Reconciliation of allowance for impairment in respect of trade and other receivables during the year was as follows:

	31-Mar-20	31-Mar-19
Balance at the beginning of the year	2,521.34	2,547.33
Movement in allowance for doubtful debts*	(1,778.38)	(25.99)
Balance at the end of the year	742.96	2,521.34

*includes Swiss Cos. Group figures for part of the year

[B] Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management implies the availability of funding through credit facilities, external sources and equity infusion to meet the obligations when due. The Group accesses local financial markets and uses a range of products to ensure efficient funding from across well diversified markets and investor pools.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group manages its liquidity risk by preparing cash flow projections and projects the cash flows considering the level of liquid assets necessary to meet these requirements and monitors the liquidity ratios for maintaining debt financing plans.

Maturities of financial liabilities

The below table analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months which equal their carrying balances, as the impact of discounting is not significant.

	Upto 1 year	Between 1 and 5 years	More than 5 years	Total
31-Mar-20				
Non-derivatives:				
Borrowings (including interest accrued)*	36,382.24	49,259.80	3,054.61	88,696.65
Trade payables	10,959.79	—	—	10,959.79
Capital creditors	2,710.65	2,117.87	—	4,828.52
Total	50,052.68	51,377.67	3,054.61	104,484.96
	Upto 1 year	Between 1 and 5 years	More than 5 years	Total
31-Mar-19				
Non-derivatives:				
Borrowings (including interest accrued)*	207,393.05	36,997.39	8,714.45	253,104.89
Trade payables	35,584.20	142.46	-	35,726.66
Capital creditors	1,425.98	3,193.04	-	4,619.01
Total	244,403.22	40,332.89	8,714.45	293,450.56

*doesnot include PV impact

[C] Market risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk;
- Price risk; and
- Interest rate risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group is not exposed to price risk, since the Group is primarily invested in equity instruments of subsidiaries and carries no other external investments. The Group's exposure to currency risk and interest rate risk has been provided below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the translation risk for consolidated entities with a different functional currency viz. USD, EUR, GBP & SGD and secondarily the Group's operating activities. The risk is measured through monitoring the net exposure to various foreign currencies and subsequent requirement of hedging is monitored.

(a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	USD	EUR	GBP	SGD	Others
31-Mar-20					
Trade and other receivables	2,555.47	57.03	33.27	—	543.03
Trade and other payables	6,929.19	313.65	9.92	4,492.33	1,333.75
	USD	EUR	GBP	SGD	Others
31-Mar-19					
Trade and other receivables	16,870.26	15,078.93	24.72	—	—
Trade and other payables	7,476.80	6,427.80	14.36	4,461.90	540.93

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss before tax to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following table demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP and SGD exchange rates, with all other variables held constant:

	Impact on profit before tax		Impact on other components of Equity	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
USD				
- Increase by 9%	(393.64)	845.41	—	—
- Decrease by 9%	393.64	(845.41)	—	—
EUR				
- Increase by 9%	(23.10)	778.60	—	—
- Decrease by 9%	23.10	(778.60)	—	—
GBP				
- Increase by 9%	2.10	0.93	—	—
- Decrease by 9%	(2.10)	(0.93)	—	—
SGD				
- Increase by 9%	(404.31)	(401.57)	—	—
- Decrease by 9%	404.31	401.57	—	—

(ii) Interest rate risk

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

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

	Amount	Decrease by 100 basis points	Increase by 100 basis points
31-Mar-20			
Total variable rate borrowings*	2,123.82	21.24	(21.24)
31-Mar-19			
Total variable rate borrowings	142,470.10	1,424.70	(1,424.70)

*does not include Swiss Cos. Group figures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amount in ₹ lacs, unless otherwise stated)

28 FAIR VALUE MEASUREMENTS

(A) Accounting classification and fair values

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. The fair values of financial assets and liabilities at the balance sheet date are not materially different from their reported carrying values unless specifically mentioned in the notes to the consolidated financial statements.

Financial instruments by category

	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
	31-Mar-20			31-Mar-19		
[i] Financial assets						
Security deposit	—	334.77	—	—	364.74	—
Term deposits (with maturity more than 12 months)	—	50.00	—	—	48.93	—
Interest and other receivable	—	325.79	—	—	1,154.49	—
Trade receivables	—	10,783.56	—	—	30,938.24	—
Cash and cash equivalents	—	6,412.60	—	—	9,128.72	—
Investments						
- Equity instruments	1.00	—	—	1.00	31.45	—
- Mutual Funds	20.62	—	—	—	—	—
	21.62	17,906.71	—	1.00	41,666.57	—
[ii] Financial liabilities						
Borrowings	—	70,668.43	—	—	225,188.75	—
Trade payables	—	10,945.88	—	—	33,222.26	—
Other financial liabilities	—	9,612.52	—	—	20,858.31	—
	—	91,226.83	—	—	279,269.31	—

Particulars	Fair value as at		Fair value	Valuation
	31-Mar-20	31-Mar-19		
[i] Financial assets				
<i>Investments</i>				
- Equity instruments	1.00	1.00	Level 2	Unquoted bid prices
- Mutual Funds	20.62	—	Level 1	Quoted Market prices

(a) The Group long-term loans have been restructured and contracted at fixed /NIL rates of interest. However, since these loans prior to restructuring were classified as NPA accounts, the fair value of these loans cannot be derived. Majority of the Group borrowings have been restructured as on date and the principal and interest amounts have been reset to effect the restructuring.

(B) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Group has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 hierarchy.

(C) Valuation Techniques

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which require level 3 valuation.

29 CAPITAL MANAGEMENT

The Group's objective when managing capital are to:

- safeguard their ability to continue as a going concern and to provide returns to shareholders and other stakeholders;
- the Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a financial gearing ratio, which is net debt divided by total equity.

The gearing ratios is:

	31-Mar-20	31-Mar-19
Net Debt	64,255.83	216,060.02
Total Equity	17,617.10	38,763.37
Net Debt to Total Equity ratio	3.65	5.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

30 BUSINESS COMBINATIONS

Subsidiaries:

The Group's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by Group. The country of incorporation or registration is also their principal place of business.

Name of the Subsidiaries	Place of business / country of incorporation	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		%	%	%	%
Bilcare GCS Ltd.	United Kingdom	100.00	100.00	—	—
Bilcare GCS Inc.	United States of America	100.00	100.00	—	—
Bilcare Technologies Singapore Pte. Ltd.	Singapore	100.00	100.00	—	—
Bilcare Technologies Italia Srl. #	Italy	100.00	100.00	—	—
Bilcare Mauritius Ltd.	Mauritius	100.00	100.00	—	—
Caprihans India Limited	India	51.00	51.00	49.00	49.00
Bilcare Research Swiss I AG*	Switzerland	—	100.00	—	—
Bilcare Research Swiss II AG*	Switzerland	—	100.00	—	—
Bilcare Research Holding AG*	Switzerland	—	100.00	—	—
Bilcare Research AG*	Switzerland	—	100.00	—	—
Bilcare Germany Management GmbH *	Germany	—	100.00	—	—
Bilcare Research Singapore Pte. Ltd. *	Singapore	—	100.00	—	—
Bilcare Research Inc*	United States of America	—	100.00	—	—
Bilcare Research Srl*	Italy	—	100.00	—	—
Bilcare Agency GmbH*	Switzerland	—	100.00	—	—
Bilcare Research (Shanghai) Co., Ltd. *	China	—	100.00	—	—
Films Germany Holding GmbH *	Germany	—	100.00	—	—
Bilcare Research GmbH *	Germany	—	100.00	—	—
Bilcare Research PPI Holding GmbH*	Germany	—	100.00	—	—
Bilcare Research PPI GmbH & Co. KG*	Germany	—	100.00	—	—
Bilcare Research SFS Holding GmbH*	Germany	—	100.00	—	—
Bilcare Research SFS GmbH & Co. KG*	Germany	—	100.00	—	—
BIL Leasing Verwaltungs GmbH & Co*	Germany	—	94.00	—	6.00

*Pursuant to divestment as on 8th November 2019, these companies are not part of the Group as on date.

Under closure

31 EMPLOYEE BENEFIT OBLIGATIONS

Country	Type of Employee benefit	31-Mar-20	31-Mar-19
India	Gartuity - Defined Benefit plan	444.88	365.91
	Leave encashment / Compensated absences	59.45	113.10
	Gartuity - Defined Benefit plan	54.82	37.25
	Leave encashment / Compensated absences	299.39	295.07
		858.54	811.33
Non-Current		688.27	585.52
Current		170.27	225.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(a) Leave obligations

Leave Encashments / Compensated absences: Total liability provided on account of leave obligation is ₹ 358.84 lacs (31 March 2019: ₹ 408.17 Lacs) as per Actuarial valuation reports.

(b) Defined Contribution plans

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(c) Gratuity - Defined Benefit plans - Bilcare Limited, India

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation.

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-18	466.95	181.78	285.17
Current service cost	54.10	—	54.10
Interest (expenses) income	35.85	13.80	22.05
Past Service Cost	—	—	—
	89.95	13.80	76.15
Remeasurements			
Gain/loss from change in demographic assumption	0.16	—	0.16
Gain/loss from change in financial assumption	13.28	0.53	12.75
Experience gain / loss	(6.53)	(1.14)	(5.39)
Total amount recognised in other comprehensive income	6.91	(0.61)	7.52
Employer contributions	—	4.97	(4.97)
Benefit payments	(14.70)	(14.70)	—
Mortality charges & taxes	—	(2.04)	2.04
31-Mar-19	549.11	183.20	365.91
	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-19	549.11	183.20	365.91
Current service cost	58.57	—	58.57
Interest expenses / income	40.98	13.54	27.44
Past Service Cost	—	—	—
Total amount recognised in profit and loss	99.55	13.54	86.01
Remeasurements			
Gain / loss from change in demographic assumption	—	—	—
Gain / loss from change in financial assumption	24.27	(0.54)	24.81
Experience gain / loss	(33.16)	0.52	(33.68)
Total amount recognised in other comprehensive income	(8.89)	(0.03)	(8.86)
Employer contributions	—	—	—
Benefit payments	(5.40)	(5.40)	—
Mortality charges & taxes	—	(1.82)	1.82
31-Mar-20	634.37	189.49	444.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(ii) Net assets / liabilities

An analysis of net (deficit)/assets is provided below for the Company's principal defined benefit gratuity scheme.

	31-Mar-20	31-Mar-19
Present value of funded obligations	634.37	549.11
Fair value of plan assets	189.49	183.20
Net deficit for funded schemes	(444.88)	(365.91)

(iii) Analysis of plan assets is as follows:

	31-Mar-20	31-Mar-19
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
Total	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-20	31-Mar-19
Salary growth rate	10.00%	10.00%
Discount rate	7.00%	7.50%
Attrition rate	5.00%	5.00%

Notes:

1. Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3. Assumptions regarding future mortality experience are in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult).

Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-20	31-Mar-19
Discount rate - Increase by 1%	587.34	506.81
Discount rate- Decrease by 1%	687.99	597.42
Salary growth rate - Increase by 1%	674.22	585.37
Salary growth rate- Decrease by 1%	596.88	515.05
Attrition rate - Increase by 1%	627.73	544.10
Attrition rate- Decrease by 1%	641.68	554.61

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis are same as previous period.

(v) Expected future benefits payments

The Company monitors the funding levels on annual basis and accordingly decides upon the contribution to the fund. Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are ₹ 5.00 lacs. The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

	Less than a year	1 to 2 years	2-5 Years	More than 5 years
As at 31-Mar-2020				
Defined benefit obligation - Gratuity	88.04	51.65	180.68	479.24
As at 31-Mar-2019				
Defined benefit obligation - Gratuity	69.64	31.60	148.39	453.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(d) Gratuity - Defined Benefit plans - Caprihans Limited, India

The Company has a defined benefit gratuity plan. The fund is administered by ICICI Prudential Life Insurance. The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for gratuity.

(i) Movement of defined benefit obligation and plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-18	(569.30)	552.13	(17.17)
Current service cost	(35.15)	—	(35.15)
Interest (expenses) income	(42.67)	41.39	(1.28)
Total amount recognised in profit and loss	(77.82)	41.39	(36.43)
Remeasurements			
Return on plan assets (excluding amounts included in net interest expense)	—	(1.62)	(1.62)
Gain/loss from change in demographic assumption	—	—	—
Gain/loss from change in financial assumption	16.22	—	16.22
Experience gain / loss	(15.41)	—	(15.41)
Total amount recognised in other comprehensive income	0.81	(1.62)	(0.81)
Employer contributions	—	17.16	17.16
Benefit payments	38.19	(38.19)	—
Mortality charges & taxes	—	—	—
31-Mar-19	(608.12)	570.87	(37.25)
	Present value of obligation	Fair value of plan assets	Net Amount
1-Apr-19	(608.12)	570.87	(37.25)
Current service cost	(34.11)	—	(34.11)
Interest expenses / income	(45.40)	42.62	(2.78)
Total amount recognised in profit and loss	(79.51)	42.62	(36.89)
Remeasurements			
Return on plan assets (excluding amounts included in net interest expense)	—	(17.05)	(17.05)
Gain / loss from change in demographic assumption	(0.01)	—	(0.01)
Gain / loss from change in financial assumption	(5.33)	—	(5.33)
Experience gain / loss	4.47	—	4.47
Total amount recognised in other comprehensive income	(0.87)	(17.05)	(17.92)
Employer contributions	—	37.24	37.24
Benefit payments	50.70	(50.70)	—
Mortality charges & taxes	—	—	—
31-Mar-20	(637.80)	582.98	(54.82)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

(ii) Net assets / liabilities

An analysis of net (deficit)/assets is provided below for the Company's principal defined benefit gratuity scheme.

	31-Mar-20	31-Mar-19
Present value of funded obligations	(637.80)	(608.12)
Fair value of plan assets	582.98	570.87
Net deficit for funded schemes	(54.82)	(37.25)

(iii) The major categories of plan assets of the fair value of the total plan assets of gratuity are as follows:

Particulars	31-Mar-20	31-Mar-19
Insurer managed funds	582.98	570.87
(%) of total plan assets	100%	100%

(iv) Actuarial assumptions and sensitivity analysis

	31-Mar-20	31-Mar-19
Discount rate	6.30%	7.45%
Future salary increase	6.50%	7.50%
Expected average remaining working lives (in years)	16.92	17.32
Withdrawal rate (based on grade and age of employees)	5.00%	5.00%

(v) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is

	Impact on present benefit obligation	
	31-Mar-20	31-Mar-19
Discount rate - Increase by 1%	572.94	574.64
Discount rate- Decrease by 1%	646.72	645.50
Salary growth rate - Increase by 1%	646.26	645.12
Salary growth rate- Decrease by 1%	572.69	574.36
Withdrawal rate - Increase by 50% of withdrawal rate	606.45	607.38
Withdrawal rate- Decrease by 50% of withdrawal rate	609.40	608.97
Mortality rate- Increase by 10% of mortality rate	607.77	608.11
Mortality rate- Decrease by 10% of mortality rate	607.81	608.12

The sensitivity analyses above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(vi) Expected future benefits payments

	Within the next 12 months	2-5 Years	More than 5 years
As at 31-Mar-2020			
Defined benefit obligation - Gratuity	112.46	251.82	587.89
As at 31-Mar-2019			
Defined benefit obligation - Gratuity	150.58	235.26	647.53

Weighted average duration of defined benefit obligation (based on discounted cash flow) 6 years as on 31 March 2020 and 6 years as on 31 March 2019.

Expected contribution to plan assets for next year ₹ 84.75 lacs as on 31 March 2020 and ₹ 65.83 lacs as on 31 March 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

32 LEASE

(i) Operating Lease

The Group has entered into commercial leases on certain assets, mainly buildings and motor vehicles. These lease contracts do not include any renewal options. There are no restrictions placed upon the Group by entering into these leases. However, these leases pertain to the Swiss Cos. Group which was divested during the year.

Non-cancellable operating lease commitments:

Particulars	31-Mar-20	31-Mar-19
Not later than one year	—	821.54
Later than one year and not later than five years	—	1,365.47
Later than five years	—	472.62
Total future minimum lease payments	—	2,659.63

Aggregate amount of operating lease rent debited to Consolidated Statement of profit and loss during the period is ₹ 1,167.80 lacs (31-Mar-2019: ₹ 2,415.47 lacs).

(ii) Finance Lease

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment and software. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under these finance leases and hire purchase contracts together with the present value of the net minimum lease payments are details as under. However, these leases pertain to the Swiss Cos. Group which was divested during the year.

Particulars	31-Mar-20		31-Mar-19	
	Future Minimum Lease Payment	Present Value of Minimum Lease Payment	Future Minimum Lease Payment	Present Value of Minimum Lease Payment
Not later than one year	—	—	1,989.96	1,766.18
Later than one year and not later than five years	—	—	3,321.78	3,104.99
Later than five years	—	—	—	—
Total Minimum lease payments	—	—	5,311.74	4,871.16
Less : Amounts representing finance charges	—	—	440.57	—
Present value of minimum lease payments	—	—	4,871.16	4,871.16

33 CONTINGENT LIABILITIES

Particulars	31-Mar-20	31-Mar-19
(a) Claims against the Company not acknowledged as debts:		
- Disputed Income Tax matters in Appeal	747.46	1,110.82
- Penal interest on delayed payment of TDS	542.26	—
- Excise Duty & Service Tax matters	317.87	310.01
- Rental legal disputed cases	410.41	418.51
- Liabilities to suppliers earlier written back on account of pending legal cases	901.44	827.13
- Interest on unclaimed cumulative Fixed Deposits (after maturity date)	1,571.81	—
b) In view of the terms of settlement, the long term borrowings (primarily with Banks) which have been restructured till date, the Company is showing the remission amount as a contingent liability till the final repayment of the outstanding restructured/ settlement amounts. In the event of a default in payment of the restructured/ settlement amounts as per the agreed schedule, the Company will be liable to pay the entire original amount of the said loan, which is inclusive of interest due there upon.	54,314.60	44,321.10
c) In case of all the present as well as the restructured loans there may be a penal interest charge, which is currently contingent and undeterminable.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

34 COMMITMENTS

Capital commitments

Capital commitment at the end of the reporting period but not recognised as liabilities is as follows :

Property, plant and equipments	31-Mar-20	31-Mar-19
Estimated amount of contracts remaining to be executed (net of advances)	1,503.99	1,757.18

For lease related commitments see note 32

35 RESEARCH AND DEVELOPMENT EXPENDITURE

	31-Mar-20	31-Mar-19
Capital expenditure	11.31	9.38
Revenue expenditure	228.40	215.71

36 RELATED PARTY DISCLOSURES

A.Related parties and their relation

[1] Key Management Personnel:

Mohan H. Bhandari (Chairman & Managing Director)

D. K. Sharma (Company Secretary & CFO) (for part of the F.Y.)

Prabhavi Mungee (Company Secretary) (w.e.f. 25th June 2019)

Nilesh Tiwari (CFO) (w.e.f. 23rd June 2020)

[2] Relatives of Key Management Personnel:

Ankita J. Kariya

Nutan M. Bhandari

Kiran H. Bhandari

Prakash H. Bhandari

Monica Sharma

B. Transactions and Balances:

	31-Mar-20	31-Mar-19
Transactions with related parties:		
Remuneration paid to Key Management Personnel	44.25	30.88
Remuneration paid to relatives of Key Management Personnel	31.51	29.01
Balances due from /to related parties:		
Capital advance to Key Management Personnel	8,262.29	8,009.29
Capital advance to relatives of Key Management Personnel	2,358.38	2,358.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

37 SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES AS PER COMPANIES ACT, 2013

Statement pursuant to Section 129 (3) of the Companies Act, 2013

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Year in which subsidiary was acquired/ incorporated	Reporting Currency	Country	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Income	Profit before Taxation	Provision for taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	% of Share holding
1	Bilcare GCS Limited UK	2015	GBP	UK	0.95	124.20	154.24	29.09	—	516.68	72.97	13.86	59.10	3.71	62.81	100%
2	Bilcare GCS Inc US	2015	USD	USA	0.69	267.43	792.13	524.00	—	1,392.43	(98.51)	(20.66)	(77.86)	23.98	(53.88)	100%
3	Bilcare Technologies Singapore Pte. Ltd.	2005	SGD	Singapore	1,682.07	(1,181.95)	851.62	351.50	—	—	(690.78)	—	(690.78)	35.22	(655.56)	100%
4	Bilcare Mauritius Ltd.	2010	USD	Mauritius	2,398.38	4,480.36	17,561.56	10,682.81	4,498.31	5,306.62	(9,849.21)	—	(9,849.21)	1,378.93	(8,470.28)	100%
5	Caprihans India Limited	2019	INR	India	1,313.40	12,540.04	18,189.67	4,336.24	—	29,435.78	1,199.32	279.60	919.73	(13.41)	906.31	51%
6	Bilcare Research Swiss I AG #	2016	EURO	Switzerland	—	—	—	—	—	3.98	(2,711.99)	69.53	(2,781.52)	(13,138.26)	(15,919.78)	—
7	Bilcare Research Swiss II AG #	2016	EURO	Switzerland	—	—	—	—	—	1.39	(595.64)	4.97	(600.61)	(3,283.22)	(3,883.83)	—
8	Bilcare Research Holding AG #	2015	EURO	Switzerland	—	—	—	—	—	(0.33)	(183.43)	—	(183.43)	368.23	184.80	—
9	Bilcare Research AG #	*	EURO	Switzerland	—	—	—	—	—	7,105.05	(2,619.33)	(35.58)	(2,583.75)	146.47	(2,437.28)	—
10	Bilcare Germany Management GmbH #	*	EURO	Germany	—	—	—	—	—	9,415.47	5,761.86	703.93	5,057.93	48.13	5,106.05	—
11	Bilcare Research Singapore Pte. Ltd. #	2015	SGD	Singapore	—	—	—	—	—	5,642.67	(8,395.53)	—	(8,395.53)	(375.56)	(8,771.08)	—
12	Bilcare Research Inc #	*	USD	USA	—	—	—	—	—	17,868.91	(2,391.75)	(13.44)	(2,378.31)	9.35	(2,368.96)	—
13	Bilcare Research Srl #	*	EURO	Italy	—	—	—	—	—	18,317.78	(217.68)	(53.42)	(164.26)	145.03	(19.22)	—
14	Bilcare Agency GmbH #	*	CHF	Switzerland	—	—	—	—	—	(0.29)	(5.91)	0.05	(5.96)	0.19	(5.77)	—
15	Bilcare Research (Shanghai) Co. Ltd. #	2017	CNY	Shanghai	—	—	—	—	—	68.54	(120.46)	—	(120.46)	4.50	(115.96)	—
16	Films Germany Holding GmbH #	*	EURO	Germany	—	—	—	—	—	1.51	1.67	0.42	1.25	37.10	38.35	—
17	Bilcare Research GmbH #	*	EURO	Germany	—	—	—	—	—	96,781.61	6,294.25	162.73	6,131.53	(3,931.18)	2,200.35	—

* INEOS Group acquisition in 2010

Swiss Cos Group divested on 8th November 2019, hence the Profit and Loss figures for this Group are only upto this period (refer Note 38).

Part "B": Associates and Joint Ventures - None

Notes:

1. Caprihans India Limited was part of the Swiss Cos Group which was acquired by Bilcare Mauritius Limited on 7th November 2019
2. Bilcare Technologies Italia Srl, Italy is not considered above as it is under closure
3. Exchange rate considered:

Currency	SGD	EURO	GBP	USD	CHF	CNY
Average rate	51.7238	78.7968	90.1480	70.8791	72.1437	10.1820
Closing Rate	53.0118	83.0496	93.0760	75.3859	78.3153	10.6453

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

C ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013 as at 31 March 2020

Name of the Entity	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Bilcare India Limited	54.64	5,917.11	98.83	(10,232.36)	0.35	6.63	120.92	(10,225.72)
Indian Subsidiary								
Caprihans India Limited	127.93	13,853.44	(8.88)	919.73	(0.71)	(13.41)	(10.72)	906.31
Foreign Subsidiaries								
Bilcare GCS Limited UK	1.16	125.15	(0.57)	59.10	0.20	3.71	(0.74)	62.81
Bilcare GCS Inc US	2.48	268.13	0.75	(77.86)	1.26	23.98	0.64	(53.88)
Bilcare Technologies Singapore Pte. Ltd.	4.62	500.13	6.67	(690.78)	1.86	35.22	7.75	(655.56)
Bilcare Mauritius Ltd.	63.52	6,878.74	95.13	(9,849.21)	72.71	1,378.93	100.16	(8,470.28)
Bilcare Research Swiss I AG *	—	—	26.87	(2,781.52)	(692.81)	(13,138.26)	188.25	(15,919.78)
Bilcare Research Swiss II AG *	—	—	5.80	(600.61)	(173.13)	(3,283.22)	45.93	(3,883.83)
Bilcare Research Holding AG *	—	—	1.77	(183.43)	19.42	368.23	(2.19)	184.80
Bilcare Research AG *	—	—	24.96	(2,583.75)	7.72	146.47	28.82	(2,437.28)
Bilcare Germany Management GmbH *	—	—	(48.85)	5,057.93	2.54	48.13	(60.38)	5,106.05
Bilcare Research Singapore Pte. Ltd. *	—	—	81.09	(8,395.53)	(19.80)	(375.56)	103.72	(8,771.08)
Bilcare Research Inc *	—	—	22.97	(2,378.31)	0.49	9.35	28.01	(2,368.96)
Bilcare Research Srl *	—	—	1.59	(164.26)	7.65	145.03	0.23	(19.22)
Bilcare Agency GmbH *	—	—	0.06	(5.96)	0.01	0.19	0.07	(5.77)
Bilcare Research (Shanghai) Co. Ltd. *	—	—	1.16	(120.46)	0.24	4.50	1.37	(115.96)
Films Germany Holding GmbH *	—	—	(0.01)	1.25	1.96	37.10	(0.45)	38.35
Bilcare Research GmbH *	—	—	(59.22)	6,131.53	(207.30)	(3,931.18)	(26.02)	2,200.35
Non Controlling Interest in the Subsidiaries								
Caprihans India Limited	(62.69)	(6,788.18)	4.35	(450.66)	0.35	6.57	5.25	(444.09)
Adjustments arising out of consolidation								
	(91.66)	(9,925.60)	(154.46)	15,991.99	1,077.00	20,423.96	(430.61)	36,415.95
Total after elimination on account of consolidation	100.00	10,828.91	100.00	(10,353.16)	100.00	1,896.37	100.00	(8,456.78)

*Pursuant to divestment as on 8th November 2019, these companies are not part of the Group as on date and hence only profitability figures are represented for this period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

38 DISCONTINUED BUSINESS (SWISS COS GROUP)

The Company on 8th November 2019 divested its investment in the step down subsidiaries viz. Bilcare Research Swiss I AG and Bilcare Research Swiss II AG (Swiss Cos Group) for a net proceeds upto Euro 27 million. The fair value less cost of disposal of the investments of Bilcare Mauritius Ltd. (BML) in Swiss Cos. exceeds its carrying amount resulting in a profit at BML. As part of the divestment transaction, Caprihans India Limited, which was a step down subsidiary of the Swiss Cos. Group was acquired by BML and hence is continued to be consolidated under consolidated financial statements. In terms of the divestment, the Group has agreed not to compete for two years in the PVC/PVDC segment in markets other than India, Saudi Arabia, Iran & Bangladesh ("Non-compete markets") without any consideration. Accordingly, the Group has not made sales in the non-compete markets other than orders in hand as on 8 November 2019 and orders for which specific permission has been obtained and on which agreed commission needs to be paid to the acquirer of the Swiss Cos Group. The impact of the said transaction is not material on the Annual Results for the year ended 31 March 2020.

Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations) -

This Ind AS requires that an entity shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups) (para 30).

Thus the Company has presented the Consolidated Balance Sheet as at 31 March 2020 of the Continued Business and the Statement of Profit and Loss to be inclusive of the Swiss Cos. Group upto 8th November 2019 -refer statement below.

Statement of Consolidated Profit and Loss of Discontinued Operations for the period April 1, 2019 to November 8, 2019

Sr. No.	Particulars	₹ in Lacs
1. Income		
	Revenue from operations	131,994.17
	Other Income	2,246.57
	Total income	134,240.74
2. Expenses		
a	Cost of materials consumed	65,913.68
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	217.84
c	Employee benefits expense	31,966.27
d	Finance costs	10,474.50
e	Depreciation and amortisation expense	14,003.19
f	Other expenses	26,485.47
	Total expenses	149,060.94
3.	Profit / (Loss) before tax and exceptional items (1-2)	(14,820.20)
4.	Exceptional items	26.52
5.	Profit / (Loss) before tax (3 + 4)	(14,793.68)
6.	Tax expense	687.93
7.	Net Profit / (Loss) for the period (5-6)	(15,481.60)
8.	Other comprehensive income	
A	(i) Items that will not be reclassified to profit or loss	(545.81)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	153.31
B	(i) Items that will be reclassified to profit or loss	1,022.84
	(ii) Income tax relating to items that will be reclassified to profit or loss	—
	Other comprehensive income, net of taxes	630.35
9.	Total comprehensive income (7+8)	(14,851.26)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

39 MICRO, SMALL AND MEDIUM ENTERPRISES

Details of dues to Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

	31-Mar-20	31-Mar-19
Principal amount due to suppliers	288.32	278.72
Interest accrued and due to suppliers on the above amount	18.62	3.11
Interest paid to suppliers other than Section 16 of the Act	4.87	15.27
Interest paid to suppliers under Section 16 of the Act	—	—
Interest accrued and remaining unpaid to suppliers at the end of the year	23.49	18.38

40 SEGMENT INFORMATION

As the Group has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, entity-wise disclosures are as under :

Particulars	31-Mar-20	31-Mar-19
a) Revenue from external customers*		
Sale of products / services		
Within India	38,793.15	36,275.81
Outside India	143,907.75	263,425.30
	182,700.91	299,701.11
b) Non-current assets #		
Within India	64,296.23	72,869.93
Outside India	805.16	146,818.56
	65,101.39	219,688.49

*The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue.

Non current assets excludes financial assets, deferred tax assets and post employment benefit assets.

The figures for March 2019 are not comparable as they includes Swiss Cos Group which is only for part of the year in March 2020.

41 COVID-19

The spread of Covid-19 from mid-March is having an unprecedented impact on people and economy. The Group has been extending support to its multiple stakeholders and maintain our operations through the crisis. This has not significantly impacted our operations and results for the year ended March 31, 2020. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables, tangible assets, intangible assets, assets under strategic review and investments. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The Group based on current estimates expects the carrying amount of these assets will be recovered.

42 Previous year figures have been regrouped / reclassified wherever necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

	31-Mar-20	31-Mar-19
Secured-Non-current borrowings		
Rupee term loans - From banks		
1. Bank of Baroda # (Payable from 31.12.2019 in 10 quarterly installments, rate of interest 8.5% p.a., Maturity date 31-Mar-22) (Default in payment of interest till date, ₹ 125.38 lacs)	5,725.38	15,371.55
2. United Bank of India (Payable from 31.03.2020 in 11 quarterly installments, rate of interest 9.65% p.a., Maturity date 30-Sept-22)	3,172.29	3,329.35
3. Canara Bank (Payable from 28.03.2018 in 12 quarterly installments, rate of interest 9.25% p.a., Maturity date 28-Dec-20) (Default in payment till date, ₹ 1,025.00 lacs)	1,601.59	1,909.05
4. Indusind Bank Limited # (Refer point 18 below)	—	1,885.79
5. Central Bank of India (Payable from 30.06.2017 in 16 quarterly installments, rate of interest 8.50% p.a., Maturity date 31-Mar-21) (Default in payment till date, ₹ 1,008.50 lacs)	1,929.11	1,844.20
6. Cosmos Bank # (Payable from 30.06.2017 in 24 quarterly installments, rate of interest 11% p.a., Maturity date 30-Jun-23) (Default in payment till date, ₹ 374.92 lacs)	1,849.92	1,876.86
7. IDBI Bank # (Loan on account of devolvement of SBLC ₹ 5,091.62 lacs (on 13.10.2017), rate of interest 15.50% p.a., now repayable on demand) *	4,890.30	5,091.62
Term loans - From financial institutions and others		
8. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of India) (Payable from 31.03.2020 in 12 quarterly installments, Maturity date 31-Dec-22)	4,948.64	6,468.42
9. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of Hyderabad) (Payable from 31.03.2020 in 13 quarterly installments, Maturity date 31-Mar-23)	1,757.97	1,800.39
10. Invent Assets Securitisation & Reconstruction Private Limited (Karnataka Bank) (Payable from 31.03.2020 in 14 quarterly installments, Maturity date 30-Jun-23)	1,725.74	1,800.39
11. Invent Assets Securitisation & Reconstruction Private Limited (Andhra Bank) # (Payable from 31.03.2020 in 17 quarterly installments, Maturity date 31-Mar-24)	1,653.51	1,800.39
12. Invent Assets Securitisation & Reconstruction Private Limited (Dhanlaxmi Bank) # (Payable from 31.03.2020 in 17 quarterly installments, Maturity date 31-Mar-24)	1,752.18	1,907.24
13. Invent Assets Securitisation & Reconstruction Private Limited (State Bank of Bikaner and Jaipur) # (Payable from 31.03.2020 in 14 quarterly installments, Maturity date 30-Jun-23)	1,616.77	1,686.22
14. Phoenix ARC Private Limited ("Phoenix") (Federal Bank) # (Payable from 31.03.2020 in 21 quarterly installments, Maturity date 31-Mar-25)	2,138.05	2,490.24
15. Phoenix ARC Private Limited ("Phoenix") (Punjab National Bank) # (Payable from 31.03.2020 in 21 quarterly installments, Maturity date 31-Mar-25)	2,208.32	2,630.96
16. Phoenix ARC Private Limited ("Phoenix") (Axis Bank) (Payable from 31.03.2020 in 9 quarterly installments, Maturity date 31-Mar-22)	800.64	1,255.66
17. Asset Reconstruction Company India Limited ("Arcil") (South Indian Bank) # (Payable from 31.03.2020 in 13 quarterly installments, Maturity date 31-Mar-23)	5,484.03	7,709.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(All amount in ₹ lacs, unless otherwise stated)

	31-Mar-20	31-Mar-19
18. Indiabulls Asset Reconstruction Company Limited (Indusind Bank Limited) # (Payable from 30.06.2019 in 16 quarterly installments, Maturity date 31-Mar-23)	1,700.49	—
Non Convertible Debentures (Zero Coupon Bonds)		
19. Zero Coupon Redeemable Non Convertible Debentures (Lakshmi Vilas Bank Limited) # (Redeemable in 3 equal annual installments from 31.03.2024)	5,014.00	4,438.97
Unsecured		
Term loans - From banks		
20. Corporation Bank # (Payable from 31.01.2013 in 3 installments, rate of interest 13.25% p.a.) (Default in payment from Jan '13 till date, ₹ 4,585.00 lacs, now repayable on demand) *	4,585.00	4,635.00
Term loans - From others		
21. Council of Scientific & Industrial Research (CSIR) (Payable from 01.10.2014 in 10 yearly installments, rate of simple interest 3.00% p.a.) (Default in payment from October 2015 till date, ₹ 394.58 lacs)	751.97	751.97
22. Deferred sales tax loan (Payable in equal annual installments till 2023, interest free)	577.62	753.52
Total	55,883.52	71,437.19
Secured-Current borrowings		
Foreign currency term loans - From banks	See note (i)	
23. Deutsche Bank - Senior loan	—	61,525.13
24. Deutsche Bank - Junior loan	—	25,216.08
25. Deutsche Bank - Proventus- II	—	28,799.21
26. Deutsche Bank	—	18,866.49
Total	—	134,406.91

The Director/s have issued personal guarantee for these loans.

*a) The Company is in negotiation of restructuring these loans and hence these have been disclosed as Non- Current Borrowings.

b) In view of the on- going discussions for restructuring, the Company has not provided interest on these loans which have been classified by the respective banks as Non Performing Assets (NPA), from the date of such classification.

Note

(i) These loans pertain to Swiss Cos Group which were settled at the time of the sale transaction.

Bilcare Research

Bilcare Limited
Regd. Office: 1028, Shiroli, Rajgurunagar, Pune - 410 505, India
Phone: +91 2135 647501
Website: www.bilcare.com Email: cs@bilcare.com
CIN: L28939PN1987PLC043953

Notice

Notice is hereby given that the 33rd Annual General Meeting of the Members of Bilcare Limited will be held on Tuesday, 29th day of September 2020, at 12.00 p.m. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020 including Consolidated Audited Financial Statements on that date together with the Reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS

2. Appointment of Mrs. Alka Sagar (DIN 07138477) as an Independent Director.

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

"RESOLVED THAT Mrs. Alka Sagar (DIN 07138477) , who was appointed by the Board of Directors as an Additional Director of the Company with effect from 12th February 2020, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 3rd September, 2020 as amended from time to time, the appointment of Mrs. Alka Sagar (DIN 07138477) , who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI (LODR) and who has submitted a declaration to that effect, and who is eligible for appointment as a Woman Independent Director of the Company, not liable to retire by rotation, for a term of two years from 12th February , 2020 to 11th February , 2022 be and is hereby approved."

3. Appointment of Mr. Rahul Chouhan (DIN 03307553) as an Independent Director.

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

"RESOLVED THAT Mr. Rahul Chouhan (DIN 03307553), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st August 2020, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time, the appointment of Mr. Rahul Chouhan (DIN 03307553), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI (LODR) and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from 31st August 2020 to 30th August 2025 be and is hereby approved."

4. Appointment of Mr. Ashwani Singh (DIN 08855493) as an Independent Director.

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

“RESOLVED THAT Mr. Ashwani Singh (DIN 08855493), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st August 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the appointment of Mr. Ashwani Singh (DIN 08855493), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI (LODR) and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from 31st August 2020 to 30th August 2025 be and is hereby approved.”

5. Approval of remuneration of Cost Auditors of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the ratification of the remuneration of M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191) appointed as Cost Auditors by the Board of Directors of the Company (“the Board”) for the financial year ending 31st March, 2021 to conduct cost audits relating to cost records of the Company and that the Cost Auditors be paid a remuneration of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) plus taxes as applicable.

By Order of the Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Pune: 3rd September 2020

Notes:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), setting out material facts relating to the special business to be transacted at the Annual General Meeting (“Meeting”) under item nos. 2-5 of the Notice as set out above is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to shekhar_fcs1659@yahoo.com with copies marked to the Company at cs@bilcare.com and to its RTA at instameet@linkintime.co.in.

5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.bilcare.com; websites of the Stock Exchange BSE Limited www.bseindia.com/stock-share-price/bilcare-ltd/bi/526853/financials-annual-reports/. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. At the 31st Annual General Meeting of the Company, the Members approved appointment of M/s. K. R. Miniyar & Associates, Chartered Accountants (FRN 124806W), as the Statutory Auditors of the Company to hold office from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting. However, pursuant to the provisions of the Companies (Amendment) Act, 2017, effective from 7th May, 2018, the requirement of seeking approval for ratification of appointment of Statutory Auditors by Members of the Company at every Annual General Meeting is omitted. Therefore, the Company is not seeking any ratification of appointment of M/s. K. R. Miniyar & Associates, Chartered Accountants (FRN 124806W), as the Statutory Auditors of the Company, by the Members at the 33rd Annual General Meeting of the Company.
8. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
9. The Company's Share Transfer Books and the Register of Members will remain closed from Wednesday, 23 September 2020 to Tuesday, 29 September 2020 (both days inclusive).
10. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants and those holding shares in physical form are requested to intimate the above mentioned changes to the Secretarial Department at the Registered Office of the Company/Registrar and Transfer Agent of the Company.
11. Those Members who have not dematerialised their shareholding are advised to dematerialise their shareholding to avoid any inconvenience in future.
12. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:
 - (i) Change in their residential status on return to India for permanent settlement.
 - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
14. Securities of listed companies would be transferred in dematerialised form only, from a cut-off date, to be notified by SEBI. In view of the same members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.
15. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015, as amended, and as per the MCA General Circular 20/2020 dated 5th May, 2020, electronic copy of the Notice and Annual Report 2019-20 is being sent to the Members whose e-mail IDs are registered with the Company/ Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).
16. Shareholders who have not got their e-mail address registered or wish to update a fresh e-mail address may do so by submitting the attached E-mail Registration-Cum Consent Form duly filled and signed alongwith a self-attested scanned copy of their PAN Card and AADHAAR Card at the company's e-mail address cs@bilcare.com consenting to send the Annual Report and other documents in electronic form and to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at pune@linkintime.co.in.
17. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.

Unclaimed Dividends:

18. Members are hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ("the Fund") established by the Central Government.
19. Further attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of transfer to Unpaid Dividend Account of the Company, in the name of IEPF Authority.
20. In accordance with the aforesaid provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, the Company has already transferred all shares in respect of which dividend declared for the financial year 2011-12 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the website of the Company to ascertain details of shares transferred to IEPF Authority.

21. The Company has transferred the unpaid or unclaimed dividends declared upto financial years 2011-12, from time to time, to the Fund.
22. Members/Claimants whose shares, unclaimed dividend, sales proceeds of fractional shares etc. have been transferred to the IEPF Authority or the Fund, as the case maybe, may claim the shares or apply for the refund by making an application to the IEPF Authority in Form IEPF-5 (available on iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

Process and manner for members opting for E-voting through electronics means:

- a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by LIPL, on all the resolutions set forth in this Notice.
- b) Members are provided with the facility for e-Voting at AGM during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM through electronic means.
- c) Members who have already cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC / OAVM but shall not be entitled to cast their vote again on such resolution(s).
- d) Mr. Shekhar Ghatpande, Practicing Company Secretary (Membership No. FCS 1659), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- e) The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Saturday, 26th September 2020, 9.00 A.M. IST	Monday, 28th September 2020, 5.00 PM IST

- f) Members of the Company holding shares either in physical form or electronic form as on the cut-off date of Tuesday, 22nd September, 2020, may cast their vote by e-Voting.

Instructions and other information relating to e-voting are as under:

- i) Visit the e-voting system of LIPL. i.e. Linkintime India Private Limited Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- ii) Click on "Login" tab, available under 'Shareholders' section
- iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Your Password details are given below;

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is shared in the mail sent by LIPL indicated in the PAN Field Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii-c).

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

vi) If Shareholders holding shares in Demat Form or Physical Form have forgotten password

- a. Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".
 - b. In case shareholder is having valid e-mail address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details, etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).
 - c. NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.
 - d. For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- vii) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- viii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- ix) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- x) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- xi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xii) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.
- xiii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/ Corporate Body'. They are also required to upload a scanned certified true copy of the Board Resolution/ authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian/ Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.
- xiv) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- xv) Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.
- xvi) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an e-mail to enotices@linkintime.co.in or Call on 022-49186175. A copy of this Notice has been placed on the website of the Company and the website of Link Intime India Pvt.Ltd.
- i) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - ii) The voting rights of shareholders shall be in proportion to their shares of the paid equity capital of the Company as on 22nd September, 2020.

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

- (i) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- (ii) Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes

prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 (One Thousand Only) members only.

- (iii) Shareholders/Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
- (iv) Open the internet browser and launch the URL for InstaMeet<<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
 - e. Click “Go to Meeting”
 - f. Note: Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
 - g. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
 - h. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - i. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186175) InstaMeet Support Desk, Link Intime India Private Limited.

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

- (i) Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail id, mobile number at cs@bilcare.com from September 22, 2020 (9:00 a.m. IST) to September 23, 2020 (5:00 p.m. IST).
- (ii) Members who would like to ask questions, may send their questions in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at cs@bilcare.com. The same will be replied by the Company suitably.
- (iii) Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- (iv) Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

- i. Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:
- ii. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
- iii. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
- iv. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- v. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- vi. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- viii. Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

- ix. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- x. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186175) InstaMeet Support Desk, Link Intime India Private Limited.

Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting. Notice of the Annual General Meeting and the Annual Report are available on the website of the Company at www.bilcare.com

Address of the Registrar and Transfer Agents:

Link Intime India Pvt. Ltd.

(Unit: Bilcare Limited)

Block No. 202, 2nd Floor,

Akshay Complex Off Dhole Patil Road,

Pune-411 001, India

Telefax: +91-20-26163503

E-mail: pune@linkintime.co.in

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 2-5 of the accompanying Notice dated 3rd September 2020.

Item No. 2, 3 and 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed:

a) Mrs. Alka Sagar (DIN 07138477) as an Additional Director of the Company and also as an Woman Independent Director, not liable to retire by rotation, for a term of 2 years i.e. from 12th February 2020 to 11th February 2022, subject to approval of the Members of the company b) Mr. Rahul Chouhan (DIN 03307553) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 31st August 2020 to 30th August 2025, subject to approval of the Members Of the company. c) Mr. Ashwani Singh (DIN 08855493) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 31st August 2020 to 30th August 2025, subject to approval of the Members Of the company

Pursuant to the provisions of Section 161(1) of the Act Directors shall hold office up to the date of ensuing Annual General Meeting ("AGM") and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing notice(s) from Member(s), proposing their candidature for the office of Director.

The Company has received declarations from Mrs. Alka Sagar, Mr. Rahul Chouhan and Mr. Ashwani Singh to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday).

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 2, 3 and 4 of this Notice. The Board recommends the passing of the Resolutions as set out under Item Nos. 2, 3 and 4 of the Notice for approval by the members of the Company.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved at their Meeting held on 31st August, 2020, the appointment and remuneration of M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191), as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021 at a remuneration of Rs. 150,000/- plus applicable taxes.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out under Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

None of the Directors, Key Managerial Personnel, and their relative is concerned or interested, financially or otherwise, in the aforesaid Resolution. The Board recommends the passing of the Resolution as set out under Item No. 5 of the Notice for approval by the members of the Company.

(To be read with Item No. 2,3 & 4 of the Notice)

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / CONTINUATION OF DIRECTORSHIP
IN THE ENSUING ANNUAL GENERAL MEETING.**

[Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings]

Name of the Director	Alka Sagar	Rahul Chouhan	Ashwani Singh
Director Identification No.(DIN)	07138477	03307553	08855493
Date of Birth	19/02/1979	11/06/1986	09/10/1990
Age	41	34	29
Date of first appointment	12 th February 2020	31 st August 2020	31 st August 2020
Terms & conditions of re-appointment/ continuation of Directorship	As mentioned in the respective resolutions and explanatory statement.	As mentioned in the respective resolutions and explanatory statement.	As mentioned in the respective resolutions and explanatory statement.
Qualification	Bachelor in Law and holds post graduate diploma in Human Resource Management.	Master's in Commerce with specialization in the field of taxation.	Member of the Institute of Company Secretaries of India and Bachelor in Law.
Experience / Expertise in functional field and brief resume	She has more than two decades of experience as private practitioner and court lawyer. She also serves as a board member to various Companies.	He has more than a decade of vast experience in the Manufacturing Sector. His core areas are accounts and taxation.	He has around five years of rich experience in the fields of Corporate Laws, Corporate Governance and Compliance related functions in various capacities
No. of Shares held in the Company	Nil	Nil	Nil
No. of Board Meetings attended during the financial year 2019-20	1	Nil	Nil
Remuneration sought to be paid / last drawn (including sitting fees, if any)	20,000/- (Twenty thousand Rupees Only)	Nil	Nil
Other Directorships	1. Flexituff Ventures International Limited	1. Deeptendu Tradcom Private Limited	Nil
Chairmanship / Membership of Committees of other Companies	Member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee in Flexituff Ventures International Limited	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	None	None	None

* Independent Directors are entitled to receive sitting fees only.



Bilcare Limited
1028, Shirol, Rajgurunagar,
Pune 410505, India.

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www.bilcare.com