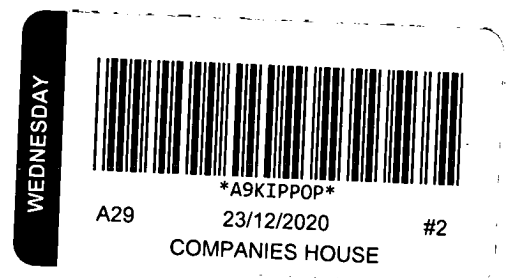


Accord-UK Ltd

Amended Report and financial statements
Registered number 00079585
For the year ended 31 March 2020



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Company Information

Directors	Dr J Burt Mrs N Jakes Mr J Wilson Mrs S Lee Mrs P Lethbridge
Company Secretary	Mrs N Jakes
Registered Number	00079585
Registered Office	Accord-UK Ltd Whiddon Valley Barnstaple Devon EX32 8NS
Independent Auditors	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

Strategic report

The Directors present their strategic report on the company for the year ended 31 March 2020.

Review of the business

The activity of the company during the year continued to be the manufacture, marketing and sales of a broad range of pharmaceutical products.

The profit for the year before taxation decreased as shown in the income statement to £38.6 million (2019: £46.6 million).

The company operates predominately in a highly competitive UK pharmaceutical market environment where new entrants and established competitors are continually putting pressure on market prices and the UK Government seeks to control the cost of medicines to the National Health Service.

The company retains its position as a major supplier to the UK generics market and despite competitive trading conditions, the directors are confident that the company will maintain its current strong position. The company manages the risk of strong competition by:

- Building on high quality manufacturing capabilities and competitive cost base
- Rapidly responding to changing market requirements;
- Different customer service offerings
- Broad portfolio offering and successful new launch strategy of generic and novel medicines
- Good cost control and streamlining of business process to gain efficiency savings.

	2020	2019	Comments
Revenue growth	5%	(3%)	Revenue increased by 5% year on year. Sales volume increased 9% in the same period, partially offset by a one-off prior year benefit from an essential medicine tender.
Operating profit %	17.3%	21.1%	Operating margin reduced by an IP impairment; underlying business operation profit is consistent to prior year.

The Barnstaple site is an EU/GMP approved large solid oral dosage facility that serves predominately the UK generic market. Other markets supplied include the Middle East, Asia and Europe. The site has successfully maintained a highly competitive low-cost position through scale and breadth of portfolio and continues to focus on cost reduction initiatives whilst continuing to invest in the facility with improvements in technology and automation. Customer service remains a key success driver.

Accord-UK Ltd has fully installed FMD equipment on all its packing lines to comply with legislation to prevent circulation of counterfeit medicines (EU Falsified Medicines Directive).

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, interest risk, foreign currency risk and liquidity risk. The company does not use derivative financial instruments and tries to limit those risks through the support of its parent company.

Price risk

The price of pharmaceutical products can fluctuate depending on competitor activity and supply availability. The risk is managed by a diverse broad portfolio and a flexible supply chain to respond quickly to market dynamics.

Credit risk

The company is exposed to the risk of financial losses should a counter party fail to meet their obligation. Appropriate credit limits are regularly reviewed and approved by directors and trade finance instruments such as letters of credits are used to limit any exposure. Overdue balances are reviewed on a weekly basis by senior management and any issues identified are dealt with in a timely manner.

Liquidity & cash flow risk

The company controls liquidity risk by monitoring and forecasting cash balances very closely and enjoying parent company support for any excess or shortfalls in cash balances.

Interest risk

The company has both interest-bearing assets and interest-bearing liabilities with intercompany counter parties which exposes the company to changes in interest rates.

Foreign currency risks

Foreign currency exchange risk arises from purchases and sales in foreign currency. The company does not hedge against foreign currency risk and uses the group treasury function for support.

COVID-19 and going concern

Since December 2019 the Accord Group and its European subsidiaries has been working on ensuring it could continue to supply medicines throughout Europe, despite the impacts of the COVID-19 pandemic. The Group was able to enact its business continuity plans, which allowed it to react and adapt its businesses to best ensure that countries were effectively supported with medicines supply. This involved leveraging the global nature of the Intas group and working with national authorities as required in a fast and rapidly changing situation. Medicines were able to be supplied where demand existed, and need was greatest.

The spread of COVID-19 has required the Group to enact significant business continuity measures and plans across its entire operations. This has meant closure of office facilities whilst continuing to operate critical manufacturing and distribution facilities. The Group transitioned to the impacts of the pandemic by enacting a wide variety of measures which were taken to contain any potential spread of the virus within the operations of the Group. This included travel bans, office closures, social distancing measures, working in team shifts, increased hygiene and cleaning measures, use of personal protective equipment and ensuring employees that were able to work from home did so. The core aim of this was to ensure that employees were able to work in an environment which minimised risk to themselves and business disruptions.

As the Group is an integral part of the UK medicines supply chain and also a major supplier to European markets it was important that all measures enacted were able to best ensure the continued supply of critical medicines to where demand was needed. The Group was a leading voice in creating an industry wide approach for the provision of medicines required for mechanical ventilation and assisted European healthcare systems understand their demand changes by generating and sharing a complex epidemiological model that had been developed by the Accord scientific affairs team. The company has worked closely with the European agencies and associations to fast track regulatory procedures to ensure that critical medicines have been available to patients.

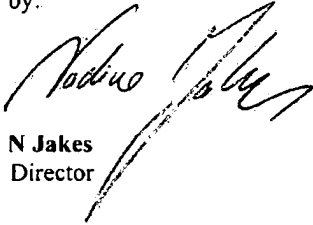
The duration and impact of the COVID-19 pandemic is still being continuously assessed and the Group continues to monitor, adapt and change its business models and operations as required. The Group constantly assesses its cash and liquidity positions and, where it has made commercial sense, has accessed local government or central bank programmes, it also maintains a close dialogue with its banks and with its parent company. The Group operates in a wide range of countries and is monitoring all of its customers for the risk of defaults. It has various different programmes in place to manage the risks of default and as of the date of this report had not seen significant impacts.

The company has been closely monitoring levels of sickness and took a deliberate decision to hire additional manufacturing headcount in both its Barnstaple and Fawdon operations to ensure coverage where there may have been high levels of sickness or self-isolation, this has worked well with these sites delivering an increase in 100 million doses of essential medicines in a month. The Group's plans have led to minimal impacts across its business due to employee issues. The Group has not currently made any redundancies due to COVID-19, however it does continue to monitor the effectiveness of all of its businesses and employees. The Group currently believes it has the relevant funding and support from its parent company to be treated as a going concern.

The financial statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future. The directors have reviewed the forecasts for future trading and the forecast cash requirements and have confirmed that adequate financing is available to enable the Company to meet its liabilities as they fall due, for a period of at least 12 months from the date of signing.

The Company is a guarantor to debt held by its parent company Accord Healthcare Limited. This debt includes covenants on adjusted leverage, interest cover and debt service cover ratios. The directors have assessed the going concern position by comparing its expected base cashflow case against a downside case and reverse covenant and reverse cash stress tests. In each of these cases, headroom has been noted against the reverse stress tests. The directors have been provided with a letter of support from its ultimate parent company, Intas Pharmaceutical Ltd which provides support for a period of at least twelve months from the signing of the financial statements. On the basis of the analysis performed above, the directors are able to rely on this letter of support and therefore the company continues to adopt the going concern basis in preparing its financial statements.

The financial statements were approved by the Board of Directors on 21st September 2020 and signed on its behalf by:



N Jakes
Director

Directors' report

Directors' report for the year ended 31 March 2020

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

The directors of Accord-UK Ltd are required to act in a manner compliant with their duties as set out in the UK Companies Act 2006.

This includes a duty to promote the success of the Company for the benefit of its shareholders. Board processes are designed to support the Directors in discharging this duty, particularly in relation to decision making processes. Here, the directors set out engagement activities with key stakeholders. In order to fulfil this duty, Directors must consider the following:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

The following is an overview of how the Board has performed its duties during the year.

Customers

Being there for our customers and improving their overall customer experience is a priority of the Board. Through understanding our customers' needs, we are able to offer products and services to fit their circumstances and by providing a positive customer experience, we aim to build relationships so they will continue to do business with us in the future. The company has invested in these relationships through its broad customer facing teams, across all sectors of the pharmaceutical market and by running annual market research within specific segments and customers to evaluate the company's offer and ensure it is fit for purpose. The investment in the distribution centre in Didcot is one example of striving to improve service and delivery excellence into the company's large UK wholesale and retail customers. The company receives information on service levels at every Board meeting and also customer and product complaints as part of its Risk report and QPV board meetings and keeps this under review.

Shareholders

Accord-UK Ltd is a wholly owned subsidiary of Accord-Healthcare Limited, a leading supplier of generics medicines in the UK.

The Group Board receives a monthly report on how the business is performing on all aspects including client and commercial aspects as well as strategy and colleague engagement.

Employees

The Directors recognise the importance of employees, ensuring their views are considered and any impact on them when making decisions and supporting their wellbeing.

The Board receives regular reports on matters relating to employees.

The company recognises the value of informal consultation at work group level where its policy is to encourage an open management style with informal discussion about day-to-day operations and the technical and other factors affecting each work group.

A variety of methods are used to inform and discuss progress and consult on matters of concern to employees.

The company continues its policy of giving full and fair consideration to applications for employment from disabled persons and to the continuance of employment of existing employees who become disabled and for their subsequent training, promotion and career development related to their abilities and aptitudes.

The company operates a bonus scheme as a means of encouraging the involvement of employees in the company's performance.

The company is committed to its adopted safety practices, which have enabled it to maintain high standards of health and safety for the benefit of employees, customers and the general public. The company is ISO 14001 certified and has successfully achieved ISO 45001 certification for Occupational Health and Safety.

Suppliers

Accord-UK Ltd has a range of suppliers, who provide goods and services to support the operations of the company. The terms of those supplies and the day to day relationships, are negotiated and managed by the procurement team. The board received regular updates on

- performance of key suppliers against set KPI's
- payment practices, policies and performance
- spend categories, significant contracts, savings and risks

Regulation

Accord-UK Ltd is authorised and regulated by the Medicines and Healthcare products Regulatory Agency ("MHRA") and must therefore meet obligations imposed by the regulator in addition to complying with other legislation applicable to the company.

The MHRA require Accord-UK Ltd to comply with the requirements of GxP (Good 'X' Practice, where 'X' is used as a collective term for GDP – Good Distribution Practice, GCP – Good Clinical practice, GLP – Good Laboratory Practice GMP – Good Manufacturing Practice GPvP – Good Pharmacovigilance Practice). The ultimate aim of GxP is to ensure that medicinal products meet the required standards of quality, safety and efficacy throughout the product lifecycle.

Accord-UK Ltd maintains GxP compliant systems, processes and procedures to achieve those principles. Accord-UK Ltd submits information and updates to the MHRA in line with reporting requirements and is inspected by the MHRA on a routine basis to confirm GxP compliance.

Community

Corporate social responsibility is fundamental to the company's purpose and success as an organisation.

The company's commitment and contribution to the environment and to society is evident in every aspect of what we do as a pharmaceutical company. This approach contributes towards business growth and helps deliver on the Company's mission to 'make it better'. It is also the right thing to do.

Further information on how the company engages with its wider community can be found within the Corporate Social Responsibility Brochure: <https://www.accord-healthcare.com>

Significant transactions in the year

In January 2018 Accord-UK Ltd purchased a warehouse and distribution unit in Didcot, Oxfordshire with the aim to create a market leading automated distribution centre to further enhance service offerings to customers.

During 2018 and 2019 Accord-UK invested in the recommissioning and upgrade of the facility and received MHRA approval to operate from the site in April 2019. During the year Accord-UK successfully transitioned its warehousing and distribution operations to the central distribution centre in Didcot.

In December 2019 Accord-UK Ltd acquired Accord Healthcare Ireland Ltd and Accord MENA DMCC from its parent, Accord Healthcare Ltd.

Future Developments

The strategy of Accord-UK Ltd is to continue its growth and leadership position in pharmaceuticals through

- a flexible, scalable business model permitting us to adapt flexibly to changing market dynamics
- scale presence and a broad and growing portfolio
- well established relationship with customers, NHS, payers and government and exceptional product launch expertise
- cost leadership through continued efficiency programs and access to Intas Group supply chains and scale

Accord-UK Ltd operates predominately in the UK market; however, the uncertainty around the UK's future trading relationship with the EU could be a risk to the Company especially the ability to release products into European markets.

Accord-UK has been working on ensuring continued supply of medicines, despite the impacts of the COVID-19 pandemic. The Company was able to enact its business continuity plans, which allowed it to react and adapt to ensure that the UK was effectively supported with essential medicines supply.

Dividends

The directors paid a dividend of £54m or £35.36 per share (2019: £45m or £29.47 per share) to its immediate parent company, Accord Healthcare Ltd.

Political expenditure

During the 2020 financial year the company made no political contributions (2019: none).

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Research and Development

The company benefits from access to the parent company's new product pipeline, which are developed in specialist R&D centres across the intercompany network.

Local R&D activities are focused on transfers, new technologies and methods to achieve efficiencies in manufacturing, packing and testing and to strengthen and extend formulations of older molecules.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

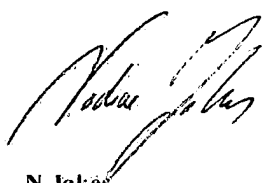
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The financial statements were approved by the Board of Directors on 21st September 2020 and signed on its behalf by:



N Jakes
Director

Whiddon Valley
Barnstaple
Devon
EX32 8NS

Streamlined Energy and Carbon report

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Current reporting year (April 2019 – March 2020)

Total energy use covering electricity, gas and transport	22,817,308	kWh
Total emissions generated through combustion of gas	2,365.71	tCO ₂ e
Total emissions generated through combustion of other fuel	0.00	tCO ₂ e
Total emissions generated through use of purchased electricity	2,282.82	tCO ₂ e
Total emissions generated through business travel	243.41	tCO ₂ e
Total gross emissions	4,891.94	tCO ₂ e
Intensity ratio (total gross emissions)	8.65	kgCO ₂ e per sqft

Energy efficiency actions

We are committed to responsible energy management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. Through carbon reduction projects and utilising renewable technologies, Accord will target carbon neutrality of all our Accord owned sites by 2030.

We have implemented the actions below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Rebalancing took place of the Manufacturing AHU's at the Barnstaple site. AHU filters upgraded to latest high efficiency filters, filters ΔP switches replaced with ΔP sensors, enabling real time monitoring of filter performance, alarming and automated change alerting.
- Replacement of R22 DX cooling systems on AHU's with new centralised chilled water system at Barnstaple site. Installation of two new water chillers, energy valves and variable speed pumps. The generation and distribution elements of the project are 98% completed, including chilled water connections to 13 Air Handlers. Estimated saving over 500,000 kWh.
- A new CSR Policy and associated goals were launched. A team of CSR and Sustainability ambassadors assembled to define, develop and drive CSR and Sustainability initiatives across the Accord network. This to date has included energy efficiency improvements and the subsequent carbon footprint reduction.

The following energy efficiency measures are under consideration for implementation during 2020

- Upgrade packing process cooling at Barnstaple site.
- Heat strategy for Barnstaple site being developed.
- Continue cooling system update at Barnstaple site.
- CSR and Sustainability ambassadors to continue defining strategy and helping Accord achieve group CSR and Sustainability goals.

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) used in conjunction with Government GHG reporting conversion factors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCORD-UK LIMITED

Opinion

We have audited the financial statements of Accord-UK Limited for the year ended 31 March 2020 which comprise of the income statement, statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1 and 25 of the financial statements, which describes the economic and social disruption the company is facing as a result of COVID-19 which is impacting supply chains, consumer demand, financial markets, personnel available for work and or being able to access offices. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard..

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

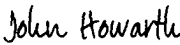
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Accord-UK Ltd
Report and financial statements
Year ended 31 March 2020

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

DocuSigned by:

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John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
September 21, 2020

Income statement

(All amounts in £ thousands unless otherwise stated)

	Note	12 Months ended 31 March 2020	12 Months ended 31 March 2019
Revenue	3	283,783	270,333
Cost of sales		(162,643)	(165,493)
Gross profit		121,140	104,840
Distribution costs		(11,434)	(12,379)
Administrative expenses		(60,117)	(35,587)
Other (expense)/income		(406)	139
Operating profit	4	49,183	57,013
Finance income	5	490	1,000
Finance costs	6	(588)	(134)
Finance (cost) income – net		(98)	866
Profit on ordinary activities before income tax		49,085	57,879
Income tax expense on ordinary activities	8	(10,450)	(11,290)
Profit for the year		38,635	46,589

All amounts relate to continuing operations.

Statement of comprehensive income

(All amounts in £ thousands unless otherwise stated)

	Note	12 Months ended 31 March 2020	12 Months ended 31 March 2019
Profit for the year		38,635	46,589
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial (loss)/ gain on pension schemes	19	(169)	116
Movement on deferred tax relating to change in tax rates		-	-
		(169)	116
Items that maybe subsequently reclassified to profit or loss			
Asset ceiling on pension	19	143	(1,046)
Movement of deferred tax relating to pension deficit		32	(22)
Movement on deferred tax relating to asset ceiling		(27)	199
		148	(869)
Other comprehensive loss for the year, net of tax		(21)	(753)
Total comprehensive income for the year		38,614	45,836

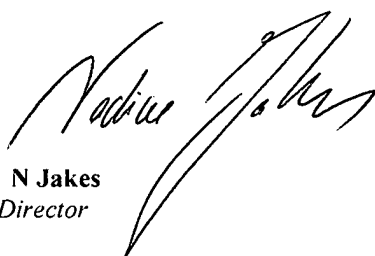
Statement of financial position

(All amounts in £ thousands unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
Fixed assets			
Intangible assets	9	11,577	29,593
Investment in subsidiaries	24	33,876	-
Property, plant and equipment	10	54,824	52,304
		100,277	81,897
Current assets			
Inventory	11	60,170	66,284
Trade and other receivables	12	53,295	30,279
Cash and cash equivalents		1,750	1,052
		115,215	97,615
Creditors – amounts falling due within one year	13	90,025	75,454
Net current assets		25,190	22,161
Total assets less current liabilities		125,467	104,058
Creditors – amounts falling due after more than one year	16	(2,046)	-
Provision for liabilities	14	(2,342)	(2,069)
Net assets		121,079	101,989
Equity			
Called up share capital	17	1,527	1,527
Share premium account		42,171	8,294
Retained earnings		77,381	92,168
Total shareholders' funds		121,079	101,989

The notes on pages 17 to 36 are an integral part to these financial statements

The financial statements on pages 13 to 36 were authorised for issue by the board of directors on **21st September 2020** and were signed on its behalf.


N Jakes
Director

Statement of changes in equity

(All amounts in £ thousands unless otherwise stated)

	Notes	Called up share capital	Share premium	Retained earnings	Total
Balance at 1 April 2018		1,527	8,294	89,751	99,572
Profit for the year				46,589	46,589
Other comprehensive income for the year:					
Actuarial gain on pensions scheme	19	-	-	116	116
Asset ceiling		-	-	(1,046)	(1,046)
Movement on deferred tax relating to pension deficit and rate changes		-	-	(22)	(22)
Movement on deferred asset ceiling		-	-	199	199
Total comprehensive income for the year		-	-	45,836	45,836
Dividends				(45,000)	(45,000)
Deemed capital contribution		-	-	1,581	1,581
Total transactions with owners recognised directly in equity		-	-	(43,419)	(43,419)
Balance as at 31 March 2019		1,527	8,294	92,168	101,989
Balance at 1 April 2019		1,527	8,294	92,168	101,989
Profit for the year				38,635	38,635
Other comprehensive income for the year:					
Actuarial losses on pensions scheme	19	-	-	(169)	(169)
Asset ceiling		-	-	143	143
Movement on deferred tax relating to pension deficit and rate changes		-	-	(27)	(27)
Movement on deferred asset ceiling		-	-	32	32
Total comprehensive income for the year		-	-	38,614	38,614
Dividends				(54,000)	(54,000)
Deemed capital contribution		-	-	599	599
Investments in subsidiaries	24	-	33,877	-	33,877
Total transactions with owners recognised directly in equity		-	33,877	(53,401)	(19,524)
Balance as at 31 March 2020		1,527	42,171	77,381	121,079

Notes to the financial statements

1 General Information

The principal activity of Accord-UK Ltd is the manufacture and distribution of pharmaceutical preparations and products.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Whiddon Valley, Barnstaple, Devon EX32 8NS

2 Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below.

Basis of preparation

The financial statements of Accord-UK Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - Paragraph 79(a) (iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 Property, plant and equipment
 - Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flow)
 - 10(f), (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for a minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information)
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

Notes to the financial statements *(continued)*

Basis of preparation (continued)

- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The financial statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future. The directors have reviewed the forecasts for future trading and the forecast cash requirements and have confirmed that adequate financing is available to enable the Company to meet its liabilities as they fall due, for a period of at least 12 months from the date of signing.

The Company is a guarantor to debt held by its parent company Accord Healthcare Limited. This debt includes covenants on adjusted leverage, interest cover and debt service cover ratios. The directors have assessed the going concern position by comparing its expected base cashflow case against a downside case and reverse covenant and reverse cash stress tests. In each of these cases, headroom has been noted against the reverse stress tests. The directors have been provided with a letter of support from its ultimate parent company, Intas Pharmaceutical Ltd which provides support for a period of at least twelve months from the signing of the financial statements. On the basis of the analysis performed above, the directors are able to rely on this letter of support and therefore the company continues to adopt the going concern basis in preparing its financial statements.

Consolidation

The company is a wholly owned subsidiary of Accord Healthcare Limited and of its ultimate parent Intas Pharmaceuticals Limited. It is included in the consolidated financial statements of the ultimate parent.

The company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company's ultimate parent undertaking, Intas Pharmaceuticals Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Intas Pharmaceuticals Limited are prepared in accordance with Indian Accounting Standards which is not materially different to International Financial Reporting Standards.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Property, plant and equipment

The cost of other property, plant and equipment is the purchase cost, together with any incidental expenses of acquisition. Depreciation is provided to write off the cost, less estimated residual values, evenly over the expected useful lives. It is calculated at the following rates:

Buildings	40 years
Plant and machinery	3 – 10 years
Fixtures and fittings	3 – 7 years

Intangible fixed assets and amortisation

Intangible fixed assets represented by licenses, patents and trademarks are capitalised at their cost.

Intangible assets purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of ten to fifteen years. Amortisation is recognised within Administration Expense in the Income Statement.

Notes to the financial statements *(continued)*

Trade and other receivables

Trade and other receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets.

Trade and other receivables are recognised at cost less provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Creditors

Creditors are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed at the balance sheet date, with the following exceptions:

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

Contribution to pension funds

The Company contributes to a defined contribution pension scheme. Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

The Companies defined benefit scheme is closed to future accrual and liabilities are secured with an insurance buy-in contract. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus is restricted by an asset ceiling adjustment. The movement in the scheme is split between past service costs, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. The pension scheme balance is recognised net of any related deferred tax balance with the recognition of any deferred tax asset following the principles described in the deferred tax accounting policy above.

Share Based Payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

Notes to the financial statements *(continued)*

Revenue

Revenue from contracts with the Company is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

Revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on acceptance of the goods.

Deferred income

When cash has been received by the company but the risks and rewards of ownership of the related goods have not been transferred, the cash received is credited to deferred income and will only be released to turnover when the risks and rewards of the related goods are no longer with the company.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets' useful economic life.

Inventories

Inventory and work in progress are stated at the lower of cost and net realisable value.

In the case of raw materials cost are based on actual cost with variances capitalised on a first in first out basis. In the case of work in progress and finished goods, cost consists of direct materials, direct labour and attributable production overheads. Attributable overheads have been allocated to production on the basis of normal activity.

Net realisable value is estimated selling price less all further costs to completion.

Financial instruments

Initial recognition of Financial Assets and Financial Liabilities

The Company shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

Measurement of Financial Assets

A financial asset is measured at amortised cost if both of the following conditions are met:

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

A financial asset shall be measured at fair value unless it is measured at amortised cost in accordance with above criteria. The company measures Loans and Receivables and Trade and Other Receivables at amortised cost.

Classification of financial assets

The Company classify financial assets as subsequently measured at either amortised cost or fair value on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Derecognition of financial assets

The Company derecognise a financial asset when and only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset as and the transfer qualifies for derecognition.

A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial asset is derecognised, impaired or reclassified in accordance and through the amortisation process.

Notes to the financial statements *(continued)*

Financial instruments (continued)

Financial Liabilities Recognition

The company measured the financial liability at fair value, including the costs of the transaction which can be directly assigned financial liability, when these are designated at their fair value in the profit and loss account.

The Company assessed that the fair value of loans and borrowings, bank overdrafts, and trade and other payables.

The Company has the following non-derivative financial liabilities loans and borrowings, bank overdrafts, and trade and other payables.

Financial Liabilities Subsequent measurement

All financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when its contractual obligations are discharged or cancelled or expire.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Research and development expenditure

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Leases

Identification of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use;
- the company has the right to direct the use of the asset. The company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the company has the right to direct the use of the asset if either:
 - the company has the right to operate the asset; or
 - the company designed the asset in a way that predetermines how and for what purpose it will be used.

Notes to the financial statements *(continued)*

Leases (continued)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Under IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earliest useful life of the right-of-use asset or at the end of the lease term. The estimated useful lives of the right-of-use assets is determined as the initial non-cancellable lease term adjusted by any extension or termination options available under the contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if such rate is not readily available, incremental borrowing rate of the Company. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and,
- the exercise price under the purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is remeasured when there is a change in any of the following:

- The lease terms
- The assessment of whether the Company is reasonably certain to exercise an option to purchase the underlying asset
- The amounts expected to be payable under residual value guarantees
- Future lease payments resulting from a change in an index or rate
- In-substance fixed lease payments

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as a separate line item and lease liabilities in 'Interest bearing borrowings' in the statement of financial position. Similarly, the depreciation arising from the right-of-use asset has been recognised under 'Depreciation' and interest on lease liabilities under 'Financing cost' in the statement of income.

Short-term leases and leases of low-value assets

At the time of initial recognition, the Company shall elect to not recognise right-of-use assets and liabilities for leases where,

- the total lease term is less than or equal to 12 months i.e. short-term leases
- value of the underlying asset is considered as a low value lease

The Company does not have any low value or short-term leases.

Notes to the financial statements *(continued)*

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and critical judgments which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Retirement benefits

The company's defined benefit schemes' pension liability/asset, which is assessed each year by actuaries, is based on key assumptions including discount rates, mortality rates, inflation and pension costs. These assumptions, individually or collectively, may be different to actual outcomes; refer to note 19 for details.

A retirement benefit surplus is only recognised to the extent that it is expected to be recoverable in the future.

Taxation and deferred taxation

The company is subject to income taxes in the UK. At each financial year end, judgement is required in determining the provision for income taxes. The company recognises liabilities for anticipated tax issues based on the best estimates at the balance sheet date.

Determining the deferred tax on non-current assets and liabilities requires an element of judgement. The company recognises deferred tax assets and liabilities based on the best estimate at the balance sheet date. Where the final tax outcome of the above matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the year in which such determination is made. The final outcome of some of these tax items may give rise to material income statement and/or cash flow movements.

Legal Provisions

The company is party to some legal cases in various stages of litigation as disclosed in provisions (Note 14) and Contingent Liabilities. The amount of damages and costs is not known and judgement is required in determining the provision.

Amortisation and impairment of intangibles

For material intangible assets the company makes a fair valuation in determining their remaining useful lives. Management believes that the assigned values and useful lives, as well as the underlying assumptions, are reasonable, though different assumptions and assigned lives could have a significant impact on the reported amounts.

The carrying amounts of Intangible assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less the cost of disposal and the value in use, with an impairment charge recognised whenever the carrying amount exceeds the recoverable amount.

Provision for rebates

The company estimates its provision for rebates based on current contractual terms and conditions as well as historical experience, changes to business practices. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future rebate liabilities. The company continually monitors the provisions for rebates and makes adjustments when it believes that actual rebates may differ from established reserves. All rebates are recognised in the period in which the underlying sales are recognised as a reduction of revenue

Notes to the financial statements (*continued*)

3 Revenue

The revenue and profit before taxation is attributable to one activity in the UK, the manufacture, sale and marketing of pharmaceutical products.

An analysis of turnover by geographical market based on the location of the customer is given below:

	2020 £000	2019 £000
United Kingdom	258,967	250,146
Overseas	24,816	20,187
	283,783	270,333

4 Operating profit

	2020 £000	2019 £000
<i>Operating profit is stated after charging:</i>		
Depreciation of owned assets	4,681	3,678
Amortisation of owned assets	4,665	5,813
Loss on disposal of intangible assets	13,352	3,955
Auditors' remuneration – audit	207	149
Operating lease rentals recognised as an expense	254	573
Net loss/(gain) on foreign currency translation	406	(140)
Research and development expenditure	1,001	821
Cost of stocks recognised as an expense (included in cost of sales)	2,860	3,817

5 Interest receivable and similar income

	2020 £000	2019 £000
Other Interest	490	1,000
	490	1,000

Of the above amounts £457,874 was receivable from group undertakings (2018/19: £1,000,169 receivable).

6 Interest payable and similar charges

	2020 £000	2019 £000
Other interest	588	134
	588	134

Notes to the financial statements (continued)

7 Staff costs

The average monthly number of employees, excluding temporary employees, of the company during the year, analysed by activity, was:

	2020	2019
Production, regulatory & quality	529	517
Selling & distribution	130	127
Administration	68	62
	727	706

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	31,490	30,371
Social security costs	3,265	3,079
Other pension costs	2,819	(319)
	37,574	33,131

Staff costs include the following remuneration in respect of directors:

	2020 £000	2019 £000
Remuneration	836	1,116
Benefits	4	7
	840	1,123

Number of directors (who served during the year) accruing benefits under the company share award scheme

	2020	2019
	3	4

Highest paid director:

The highest paid director did not exercise any share options.

	2020 £000	2019 £000
Aggregate emoluments	333	381
Defined contribution pension scheme accrued pension at end of year	-	-

Notes to the financial statements (continued)

8 Income tax expense

	2020 £000	2019 £000
<i>Current tax</i>		
Current tax on income for the year	10,773	11,377
Adjustments in respect of prior years	(158)	(225)
	10,615	11,152
<i>Deferred tax</i>		
Origination/reversal of timing differences (see note 14)	(491)	(223)
Adjustments in respect of prior years (see note 14)	288	362
Impact of differing tax rates	38	-
Tax on profit on ordinary activities	10,450	11,290

Factors affecting the tax charge for the current year

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

A number of changes to the UK corporation tax system were announced in the Summer Budget 2015, including reducing the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. This was substantively enacted in Section 7 of the Finance Act 2015. At Budget 2016, the Government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. Legislation in the Finance Bill in March 2020 has set the Corporation tax main rate at 19% for the financial year beginning 1st April 2020. This maintains the rate at 19% rather than reducing it to 17% from 1st April 2020. The charge to Corporation tax and the main rate will also be set at 19% for the financial year beginning 1st April 2021. The closing deferred tax liability in these financial statements has been recognised at 19%

	2020 £000	2019 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	49,085	57,879
Current tax at 19% (2019: 19 %)	9,326	10,997
<i>Effects of:</i>		
Expenses not deductible for tax purposes	489	125
Depreciation in excess of capital allowances	2,827	997
Amortisation of Intangible Assets	(2,862)	(1,104)
Origination/reversal of timing differences	993	362
Adjustments to tax charge in respect of prior years	(158)	(225)
Current tax charge for period (see above)	10,615	11,152

Notes to the financial statements *(continued)*

9 Intangible assets

	£000
Cost	
At beginning and end of year	50,107
Additions in year	-
Impairments	(6,762)
At end of year	<u>43,345</u>
Accumulated amortisation	
At beginning of year	20,514
Charged in year	4,665
Impairment in the year	6,589
At end of year	<u>31,768</u>
Net book value	
At 31 March 2019	<u>29,593</u>
At 31 March 2020	<u>11,577</u>

The closing balance of Intangibles is made up primarily of Marketing Authorisations (£8,997,615) with the balance being various Trademarks (£2,312,097) and Patents (£268,056)

10 Property, plant and equipment

	Land & Freehold buildings £000	Plant and machinery £000	Fixtures & fittings £000	Right-of-Use assets £000	Construction in-Progress £000	Total £000
Cost						
At 01 April 2019	29,794	64,190	1,948	-	17,870	113,802
Additions	-	-	-	-	7,202	7,202
Movement in CIP	8,466	8,779	623	2,318	(20,186)	-
Disposals	-	(7)	-	-	-	(7)
At 31 March 2020	<u>38,260</u>	<u>72,962</u>	<u>2,571</u>	<u>2,318</u>	<u>4,886</u>	<u>120,997</u>
Depreciation						
At 01 April 2019	6,625	53,698	1,175	-	-	61,498
Charge for the year	536	3,539	361	245	-	4,681
Disposals	-	(6)	-	-	-	(6)
31 March 2020	<u>7,161</u>	<u>57,231</u>	<u>1,536</u>	<u>245</u>	<u>-</u>	<u>66,173</u>
Net book value						
At 31 March 2020	<u>31,099</u>	<u>15,731</u>	<u>1,035</u>	<u>2,073</u>	<u>4,886</u>	<u>54,824</u>
At 31 March 2019	<u>23,169</u>	<u>10,492</u>	<u>773</u>	<u>-</u>	<u>17,870</u>	<u>52,304</u>

Included in land and freehold buildings is land with a cost of £14,786,407 (2019: £14,786,407) that has not been depreciated during the period.

Notes to the financial statements (continued)

10 Property, plant and equipment (continued)

Tangible fixed assets include the following assets held under finance leases:

	2020 £000	2019 £000
Cost	214	214
Accumulated amortisation	(193)	(170)
Net book value	21	44

11 Inventory

	2020 £000	2019 £000
Raw materials	10,888	9,604
Work in progress	5,784	8,688
Finished goods	43,498	47,992
	60,170	66,284

12 Trade and other receivables

	2020 £000	2019 £000
Trade receivables	42,275	23,988
Amounts owed by group undertakings	8,819	3,613
Prepayments and accrued income	2,201	1,344
Other receivables – deferred tax	-	1,334
	53,295	30,279

13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	19,239	22,085
Amounts owed to group undertakings	26,636	14,365
Corporation tax	(3,960)	6,512
Other taxation and social security	9,803	1,122
Lease Liability <1 year	27	-
Accruals and deferred income	38,280	31,370
	90,025	75,454

Axis Trustee Services Limited has a charge over the Freehold Land and Buildings at our owned Barnstaple manufacturing plant and offices.

Amounts owed to group undertakings are on terms of 30 days from Invoice Date

Notes to the financial statements *(continued)*

14 Provisions for liabilities

	2019 £000	2019 £000
Deferred taxation		
At beginning of period	526	387
Movement during the period	(171)	139
At end of period	355	526
Other Provisions	1,987	1,543
	2,342	2,069

The elements of the deferred taxation provision are as follows:

	2020 £000	2019 £000
Difference between accumulated depreciation and amortisation and capital allowances	1,725	832
Other timing differences	(1,370)	(306)
Undiscounted provision for deferred tax	355	526

As per note 12, there is no deferred tax asset (2019: £1,334,000 deferred tax asset)

Other Provisions contains provisions for legal cases including a CMA investigation on Paroxetine and Nortriptyline

15 Capital commitments

	2020 £000	2019 £000
Contracted but not provided for in these financial statements	1,380	3,432

Notes to the financial statements *(continued)*

16 Lease commitments

Future aggregate minimum rentals payable under non-cancellable operating leases are as follows:

	2020 £000	2019 £000
Payments due:		
Land and buildings		
Not later than one year	-	13
After one year but not more than five years	-	54
After five years	-	2,595
	<u>-</u>	<u>2,662</u>
Other		
Not later than one year	-	-
After one year but not more than five years	-	554
	<u>-</u>	<u>554</u>

The total outstanding commitments for future minimum payments under finance leases are as follows:

	2020 £000	2019 £000
Future minimum payments due:		
Not later than one year	35	-
After one year but not more than five years	-	59
More than five years	-	-
	<u>35</u>	<u>59</u>
Less finance charges allocated to future payments	(7)	(27)
Present value of minimum lease payments	<u>28</u>	<u>32</u>

The present value of minimum lease payments is analysed as follows:

	2020	2019
Not later than one year	28	32
After one year but not more than five years	-	-
More than five years	-	-
	<u>28</u>	<u>32</u>

Set out below are the carrying amounts of lease liabilities and movements during the year

	2020 £000
Lease liability recognised at 01 April 2019	-
Additions	2,318
Payments	(387)
Amortisation of Interest	142
	<u>2,073</u>

Lease liabilities are classified in the statement of financial position as follows

	2020 £000
Current lease liability	27
Non-current lease liability	2,046
	<u>2,073</u>

Amounts recognised in the income statement in relation to leases are as follows

	2020 £000
Depreciation	245
Amortisation of interest	142
	<u>387</u>

The company had total cash outflows for leases of £387,000 in the financial year ended 31 March 2020.

17 Called up share capital

Allotted, called up and fully paid 1,527,083 (2019: 1,527,081) ordinary shares of £1 each (2019: £1 each)

Equity shares carry one vote per share and an equal right to net assets in the event of a winding up of the company. 2 additional shares were issued during the year for the acquisition of Accord Healthcare Ireland Ltd and Accord MENA DMCC – see note 24

18 Ultimate and immediate parent company

The company's ultimate parent undertaking is Intas Pharmaceuticals Ltd., a company registered and trading in India. The company's immediate parent undertaking is Accord Healthcare Ltd which is incorporated in the UK.

The smallest and largest group into which the results of the company is consolidated is that headed by Intas Pharmaceuticals Ltd.

Notes to the financial statements (continued)

19 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the 12 Months represents contributions payable by the Company to the scheme and amounted to £2,845,497 (2019: £2,533,769).

There were outstanding contributions at the end of the year of £ 359,422 (2019: £314,408).

Defined benefit pension scheme

The company operates a defined benefit pension scheme. the assets of the Scheme are held separately from the assets of the Company. The latest full actuarial valuation was carried out at 1 October 2015 and was updated for FRS 101 purposes to 31 March 2020 by a qualified independent actuary.

The scheme was closed to new entrants on 30 August 2006 and was closed to future accrual on 31 December 2010 at which time existing members of the pension scheme transferred to the company's defined contribution scheme. In November 2017, the trustees of the Scheme entered into a 'buy-in' contract to secure annuity policies covering all pensions currently in payment (together with attaching dependants' pensions) and the liability for the future benefits for the remaining active and deferred pensioner members.

The following disclosures relate to the defined benefit scheme alone.

	2020 £000	2019 £000
Present value of funded defined benefit obligations	(73,596)	(83,644)
Fair value of plan assets	74,499	84,690
Asset ceiling	(903)	(1,046)
	<hr/>	<hr/>
Related deferred tax asset	-	1,334
	<hr/>	<hr/>
Net asset	-	1,334

Movements in present value of defined benefit obligation

	2020 £000	2019 £000
At 1 April	(83,644)	(83,033)
Past service cost	-	2,905
Interest cost	(2,040)	(2,219)
Actuarial gains/(loss) arising from:		
- Changes in financial assumptions	8,125	(3,925)
- Changes in demographic assumption	(147)	909
Benefits paid	4,110	1,719
	<hr/>	<hr/>
At 31 March	(73,596)	(83,644)

Movements in fair value of plan assets

	2020 £000	2019 £000
At 1 April	84,690	81,108
Interest income on plan assets	2,066	2,167
Return/(loss) on plan assets in excess of interest income	(8,147)	3,134
Benefits paid	(4,110)	(1,719)
	<hr/>	<hr/>
At 31 March	74,499	84,690

Notes to the financial statements (continued)

19 Pension Scheme (continued)

Income/(Expense) recognised in the income statement

	2020 £000	2019 £000
Past service cost	-	2,905
Interest cost on defined pension plan obligation	(2,040)	(2,219)
Interest income/(cost) on defined benefit pension plan assets	<u>2,066</u>	<u>2,167</u>
Total	<u>26</u>	<u>2,853</u>

The income is recognised in the following line items in the income statement:

	2020 £000	2019 £000
Administrative expenses	<u>26</u>	<u>2,853</u>
Total	<u>26</u>	<u>2,853</u>

The total amount recognised in the statement of comprehensive income in respect of actuarial gains and losses is a loss of £169,000 (2019 gain: £116,000).

Cumulative actuarial gains/losses reported in the statement of comprehensive income for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under IAS 19, are losses of £49,446,000 (2019 loss of £49,277,000).

The fair value of the plan assets were as follows:

	2020 £000	2019 £000
Cash and other investments	451	461
Insurance policies	<u>70,048</u>	<u>84,229</u>
	<u>74,499</u>	<u>84,690</u>

Notes to the financial statements *(continued)*

19 Pension Scheme *(continued)*

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2020	2019
Discount rate	2.3% pa	2.5% pa
Inflation – RPI	2.6% pa	3.4% pa
Salary growth	n/a	n/a
Pension increases in deferment – Pre April 2009	2.6% pa	3.4% pa
Pension increased in deferment – Post April 2009	2.1% pa	2.5% pa
Pension increases in payment – Fix 3%	3.0% pa	3.0% pa
Pension increases in payment – RPI, max 5%	2.6% pa	3.3% pa
Pension increases in payment – RPI, max 2.5%	2.2% pa	2.4% pa
Base mortality table	S3PMA/S2PFA	S3PMA/S2PFA

Post retirement mortality assumptions

The current life expectancies of a pensioner retiring aged 65 underlying the mortality tables of the schemes are as follows:

	2020	2019
Life expectancies at age 65:	Years	Years
Current pensioners at retirement age – male	87.0	86.9
Current pensioners at retirement age – female	89.4	89.2
Future pensioners at retirement age – male	88.7	88.6
Future pensioners at retirement age – female	91.1	90.9

Notes to the financial statements *(continued)*

20 Share Based Payments

The employee stock option scheme (ESOS) consists of share options of the parent company granted to the senior executives of Accord-UK Ltd. The employee stock appreciation rights plan (ESAR) of the parent is also granted to the senior executives of the company.

The summary of the plan is as follows

	ESOS	ESAR
Exercise price	£18.13	
Fair value at grant date	£16.11	£29.51
Grant date	1 January 2018	1 January 2018
Vesting dates	1 January 2019 (30% of the shares)	1 January 2019 (30% of the shares)
	1 January 2020 (30% of the shares)	1 January 2020 (30% of the shares)
	1 January 2021 (40% of the shares)	1 January 2021 (40% of the shares)
Number of shares issued	91,035 shares of the Parent company "Intas Pharmaceuticals Limited"	32,429 shares of the Parent company "Intas Pharmaceuticals Limited"

As per the Black Scholes Option Pricing Model, if the ESOS has an exercise price of £18.13, the fair value of the shares is £16.11

21 Information on related undertakings

The company enters into trading transactions with fellow group companies, details of which have not been disclosed in the financial statements as the company has availed of the exemption in FRS 101 paragraph 8, available to those companies whose financial statements are included in those of its parent and which are available to the public.

22 Contingent Liabilities

The Competition and Markets Authority (CMA) is currently investigating matters relating to the pricing of Hydrocortisone in the UK. The CMA has previously issued a draft penalty statement indicating the fine it proposed to issue in connection with its investigation into Accord-UK Limited's pricing of Hydrocortisone tablets in the UK. However, the company is advised that the level of the fine proposed by the CMA is open to serious question from a legal point of view and representations challenging every aspect of the proposed fine have been made to the CMA. Furthermore, there have subsequently been significant developments in the area of law pertinent to the investigation, and the CMA is amending its case in light of these changes. Fines for competition law infringements can be up to 10% of the global group turnover. However, given the current uncertainty, it is not possible to quantify any such fine in relation to the investigation into the pricing of Hydrocortisone, where the investigation is ongoing. If any fine is ultimately imposed, the group will have the opportunity to appeal that fine. If a fine is imposed and any appeal is ultimately unsuccessful, litigation may be issued against the group in connection with these matters.

23 Contingent Assets

In relation to Note 22, if any such fines are imposed (and any appeals are unsuccessful), the group may benefit from contractual protections/indemnification in connection with these matters from third parties, which would offset a significant part of any losses suffered by the group. Such protections arise from the agreements relating to the divestment of Accord-UK Limited by its previous owner and its acquisition by Intas Pharmaceuticals Limited. Given the current uncertainty, it is therefore not possible to quantify the value of any such assets. However, as the contractual protection/indemnification covers the period up to closing of that divestment in January 2017 and given that the alleged infringement relating to the pricing of Hydrocortisone tablets in the UK is for the most part historical, the directors therefore estimate that the contractual protection/indemnification should significantly offset any related contingent liability that may arise.

24 Investment in Subsidiaries

	Holding %		Value £'000	
	Mar-20	Mar-19	Mar-20	Mar-19
Non-quoted				
Accord Healthcare Ireland Ltd	100%	n/a	33,867	n/a
Accord MENA DMCC	100%	n/a	9	n/a

In December 2019 Accord-UK Ltd acquired Accord Healthcare Ireland Ltd and Accord MENA DMCC from its parent, Accord Healthcare Ltd. The investment was formed by the issue of 2 ordinary shares and an increase in share capital.

25 Post Balance Sheet Events

In March 2020 the outbreak of COVID-19 became a global issue. To date, the Company has not seen any significant financial impact from the COVID-19 outbreak, however it continues to monitor the situation closely throughout the coming weeks and months. In light of the outbreak's wide-ranging implications, the Company has undertaken a detailed going concern review to ensure continued operations throughout the period affected, with a particular focus on cash flows and business continuity plans. The extent of the impact on the economy after lockdown are uncertain, but the Company continued to perform well in terms of its results and cash collection during and after the lockdown period. The Directors do not currently expect an impairment of intangibles, property, plant and equipment, investment in subsidiaries and inventory.

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LLP Identity Number:-AAB-4318

Shah Karia & Associates,
Chartered Accountants,
405 Scarlet Business Hub,
Opp. Ankur School,
Fatehpura, Pladi,
Ahmedabad-380007

INDEPENDENT AUDITOR'S REPORT

To the Members of Intas Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

*These accounts form part of
a group package for
Accord-UK Ltd, company
number 00079585*

Opinion

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

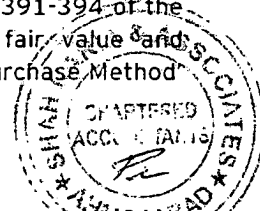
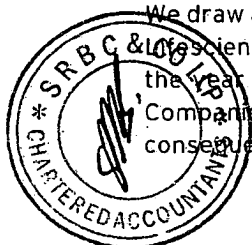
In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and jointly controlled entity as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and the jointly controlled entity in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 5 to the consolidated financial statements, relating to amalgamation of Intas Sciences Private Limited ("Transferor") with Intas Pharmaceuticals Limited ("Transferee") during the year 2015-16, as approved by the Hon'ble High Court of Gujarat under Sections 391-394 of the Companies Act, 1956 wherein the assets and liabilities were recorded at the fair value and consequently, the amalgamation was accounted by Transferee company under the 'Purchase Method'.



as prescribed by Accounting Standard 14 'Accounting for Amalgamations' of that point of time. Considering the accounting treatment has been given effect in accordance with the Court Order which prevails over the accounting standards, the Holding Company has continued its accounting policy of amortization of goodwill under Indian Accounting Standards and consequently, has amortised goodwill of Rs 911.70 million during the year. Our opinion is not qualified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

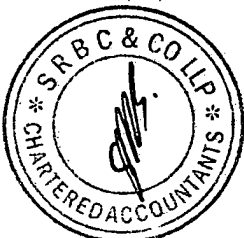
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 and of its jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.



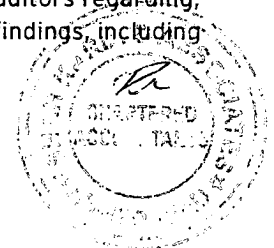
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 and its jointly controlled entity 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 and its jointly controlled entity 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 or business activities within the Group and its jointly controlled entity of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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 Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

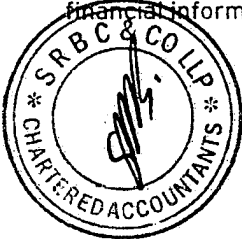
Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, whose financial statements include total assets of Rs 1,05,991.96 million as at March 31, 2020, and total revenues of Rs 65,440.20 million and net cash inflows of Rs 1,282.18 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs Nil for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of a jointly controlled entity, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. 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 jointly controlled entity and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of Rs 1,340.36 million as at March 31, 2020, and total revenues of Rs 1,239.98 million and net cash inflows of Rs 9.75 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (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 and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

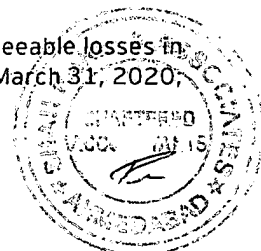
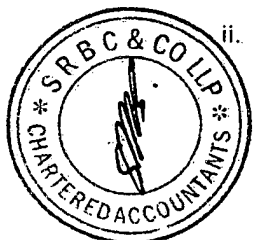
Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial 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 financial statements and the other financial information of subsidiaries, and jointly controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the 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 the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and jointly controlled entity, none of the directors of the Group's companies, and jointly controlled entity, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated AS financial statements of the Holding Company and its subsidiary companies and jointly controlled entity, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, and jointly controlled entity incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, and jointly controlled entity incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and jointly controlled entity, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its and jointly controlled entity in its consolidated financial statements - Refer Note 34 to the consolidated financial statements;
 - ii. The Group, and its jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020, and



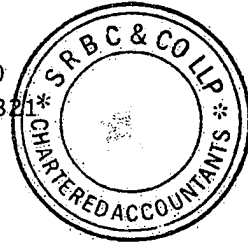
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled entity, incorporated in India during the year ended March 31, 2020.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner

Membership Number: 41870
UDIN: 20041870AAAABA5321*

Place: Mumbai
Date: July 08, 2020

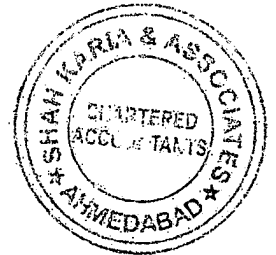


For Shah Karia & Associates
Chartered Accountants
ICAI Firm Registration Number: 131546W

per Priyank Shah
Partner

Membership Number: 118627
UDIN: 20118627AAAABJ9058

Place: Ahmedabad
Date: July 08, 2020



Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Intas Pharmaceuticals Limited

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 financial statements of Intas Pharmaceuticals Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Intas Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

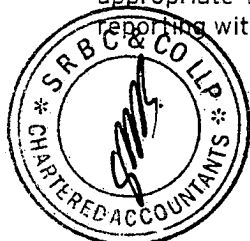
The respective Board of Directors of the Holding Company, its subsidiary companies, and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained 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 financial statements.



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Holding Company, its subsidiary companies, and jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

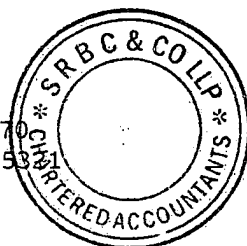
Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one subsidiary company and a jointly controlled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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner

Membership Number: 41870
UDIN: 20041870AAAABA5321

Place: Mumbai
Date: July 08, 2020



For Shah Karia & Associates
Chartered Accountants
ICAI Firm Registration Number: 131546W

per Priyank Shah
Partner

Membership Number: 118627
UDIN: 20118627AAAABJ9058

Place: Ahmedabad
Date: July 08, 2020



Intas Pharmaceuticals Limited

Consolidated Balance Sheet as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		As at March 31	
	Note	2020	2019 ¹
ASSETS			
Non-current assets			
Property, plant and equipment	4	34,605.76	24,633.63
Capital work-in-progress	4	3,775.37	9,821.12
Goodwill	5	47,328.42	46,709.71
Other intangible assets	5	9,731.98	7,870.52
Intangible assets under development	5	161.87	90.60
Financial assets			
Investments	6	37.83	34.59
Loans	13	8.98	9.60
Other financial assets	7	128.06	141.43
Deferred tax assets, net	8	3,381.34	3,334.56
Tax assets, net	9	2,604.45	2,774.62
Other non-current assets	10	618.34	228.42
		<u>102,382.40</u>	<u>95,848.80</u>
Current assets			
Inventories	11	45,866.28	37,455.14
Financial assets			
Trade receivables	12	33,815.72	27,645.75
Loans	13	7.08	8.70
Cash and cash equivalents	14	6,375.58	1,981.96
Bank balances other than cash and cash equivalents	15	112.20	46.26
Other financial assets	7	2,625.25	2,633.32
Other current assets	10	5,943.26	6,402.37
		<u>94,745.37</u>	<u>76,173.50</u>
TOTAL ASSETS		<u>197,127.77</u>	<u>172,022.30</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,147.44	1,147.44
Other equity	17	95,234.42	79,382.79
		<u>96,381.86</u>	<u>80,530.23</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	25,916.90	35,366.66
Other financial liabilities	19	954.73	252.31
Provisions	20	1,511.76	1,616.73
Government grants	21	52.59	11.79
Deferred tax liabilities, net	8	2,364.43	713.73
		<u>30,800.41</u>	<u>37,961.22</u>
Current liabilities			
Financial liabilities			
Borrowings	22	14,955.27	7,150.28
Trade payables	23	21,224.41	21,833.59
Other financial liabilities	24	29,097.11	21,782.61
Liabilities for current tax, net	9	196.06	541.99
Other current liabilities	25	2,858.52	1,192.86
Provisions	20	1,606.18	1,026.57
Government grants	21	7.95	2.95
		<u>69,945.50</u>	<u>53,530.85</u>
TOTAL EQUITY AND LIABILITIES		<u>197,127.77</u>	<u>172,022.30</u>

¹ Figures are restated as per note 48

Summary of significant accounting policies

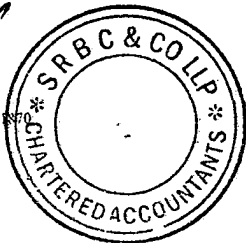
The accompanying notes are an integral part of these consolidated financial statements.

As per our report or even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Koni
Partner
Membership No.: 41870

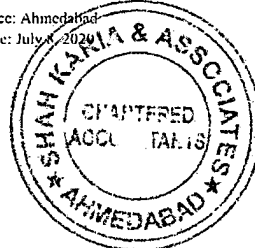
Place: Mumbai
Date: July 8, 2020



For Shah Karia and Associates
Chartered Accountants
ICAI Firm Registration No.: 131546W

Priyank Shah
Partner
Membership No.: 118627

Place: Ahmedabad
Date: July 8, 2020



For and on behalf of the
Board of Directors of
Intas Pharmaceuticals Limited

Nimish Chudgar
Managing Director and CEO
DIN: 00212400

Jayesh Shah
Executive Director
DIN: 02681464

Tushar Shroff
Chief Finance Officer

Mannj Nair
Company Secretary

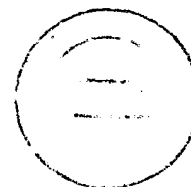
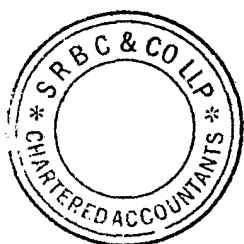
Place: Ahmedabad
Date: July 8, 2020

Intas Pharmaceuticals Limited

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

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		Year ended March 31	
	Note	2020	2019 ¹
INCOME:			
Revenue from sale of products		145,899.16	126,673.75
Revenue from license fees and services		395.56	556.93
Other operating income		2,249.99	2,141.98
Revenue from operations	26	148,544.71	129,372.66
Other income	27	233.32	219.56
Total income		148,778.03	129,592.22
EXPENSES:			
Cost of materials consumed	28	40,508.70	37,106.04
Purchases of stock-in-trade		14,068.50	12,260.97
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(4,012.28)	(3,338.41)
Employee benefits expenses	30	24,205.10	20,900.38
Finance costs	31	3,751.20	1,026.37
Depreciation and amortisation expense	4 & 5	7,405.00	5,092.47
Other expenses	32	39,851.28	40,181.90
Total expenses		125,777.50	113,229.72
Profit before tax and exceptional items		23,000.53	16,362.50
Less: Exceptional items	41	-	(455.97)
Profit before tax		23,000.53	16,818.47
Tax expenses:			
Current tax	46	4,886.95	5,244.04
Deferred tax credit	46	1,707.92	(1,156.45)
Short / (excess) provision for current tax of earlier years	46	-	68.82
Profit for the year before share of profit in jointly controlled entity		16,405.66	12,662.06
Share of profit / (loss) of jointly controlled entity		-	-
Profit for the year	(A)	16,405.66	12,662.06



Intas Pharmaceuticals Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	2020	2019 ¹
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(40.55)	(19.37)
		(40.55)	(19.37)
Effective portion on Gain / (loss) on hedging instruments		(17.76)	-
Income tax effect	46	3.10	-
Net movement on cash flow hedges		(14.66)	-
Net gain/(loss) on hedge of net investment		1,183.41	(640.63)
Income tax effect (current)	46	(206.62)	137.99
Net movement on hedge of net investment		976.79	(502.64)
Total Items that will be reclassified to profit or loss (B)		921.58	(522.01)
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		(171.78)	(153.32)
Income tax effect	46	29.62	30.93
Net re-measurement of defined benefit plans		(142.16)	(122.39)
Total Items that will not be reclassified to profit or loss (C)		(142.16)	(122.39)
Other comprehensive income/(loss), net of taxes (D) = [B+C]		779.42	(644.40)
Total other comprehensive income for the year (A) + (D)		17,185.08	12,017.66
Attributable to:			
Equity holders of the parent		17,185.08	12,017.66
Earning per equity share (in Rupees)			
Basic	35	142.98	110.35
Diluted		142.64	110.20
[Nominal value of equity per share of Rs.10]			

¹ Figures are restated as per note 48

Summary of significant accounting policies

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

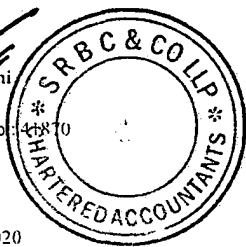
per Sughrir Soni

Partner

Membership No. 46870

Place: Mumbai

Date: July 8, 2020



For Shah Karia and Associates

Chartered Accountants

ICAI Firm Registration No.: 131546W

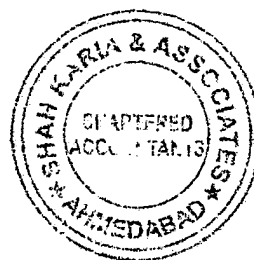
Priyank Shah

Partner

Membership No.: 118627

Place: Ahmedabad

Date: July 8, 2020



For and on behalf of the

Board of Directors of

Intas Pharmaceuticals Limited

Nimish Chudgar

Managing Director and CEO

DIN: 00212400

Jayesh Shah

Executive Director

DIN: 02681464

Tushar Shroff

Chief Finance Officer

Manoj Nair

Company Secretary

Place: Ahmedabad

Date: July 8, 2020

[Handwritten signatures of Jayesh Shah, Tushar Shroff, and Manoj Nair]

Intas Pharmaceuticals Limited

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

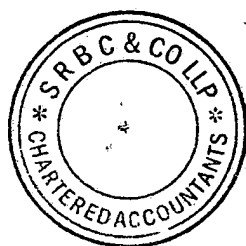
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

A CASH FLOWS FROM OPERATING ACTIVITIES

	Year ended March 31	
	2020	2019
Profit Before Tax	23,000.53	16,818.47
Adjustments for:		
Depreciation and amortisation expense	7,405.00	5,092.47
Share based payment	188.20	417.74
Unrealised foreign exchange (gain) / loss, net	3,137.39	(885.31)
Loss on Sale of property, plant and equipment, net	42.14	12.22
Profit on sale of investment in subsidiaries	-	0.05
Finance income	(34.26)	(15.83)
Interest cost (including bank charges)	2,552.52	2,133.31
Allowance for sales return	297.18	60.96
Provision for inventories	13.33	370.05
Provision for doubtful debts and advances & bad debts/sundry Balances w/off	227.70	262.64
Gain on sale of investment	(5.91)	(2.97)
Goodwill written off	-	0.49
Government grant amortised	(4.20)	(2.94)
Operating Profit before working capital changes	36,819.62	24,261.35
Adjustments for (increase) / decrease of assets:		
Trade Receivables	(6,721.11)	(2,478.93)
Inventories	(8,262.58)	(5,260.46)
Other Current Assets	517.40	210.06
Other Non Current Assets	(382.81)	(0.45)
Other non-current financial assets	13.25	(26.11)
Other Current financial assets	17.51	(618.80)
Loans	2.24	(2.10)
Adjustments for increase / (decrease) of liabilities:		
Other Provisions	(52.11)	134.47
Trade Payables	(688.66)	2,242.76
Other Current Liabilities	1,523.68	(733.71)
Other Non Current Financial Liabilities	21.72	10.36
Other Financial Liabilities	2,724.11	787.19
Cash generated from Operations	25,532.26	18,505.63
Taxes paid, net	(5,236.61)	(5,068.01)
Net cash from operating activities	20,295.65	13,437.62
Effect of exchange rates on translation of operating cash flows	53.96	158.39
NET CASH GENERATED FROM OPERATING ACTIVITIES	20,349.61	13,596.01

B CASH FLOWS FROM INVESTING ACTIVITIES

Investment in bank deposits (having original maturity of more than 3 months)	(65.98)	36.80
Purchase of tangible and intangible assets including CWIP and Intangible under development	(10,758.34)	(10,493.81)
Proceeds from sale of property, plant and equipment	46.35	76.27
Proceeds from sale of subsidiaries	-	(0.05)
Proceeds from sale / (purchase) of investments, net	2.50	0.90
Interest received	27.15	69.53
Acquisition of Business	(576.51)	-
NET CASH FLOW (USED IN) INVESTING ACTIVITIES	(11,324.83)	(10,310.36)



Intas Pharmaceuticals Limited

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

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds/(Repayments) from short-term borrowings
(Repayments) of long-term borrowings
Payment of lease rent
Interest cost (including bank charges)
Dividends paid including tax on dividend distribution

NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the beginning of the year
Cash and cash equivalent received under Acquisition
Cash and cash equivalents at the end of the year

Components of Cash and Cash Equivalents for cash flow:

Cash on hand
Balance with banks
Total (Refer note 14)
Less: Bank overdraft (Refer note 22)
Net Cash and Cash Equivalents

Year ended March 31

2020

2019¹

5,889.23	4,574.48
(6,976.99)	(5,475.40)
(340.17)	-
(2,481.34)	(2,058.48)
(1,368.33)	(622.49)
(5,277.60)	(3,581.89)

3,747.18 (296.24)

1,592.46 1,888.70

9.31 0.01

5,348.96 1,592.46

2.39 2.65

6,373.19 1,979.31

6,375.58 1,981.96

(1,026.63) (389.50)

5,348.95 1,592.46

Reconciliation of liabilities arising from financing activities

Mar 31, 2020	Opening balance	Net Cash flows	Change in fair value	Closing balance
Short term borrowings	7,150.28	6,526.36	1,278.63	14,955.27
Long term borrowings	45,708.90	(6,976.99)	1,962.97	40,694.88
Accrued Interest	136.30	(1,963.82)	1,971.17	143.65

Mar 31, 2019	Opening balance	Net Cash flows	Change in fair value	Closing balance
Short term borrowings	2,514.59	4,676.60	(40.91)	7,150.28
Long term borrowings	52,373.94	(5,475.40)	(1,189.64)	45,708.90
Accrued Interest	61.47	(1,902.37)	1,977.20	136.30

¹ Figures are restated as per note 48

As per our report of even date attached

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner

Membership No.: 41870

Place: Mumbai

Date: July 8, 2020



For Shah Karia and Associates

Chartered Accountants

ICAI Firm Registration No.: 131546W

Priyank Shah

Partner

Membership No.: 118627

Place: Ahmedabad

Date: July 8, 2020



For and on behalf of the

Board of Directors of

Intas Pharmaceuticals Limited

Nimish Chudgar

Managing Director and CEO

DIN: 00212400

Jayesh Shah

Executive Director

DIN: 02681464

Tushar Shroff

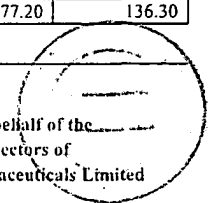
Chief Finance Officer

Manoj Nair

Company Secretary

Place: Ahmedabad

Date: July 8, 2020



Signature of Jayesh Shah
Signature of Tushar Shroff
Signature of Manoj Nair

Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

STATEMENT OF CHANGES IN EQUITY

(A) EQUITY SHARE CAPITAL (Refer note 16)

Balance at the beginning of the year
Balance at the end of the year

As at March 31 2020		As at March 31 2019	
No. of Shares	Amount in Rs. Mn	No. of Shares	Amount in Rs. Mn
114,743,972	1,147.44	114,743,972	1,147.44
114,743,972	1,147.44	114,743,972	1,147.44

(B) OTHER EQUITY (Refer note 17)

OTHER EQUITY (refer note 17)	Reserves and surplus					Other Comprehensive Income				Total
	Capital reserve	Capital redemption reserve	Securities premium account	General reserve	Share based payment reserve	Retained earnings	Foreign currency translation reserve	Net Investment Hedge Reserve	Cash flow hedge reserve	
Balance as at April 01, 2018	44.37	403.30	3,975.29	19,048.04	119.87	42,841.40	1,137.59	-	-	67,569.86
Profit for the year ¹	-	-	-	-	-	12,662.07	-	-	-	12,662.07
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Foreign exchange fluctuation on net investment in foreign entity, net of tax	-	-	-	-	-	-	-	(502.64)	-	(502.64)
Exchange differences on translation of foreign operations ¹	-	-	-	-	-	-	(19.37)	-	-	(19.37)
Net re-measurement loss of defined benefit plans, net	-	-	-	-	-	(122.39)	-	-	-	(122.39)
Total comprehensive income	-	-	-	-	-	12,539.68	(19.37)	(502.64)	-	12,017.67
Impact of composite scheme of arrangement	(377.81)	-	25.20	-	-	352.62	-	-	-	0.01
Share based payment	-	-	-	-	417.74	-	-	-	-	417.74
Dividend paid	-	-	-	-	-	(516.35)	-	-	-	(516.35)
Tax on dividend paid	-	-	-	-	-	(106.14)	-	-	-	(106.14)
Transfer to/(from) retained earnings	333.44	-	-	-	-	(333.44)	-	-	-	-
Balance as at March 31, 2019 ¹	-	403.30	4,000.49	19,048.04	537.61	54,777.77	1,118.22	(502.64)	-	79,382.79
Profit for the year	-	-	-	-	-	16,405.66	-	-	-	16,405.66
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Foreign exchange fluctuation on net investment in foreign entity, net of tax	-	-	-	-	-	-	-	976.79	-	976.79
Movement on cash flow hedges, net of tax	-	-	-	-	-	-	-	-	(14.66)	(14.66)
Net re-measurement loss of defined benefit plans, net of tax	-	-	-	-	-	(142.16)	-	-	-	(142.16)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(40.55)	-	-	(40.55)
Total comprehensive income	-	-	-	-	-	16,263.50	(40.55)	976.79	(14.66)	17,185.08
Share based payment	-	-	-	-	188.20	-	-	-	-	188.20
Dividend paid	-	-	-	-	-	(1,262.20)	-	-	-	(1,262.20)
Tax on dividend paid	-	-	-	-	-	(259.45)	-	-	-	(259.45)
Transfer to/(from) General / ESOS Reserve	-	-	-	4.70	(4.70)	-	-	-	-	-
Balance as at March 31, 2020	-	403.30	4,000.49	19,052.74	721.11	69,519.62	1,077.67	474.15	(14.66)	95,234.42

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

¹ Figures are restated as per note 48

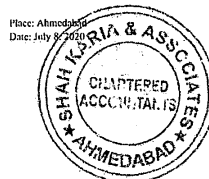
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 32498219/300803

Place: Mumbai
Date: July 8, 2020



For Shah Karim and Associates
Chartered Accountants
ICAI Firm Registration No.: 131546W

Place: Ahmedabad
Date: July 8, 2020



For and on behalf of the Board of Directors of
Intas Pharmaceuticals Limited

Nimish Chudgar
Managing Director and CEO
DIN: 00312400
Chief Financial Officer

Place: Ahmedabad
Date: July 8, 2020

Jayesh Shah
Executive Director
DIN: 02681464

Manoj Nair
Company Secretary

Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

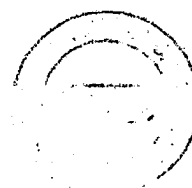
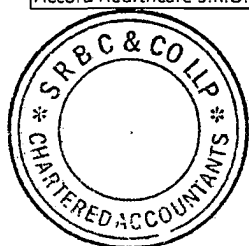
GROUP INFORMATION

Intas Pharmaceuticals Limited ('the Company') is a leading vertically integrated Indian Pharmaceutical Company with global operations, engaged in the development, manufacture and marketing of pharmaceutical formulations and is headquartered at Corporate House, Nr. Sola Bridge, S. G. Highway, Thaltej, Ahmedabad, Gujarat. The consolidated financial statements comprise the financial statements of Intas Pharmaceuticals Limited (hereinafter referred to as "the Holding Company" or "the Company"), its subsidiaries and jointly controlled entity (together referred to as 'the Group'). The Company along with its subsidiaries has manufacturing locations spread across India, U.K and Mexico.

The consolidated financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on July 8, 2020.

The consolidated financial statements comprise the financial statements of the Company, Intas Pharmaceuticals Limited and the following subsidiaries / step-down subsidiaries and jointly controlled entity:

Name of the Subsidiary Company	Country	% of Holding as at	
		2020	2019
Accord Healthcare Limited, UK	United Kingdom	100	100
Astron Research Limited, UK	United Kingdom	100	100
Accord Healthcare Inc., North Carolina, USA	USA	100	100
Accord Healthcare (Pty) Limited, South Africa	South Africa	100	100
Accord Farmaceutica Ltda., Brazil	Brazil	100	100
Accord Healthcare SAC, Peru	Peru	100	100
Accord Farma S.A. De C.V., Mexico	Mexico	100	100
Accord Healthcare Inc., Canada	Canada	100	100
Accord Healthcare Pty. Ltd., Australia (w.e.f. March 02, 2018)	Australia	100	100
Intas Third Party Sales 2005 S.L.	Spain	100	100
Farmabiot S.A DE CV, Mexico (2)	Mexico	100	100
Essential Pharmaceuticals LLC(3)	USA	100	100
Accord Biopharma Inc. USA (3)	USA	100	100
Accord Healthcare (Kenya) Limited (w.e.f. June 28, 2018)	Kenya	100	100
Accord Healthcare SAS, France (1)	France	100	100
Accord Healthcare BV, Netherlands (1)	Netherlands	100	100
Accord Healthcare Sociedad Limitada, Spain (1)	Spain	100	100
Accord Healthcare Italia SRL, Italy (1)	Italy	100	100
Accord Healthcare Polska Spółka Z Organizacja Odpowiedzialnoscia, Poland (1)	Poland	100	100
Accord Healthcare AB, Sweden (1)	Sweden	100	100
Accord Healthcare GmbH, Austria (1)	Austria	100	100
Accord Healthcare OY, Finland (1)	Finland	100	100
Accord Healthcare Ireland Limited, Ireland (1)	Ireland	100	100
Accord Healthcare BVPA, Belgium (1)	Belgium	100	100
Accord Healthcare Limited, Malta (1)	Malta	100	100
Accord Healthcare OU, Estonia (1)	Estonia	100	100
Accord Healthcare GmbH, Germany (1)	Germany	100	100
Accord Healthcare SDN BHD, Malaysia (1)	Malaysia	100	100
Accord Healthcare MENA JLT, UAE (1)	UAE	100	100
Accord Healthcare S.R.O., Czech Republic (1)	Czech Republic	100	100



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Name of the Subsidiary Company	Country	% of Holding as at	
		2020	2019
Accord Healthcare Private limited, Singapore (1)	Singapore	100	100
Accord Healthcare, Unipessoal, Lda, Portugal (1)	Portugal	100	100
Accord Healthcare HK Limited, Hongkong (1)	Hongkong	100	100
Accord Healthcare SRL, Romania (1)	Romania	100	100
Accord Healthcare AG, Switzerland(1)	Switzerland	100	100
Accord UK Limited, UK(1)	United Kingdom	100	100
Accord Healthcare Thailand Limited (Thailand)(1)	Thailand	100	100
Accord Healthcare Korea Limited(1)	South Korea	100	100
S M Herbals Private Limited (4)	India	100	-

Name of the Jointly controlled entity	Country	% of Holding as at	
		2020	2019
Alvi-Intas Medical Devices Private Limited	India	50	50

- (1) Wholly-owned subsidiary of Accord Healthcare Limited, UK
 (2) Wholly-owned subsidiary of Accord Farma S.A. De C.V., Mexico
 (3) Wholly-owned subsidiary of Accord Healthcare Inc., North Carolina, USA
 (4) Acquired during the year

1. PRINCIPLES OF CONSOLIDATION

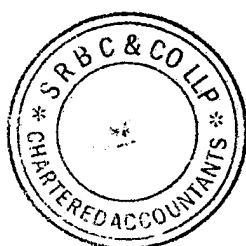
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and jointly controlled entity as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

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.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

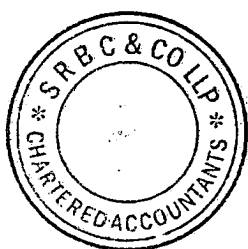
The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31st March. When the end of the reporting period of the Holding Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company 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.
- (b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup 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). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

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:



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Notes to the Consolidated Financial Statements as at March 31, 2020

- 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 profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

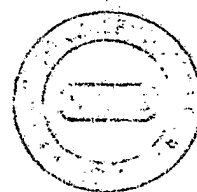
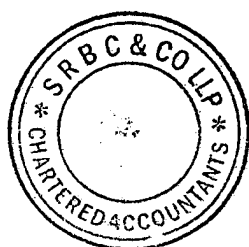
- i. employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- ii. Long-term borrowings are measured at amortized cost using the effective interest rate method; and
- iii. Derivative financial instruments at fair value and
- iv. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instrument)

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the Holding Company. All financial information presented in Indian rupees has been rounded to the million (Rs. 000,000), except where otherwise indicated.

(b) Use of estimates, assumptions and judgments

The preparation of consolidated financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional balance sheet at the beginning of the preceding period when



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Measurement of recoverable amounts of cash-generating units { Refer 3(c)};
- Useful lives of property, plant and equipment and intangible assets { Refer 3(f) and 3(g)};
- Valuation of inventories { Refer 3(j)};
- Employee benefits { Refer 3(m)};
- Provisions, contingent liability and contingent assets { Refer 3(s)};
- Sales returns { Refer 3(k) };
- Evaluation of recoverability of deferred tax assets { Refer 3(o)};
- Share based payments {Refer 3(n)}

(c) Business combinations and goodwill

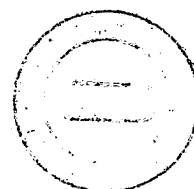
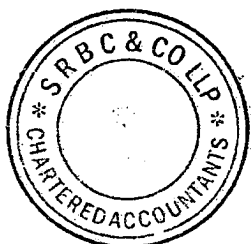
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument



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Notes to the Consolidated Financial Statements as at March 31, 2020

and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

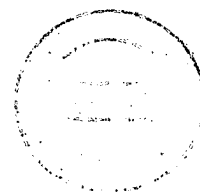
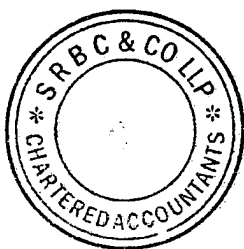
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



(d) Investment in joint venture

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

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

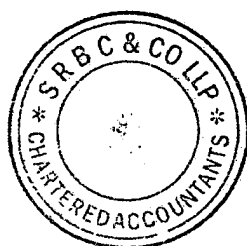
The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.



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Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(e) Current and Non-Current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

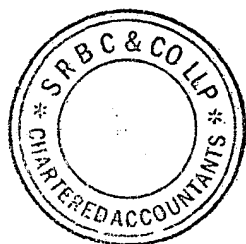
The group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(f) Property, plant and equipment

Recognition and measurement

The items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of its purchase price and other incidental expenses that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use, when significant parts of plant and equipment are required to be replaced



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at intervals, the Group depreciates them separately based on their specific useful lives. Borrowing cost attributable to acquisition or construction of qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of stores and spares which qualify as property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

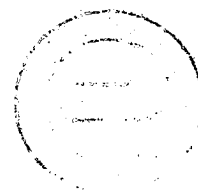
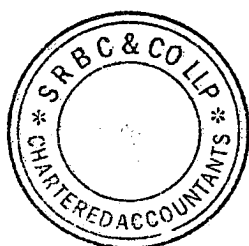
Depreciation

Depreciation is recognised on pro-rata basis in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment. Leasehold Land is amortised over the period of the lease. Land is not depreciated.

The group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives are as follows:

Type of Asset	Useful life (in years)
Buildings	30 to 50
Plant and Machineries	10 to 20
Furniture, Fixtures and Equipment	4 to 10
Computers	3 to 6
Vehicles	4 to 10



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The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Intangible assets and amortization

Goodwill

Apart from goodwill on amalgamation as referred below, the goodwill is initially measured at cost, being the excess of the aggregate of consideration transferred over net identifiable assets acquired and liability assumed. Such goodwill is not amortised and is tested for impairment annually.

Goodwill arising on amalgamation has been recognised in accordance with court scheme and is amortised over its estimated useful life of 10 years. Further, goodwill on amalgamation is tested for impairment at each reporting date.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised except for development cost which are classified as intangible in development and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

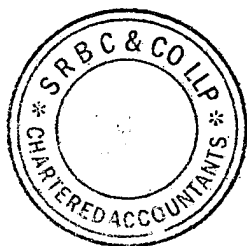
Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intended to and has sufficient resources to complete development and to use or sell the asset.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognised as expense in the statement of profit and loss as incurred.



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Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised, if such products have received regulatory approval or if only perfunctory activities remain (i.e. no additional work necessary; e.g. biostudies, regulatory, etc.) and approval is highly probable.

Acquired research and development intangible assets that are under development are recognised as Intangible assets under development. These assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such assets is recorded as an expense in the statement of profit and loss.

Subsequent expenditure on an in-process research or development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- recognised as an expense when incurred, if it is development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- added to the carrying amount of the acquired in-process research or development project, if it is development expenditure that satisfies the recognition criteria.

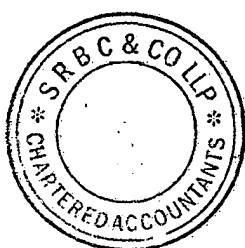
Intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the statement of profit and loss.

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortised from the date they are available for use.

Type of Asset	Useful life (in years)
Licenses and commercial rights	3 to 15
Marketing authorization	5 to 10
Technical knowhow	5 to 10
Others	5 to 10

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.



De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

(h) Impairment of Non-Financial Assets

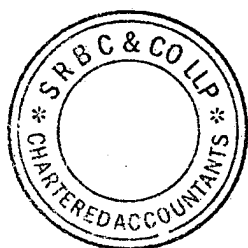
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 groups 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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 or loss.

Goodwill is tested for impairment annually as at year end 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 CGU's) 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 are not reversed in future periods.



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Notes to the Consolidated Financial Statements as at March 31, 2020

(i) Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life (in years)
Leasehold Land	Up to 99 years
Office Premises	10 to 20 years

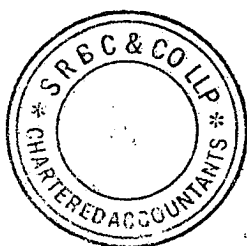
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is



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remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included under financial liabilities (see Note 44).

(j) Inventories

Inventories consist of raw materials, stores and spares, work-in-progress, packing materials and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process.

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

Provision for diminution in value of inventories has been made for expired, obsolete, non-moving and slow-moving inventories as per the management's estimate.

(k) Revenue from contract with customers

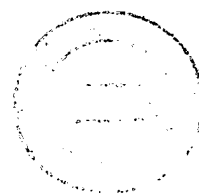
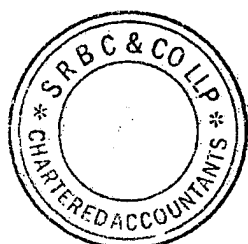
Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of products:

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term varies from 7 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the Group considers the effects of variable consideration and consideration payable to the customer (if any).



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Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

License fees

License fees primarily consist of income from the out-licensing of intellectual property, and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

Rights of return

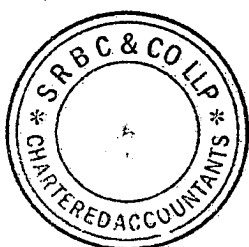
Certain contracts and statutory obligations provide a customer with a right to return the goods. The Group accrues for sales return based on historical experience, market conditions and specific contractual terms. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks are calculated on the basis of historical experience and specific terms in the individual agreements.



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Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Group, and are accrued when the prices of certain products decline or at the point of sale, if the impact of a price decline on the products sold can be reasonably estimated based on the customer's inventory. These credits are customary in the pharmaceutical industry, and are intended to reduce the customer inventory cost to better reflect the current market prices. The decision to grant a shelf stock adjustment to a customer following a price decrease is made at the Group's discretion.

Profit share revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners only when the collectability of the profit share becomes probable and a reliable measurement of the profit share is available. Otherwise, recognition is deferred to a subsequent period pending satisfaction of such collectability and measurability requirements. In measuring the amount of profit share revenue to be recognised for each period, the Group uses all available information and evidence, including any confirmations from the business partner of the profit share amount owed to the Group, to the extent made available before the date the Group's Board of Directors authorises the issuance of its financial statements for the applicable period.

Sale of buffer stock

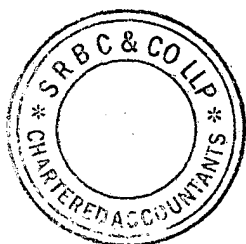
Revenue does not include sales of pharmaceuticals products with a repurchase obligation to Department of Health of UK Government.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities (advance from customers)



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A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Assets and liabilities arising from rights of return:

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Group pays sales commission to its clearing and forwarding agents as a percentage of sales made by them. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under other expense).

Cost to fulfil a contract i.e freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

Interest income

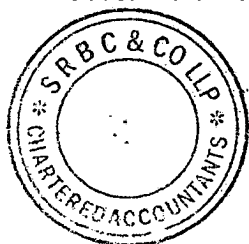
Interest income primarily comprises of interest from term deposits with banks and on loans to subsidiary companies. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Export Incentives

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

(I) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Holding Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group



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uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Foreign operations

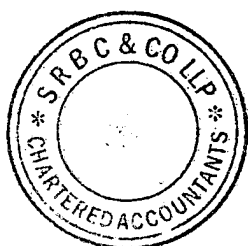
Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income/(loss) and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the Holding Company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the presentation currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in other comprehensive income/(loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

(m) Employees retirement and other benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



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Defined contribution plans

The Group's contributions to defined contribution plan in the form of Provident Fund, Employees State Insurance Corporation, Labour Welfare Fund and pension schemes are charged to the Statement of Profit and Loss as and when the services are received from the employees. The Company has no obligation other than these contributions.

Defined benefit plans

The entities in the group operates defined benefit plan for its employees, viz., Gratuity and pension schemes. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

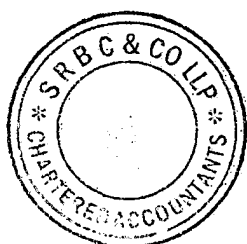
The assets of the pension schemes are held separately from those of the Group in independently administered funds. The defined pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. The pension scheme balance is recognised net of any related deferred tax balance with the recognition of any deferred tax asset following the principles described in the deferred tax accounting policy above.

The Group current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

(n) Share-based payments

Employees of the entities in the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).



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The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

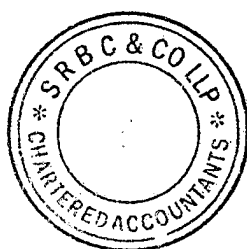
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Income tax

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



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Deferred Tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

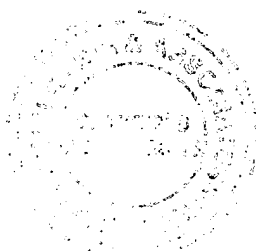
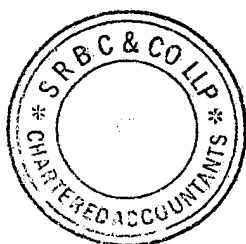
Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit only to the extent that it is probable that the Company will be able to set off against the normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company



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recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

For units which enjoy tax holiday benefit, deferred tax assets and liabilities have been provided for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of Holding Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Holding Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, which includes all stock options granted to employees.

(q) 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

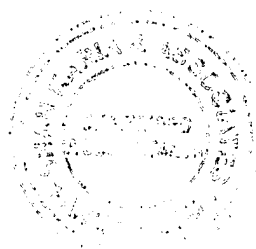
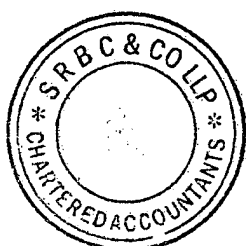
For purposes of subsequent measurement, financial assets are classified in four categories:

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

Debt instruments at amortised cost

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

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



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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income 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.

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

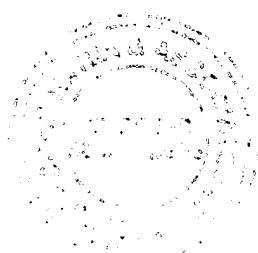
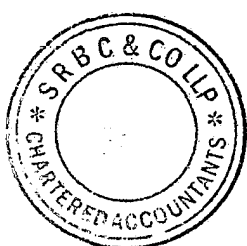
In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling



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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 recognised in the statement of profit and loss.

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 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.

Impairment of financial assets

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

- (i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- (ii) trade receivables

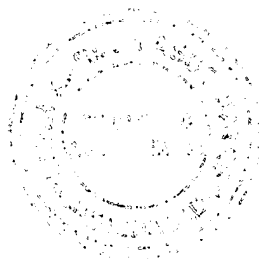
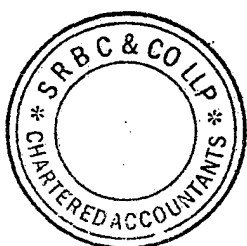
The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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.

Financial liabilities

Initial recognition and measurement

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



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

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.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as fair value through profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

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.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

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.

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.

Derivative financial instruments

Initial recognition and subsequent measurement

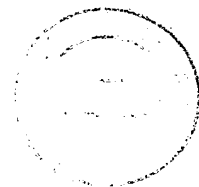
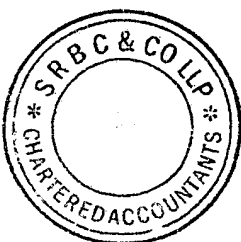
The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- ▶ Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- ▶ Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- ▶ Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



Intas Pharmaceuticals Limited
Notes to the Consolidated Financial Statements as at March 31, 2020

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(r) Cash and cash equivalents

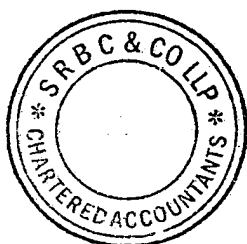
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



(t) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(u) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(v) **Fair value measurement**

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.
- Contingent consideration
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

(w) Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

(x) Changes in accounting policies and disclosures

New and amended standards here

Ind AS 116 Leases

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Refer note 44 for details.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

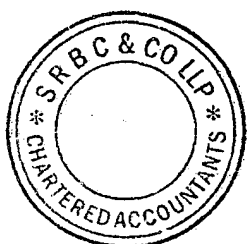
The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgment in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

Annual Improvements to Ind AS 2018

Ind AS 12 *Income Taxes*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land - Leasehold Land		Right of use:		Buildings	Plant and Equipments	Furniture & Fixtures	Vehicle	Computers	Total
	Freehold Land	Leasehold Land	Leasehold Land	Office Premises						
Gross Block										
As at April 01, 2018	1,971.15	677.96	-	-	7,400.44	13,120.35	1,294.76	425.31	477.42	25,367.39
Additions	69.71	369.32	-	-	290.13	3,682.51	396.06	98.16	238.01	5,143.90
Disposals	-	-	-	-	(6.95)	(40.66)	(13.46)	(57.75)	(12.30)	(131.12)
Foreign currency translation adjustments	-	0.49	-	-	(64.91)	(68.53)	(16.19)	0.10	(10.94)	(159.98)
As at March 31, 2019	2,040.86	1,047.77	-	-	7,618.71	16,693.67	1,661.17	465.82	692.19	30,220.19
Recognition on initial application of Ind AS 116 (refer note 44)	-	-	1,047.77	1,256.71	-	-	-	-	-	2,304.48
Transfer on account of impact on Ind AS 116	-	(1,047.77)	-	-	-	-	-	-	-	(1,047.77)
Additions	20.91	-	58.80	-	2,377.62	8,013.85	890.65	125.03	226.06	11,712.92
Disposals	-	-	-	-	(5.94)	(108.52)	(19.20)	(96.58)	(13.36)	(243.60)
Foreign currency translation adjustments	-	-	0.75	46.35	105.93	128.43	21.71	(2.40)	11.99	312.76
As at March 31, 2020	2,061.77	-	1,107.32	1,303.06	10,096.32	24,727.43	2,554.33	491.87	916.88	43,258.98
Accumulated depreciation & impairment										
As at April 01, 2018	-	17.71	-	-	424.98	2,554.68	310.34	78.57	189.39	3,575.67
Depreciation for the year	-	12.66	-	-	216.11	1,453.67	213.74	65.81	162.34	2,124.33
On disposals	-	-	-	-	(3.90)	(25.27)	(7.37)	(34.01)	(10.09)	(80.64)
Foreign currency translation adjustments	-	0.10	-	-	(2.04)	(19.42)	(6.12)	(0.02)	(5.30)	(32.80)
As at March 31, 2019	-	30.47	-	-	635.15	3,963.66	510.59	110.35	336.34	5,586.56
Depreciation for the year	-	-	14.17	310.95	263.66	2,038.65	274.61	70.41	177.54	3,149.99
Transfer on account of impact on Ind AS 116	-	(30.47)	30.47	-	-	-	-	-	-	-
On disposals	-	-	-	15.97	(0.46)	(81.01)	(19.61)	(56.57)	(5.01)	(146.69)
Foreign currency translation adjustments	-	-	0.55	9.83	1.00	36.36	9.60	(2.20)	8.22	63.36
As at March 31, 2020	-	-	45.19	336.75	899.35	5,957.66	775.19	121.99	517.09	8,653.22
Net Carrying value										
Balance at March 31, 2019	2,040.86	1,017.30	-	-	6,983.56	12,730.01	1,150.58	355.47	355.85	24,633.63
Balance at March 31, 2020	2,061.77	-	1,062.13	966.31	9,196.97	18,769.77	1,779.14	369.88	399.79	34,605.76

Capital work in progress	Rs. million
March 31, 2020	3,775.37
March 31, 2019	9,821.12

1. The title deeds of immovable properties included in property, plant and equipment are held in the name of the Group, except in the case of one freehold land with a net carrying value of Rs. 4.85 million, one building with carrying value of Rs 39.95 million (Gross Block of Rs 41.89 million) which are not registered in the name of the Holding company.

2. Cost of property, plant and equipment includes carrying value recognised as deemed cost as at April, 2015 (whereby accumulated depreciation of Rs.4,133.69 million as at April 1, 2015 was netted off with gross amount) measured as per previous GAAP and cost of subsequent additions.

3. Capital work-in-process mainly includes plant, machinery and building at plant being under construction, installation.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill (Refer Notes below)	Licenses & Commercial Rights	Marketing Authorisation	Software	Technical Knowhow	Total
Gross Block						
As at April 01, 2018	51,191.91	679.40	10,222.61	226.55	806.34	63,126.81
Additions	-	77.76	1,044.37	53.92	-	1,176.05
Disposals	-	-	(730.25)	(0.32)	-	(730.57)
Foreign currency translation adjustments	(835.40)	(9.92)	12.26	3.28	-	(829.78)
As at March 31, 2019	50,356.51	747.24	10,548.99	283.43	806.34	62,742.51
Additions	334.22	79.34	4,791.15	81.41	-	5,286.12
Disposals	-	-	(6.97)	-	-	(6.97)
Foreign currency translation adjustments	1,196.19	18.48	471.99	5.28	-	1,691.94
As at March 31, 2020	51,886.92	845.06	15,805.16	370.12	806.34	69,713.60
Accumulated amortisation & impairment						
As at April 01, 2018	2,735.10	334.93	2,398.51	104.47	344.57	5,917.58
Amortisation for the year	911.70	141.07	1,742.34	49.36	123.67	2,968.14
Disposals	-	-	(692.24)	(0.32)	-	(692.56)
Foreign currency translation adjustments	-	(2.50)	(29.43)	1.04	-	(30.89)
As at March 31, 2019	3,646.80	473.50	3,419.18	154.55	468.24	8,162.28
Amortisation for the year	911.70	143.67	3,021.02	56.28	122.34	4,255.01
Disposals	-	-	(1.06)	-	-	(1.06)
Foreign currency translation adjustments	-	7.79	225.43	3.76	-	236.97
As at March 31, 2020	4,558.50	624.96	6,664.57	214.59	590.58	12,653.20
Net Carrying value						
Balance at March 31, 2019	46,709.71	273.73	7,129.81	128.88	338.10	54,580.23
Balance at March 31, 2020	47,328.42	220.10	9,140.59	155.53	215.76	57,060.40
Intangible assets under development	Rs. million					
March 31, 2020	161.87					
March 31, 2019	90.60					



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Notes:

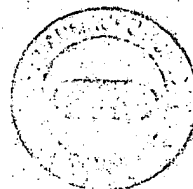
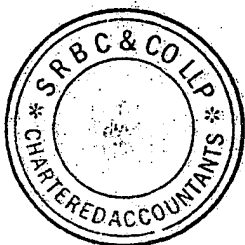
1. During the year ended March 31, 2016, the Scheme of Amalgamation of Intas Lifesciences Private Limited ("Transferor") with Intas Pharmaceuticals Limited ("Transferee") having an appointed date of April 1, 2014, was approved by the Hon'ble High Court of Gujarat pursuant to Sections 391-394 of the Companies Act, 1956. In accordance with the Scheme, the assets and liabilities of Transferor Group were reconstituted at the fair value and consequently, the amalgamation was accounted by Transferee Group under the "Purchase Method" as prescribed by Accounting Standard 14 "Accounting for Amalgamations" of that point of time.

Accordingly, the Group had recognized Goodwill of Rs 9,117 million as at the appointed date under the Scheme which is being amortised over 10 years.

The above accounting treatment has been given effect in accordance with the Court Order which prevails over the accounting standards. Consequently, the aforesaid goodwill has been carried forward and continued to be amortised under Ind AS.

Goodwill is tested for impairment annually. The recoverable amount of the CGUs are determined from value-in-use calculation. The key assumptions for the value-in-use calculations are those regarding the discount rate, growth rates and expected changes to direct costs during the year. The Group prepares its forecasts based on the most recent financial budget approved by management with projected revenue growth rates and the rate used to discount the forecast. Based on workings and key assumptions as at March 31, 2020, the goodwill is not impaired. Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

- a. In respect of the goodwill arising on amalgamation of Intas Lifesciences Pvt Ltd, the group prepares its forecast with projected revenue growth rates of 2% to 3.8% for next 5 years and the rate used for discounting of these forecast is 9%.
- b. In respect of the goodwill arising on business combination of Accord-UK Limited (formerly Actavis UK Limited) and Actavis Ireland Limited, the group prepares its forecast with projected revenue growth rates of 2% and rate used for discounting of these forecast is 10%.
- c. In respect of the goodwill arising on business combination of Essential Pharmaceuticals LLC, USA, the Group prepares its forecast with projected revenue growth rate of 1%. The rate used for discounting of these forecast is 15%.



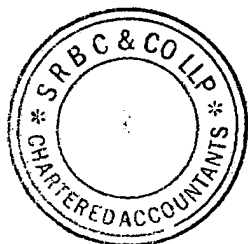
Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

6 INVESTMENTS	No of Shares		As at March 31	
	2020	2019	2020	2019
Non-current investment				
<u>Investment at fair value through other comprehensive income</u>				
Investment in equity instruments (Quoted):				
Common Stock of Viropro Inc. (USA) of par value of USD 0.001 each fully Paid up	181,766,666	181,766,666	13.71	12.57
Less: Provision for diminution in value of Investments			(13.71)	(12.57)
State Bank of India of Rs.10 each (Refer note 40)	560	-	0.11	-
			0.11	-
Investment in equity instruments (Unquoted)				
Common Units of Mobius Therapeutics LLC. USA	152	152	37.72	34.59
National Saving Certificate (Refer note 40)	100	-	-	-
			37.72	34.59
			37.83	34.59
Aggregate book value of quoted investments			13.82	12.57
Aggregate market value of quoted investments			0.11	-
Aggregate book value of unquoted investments			37.72	34.59
Aggregate amount of impairment in value of investments			(13.71)	(12.57)
7 OTHER FINANCIAL ASSETS				
	Non-current		Current	
	As at March 31		As at March 31	
	2020	2019 ¹	2020	2019 ¹
Unsecured, considered good				
Security deposits	128.06	140.04	23.66	28.54
Interest accrued on loans and deposits	-	1.39	8.50	-
Export benefit/MEIS license receivable	-	-	2,593.09	2,604.78
	128.06	141.43	2,625.25	2,633.32
8 DEFERRED TAX, NET				
			As at March 31	
			2020	2019 ¹
Entities having deferred tax liabilities, net			(2,364.43)	(713.73)
Entities having deferred tax assets, net			3,381.34	3,534.56
			1,016.91	2,820.83
Refer note 46 for details of deferred tax.				
9 TAX ASSETS, NET, NON-CURRENT				
			As at March 31	
			2020	2019 ¹
Advance income-tax (net of provision for taxation)			2,604.45	2,774.62
Liabilities for current tax, net			(196.06)	(541.99)
			2,408.39	2,232.63
10 OTHER ASSETS				
	Non-current		Current	
	As at March 31		As at March 31	
	2020	2019 ¹	2020	2019 ¹
Capital Advances				
Unsecured, considered good	223.48	216.37	-	-
	223.48	216.37	-	-
Advances recoverable in Cash or Kind				
Unsecured, considered good	29.07	12.05	1,340.18	1,059.73
	29.07	12.05	1,340.18	1,059.73
Others				
Unsecured, considered good				
Prepaid expenses	-	-	766.54	494.01
Advance to employees	-	-	33.34	69.91
Balances with statutory authorities	365.79	-	2,845.31	4,056.63
Return assets	-	-	63.63	8.75
Accrued income	-	-	219.46	219.01
Others	-	-	674.80	494.33
	365.79	-	4,603.08	5,342.64
	618.34	228.42	5,943.26	6,402.37

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

11 INVENTORIES

[Valued at lower of cost and net realisable value]

Raw materials and packing materials

(Including goods in transit Rs.196.87 million (March 31, 2019: Rs.159.63 million))

Finished and traded goods

Work-in-progress

Fuel, stores, spares and others

As at March 31	
2020	2019 ¹
16,008.54	12,624.16
23,771.09	19,660.25
5,447.60	4,683.14
639.05	487.59
45,866.28	37,455.14

During the year the Group recorded inventory write-down of Rs.282.11 million (March 31, 2019: Rs.314.27 million).

12 TRADE RECEIVABLES

Secured, Considered good

Unsecured, considered good {Refer note (i) below}

Trade Receivables which have significant increase in Credit Risk

Trade Receivables - Credit impaired

Less: Allowance for impairment

As at March 31	
2020	2019 ¹
33,815.72	27,645.75
200.03	69.04
34,015.75	27,714.79
(200.03)	(69.04)
33,815.72	27,645.75

Note (i) For dues from related parties (Refer note 36)

13 LOANS

Unsecured, considered good

Loans to employees

Non-current		Current	
As at March 31		As at March 31	
2020	2019	2020	2019
8.98	9.60	7.08	8.70
8.98	9.60	7.08	8.70

Note: Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required by Schedule III of the Companies Act 2013 viz: a) secured, b) loans which have significant increase in credit risk and c) credit impaired is not applicable.

14 CASH AND CASH EQUIVALENTS

Balances with banks:

On current accounts

Cash on hand

As at March 31	
2020	2019
6,373.19	1,979.31
2.39	2.65
6,375.58	1,981.96

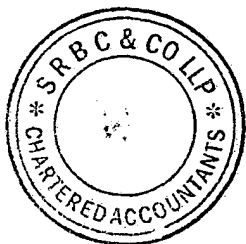
At March 31, 2020, the group has available Rs.4,658.72 million (March 31, 2019: Rs.4,977.79 million) of undrawn committed borrowing facilities.

15 OTHER BANK BALANCES

On deposits (with original maturity of more than 3 months)

Balances to the extent held as margin money deposits against guarantee

As at March 31	
2020	2019
112.20	46.26
112.20	46.26
64.61	15.43



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

16 SHARE CAPITAL

	As at March 31			
	2020		2019	
	No. of shares	Amount	No. of shares	Amount
Authorised Capital				
Equity shares				
Equity shares of Rs.10 each	175,466,752	1,754.67	175,466,752	1,754.67
	175,466,752	1,754.67	175,466,752	1,754.67
Issued, Subscribed and Fully Paid-up Shares				
Equity shares of Rs. 10 each	114,743,972	1,147.44	114,743,972	1,147.44
	114,743,972	1,147.44	114,743,972	1,147.44

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

	As at March 31			
	2020		2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
At the beginning of the year	114,743,972	1,147.44	114,743,972	1,147.44
Changes during the year				
Outstanding at the end of the year	114,743,972	1,147.44	114,743,972	1,147.44

(b) Details of Shareholders holding more than 5% equity Shares in the Company

	As at March 31			
	2020		2019	
	No. of shares	% Holding	No. of shares	% Holding
Name of Shareholders				
Bindiben B Chudgar	18,348,561	15.99	18,348,561	15.99
Parulben U Chudgar	18,235,072	15.89	18,235,072	15.89
Binaben N Chudgar	16,883,983	14.71	16,883,983	14.71
Duneem Investments (Mauritius) Pte Ltd	11,621,100	10.13	11,621,100	10.13
Kusumben H Chudgar	11,296,154	9.84	11,296,154	9.84
Nimish H Chudgar	9,447,766	8.23	9,447,766	8.23
Binish H Chudgar	7,986,194	6.96	7,986,194	6.96
Shail U Chudgar	6,217,469	5.42	6,217,469	5.42
Hasmukh K Chudgar	5,923,061	5.16	5,923,061	5.16
	105,959,360	92.33	105,959,360	92.33

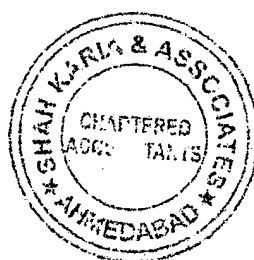
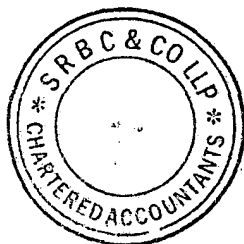
(c) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting and Company pays the same in Indian Rupees. In the event of liquidation of the Company, the equity shareholders 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.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme and Employee Stock Appreciation Right Scheme of the Company, refer note 43.

(e) Refer note 45 for details of amounts accounted on account of impact of composite scheme of arrangement.



Intas Pharmaceuticals Limited

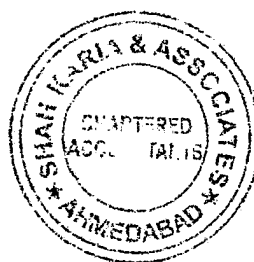
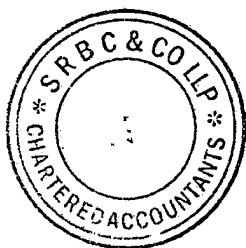
Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

17 OTHER EQUITY

	As at March 31	
	2020	2019 ¹
(a) Capital reserve		
Balance as per last Balance Sheet	-	44.37
Less: Impact of composite scheme of arrangement (Refer note 45)	-	(377.81)
Add: Transferred from retained earnings	-	333.44
	-	-
(b) Capital redemption reserve		
Balance as per last Balance Sheet	403.30	403.30
	403.30	403.30
(c) Securities premium account		
Balance as per last Balance Sheet	4,000.49	3,975.29
Add: Impact of composite scheme of arrangement (Refer note 45)	-	25.20
	4,000.49	4,000.49
(d) General reserve		
Balance as per last Balance Sheet	19,048.04	19,048.04
Add: Transferred from Share base payment reserve	4.70	-
	19,052.74	19,048.04
(e) Share base payment reserve		
On account of Employee Stock Option Scheme		
Balance as per last Balance Sheet	427.12	93.86
Addition during the year (Refer note 43)	139.97	333.26
Less: Transferred to General Reserve Account	(4.70)	-
	562.39	427.12
On account of Stock appreciation rights scheme		
Balance as per last Balance Sheet	110.49	26.01
Addition during the year (Refer note 43)	48.23	84.48
	158.72	110.49
(f) Retained earnings		
Balance as per last Balance Sheet	54,777.77	42,841.40
Add: Profit for the year	16,405.65	12,662.07
Add: Impact of composite scheme of arrangement (Refer note 45)	-	352.62
Less: Re-measurement loss of defined benefit plans, net of tax	(142.16)	(122.39)
Less: Transfer to Capital Reserve	-	(333.44)
Less: Dividend on equity shares	(516.35)	(516.35)
Less: Dividend distribution tax	(106.14)	-
Less: Interim and special dividend	(745.84)	-
Less: Dividend distribution tax	(153.31)	(106.14)
Net Surplus in the Consolidated Statement of Profit and Loss	69,519.62	54,777.77
OTHER COMPREHENSIVE INCOME (OCI)		
(g) Foreign currency translation reserve		
Balance as per last Balance Sheet	1,118.22	1,137.59
Additions during the year	(40.55)	(19.37)
	1,077.67	1,118.22
(h) Cash flow hedge reserve		
Net movement for the year	(17.76)	-
Tax impact	3.10	-
	(14.66)	-
(i) Net Investment Hedge Reserve		
Balance as per last Balance Sheet	(502.64)	-
Net movement for the year	1,183.41	(640.63)
Tax impact	(206.62)	137.99
	474.15	(502.64)
Total other equity	95,234.42	79,382.79

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

NATURE AND PURPOSE OF RESERVES

Capital Reserve : The reserve was created from time to time on account of various acquisitions, mergers and schemes of arrangement.

Capital Redemption Reserve : This reserve was created for redemption of preference shares issued in the financial year 2010-11. The preference shares were redeemed in the financial year 2011-2012.

Securities Premium : Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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

Share based payment Reserve : The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Foreign currency translation Reserve : Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Cash flow hedge reserve - The Company uses hedging instruments as part of management of foreign currency risk and interest rate risk associates on borrowing for hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, option range forward. To the extent these hedges are effective, the change in fair value of hedging instrument is recognized in cash flow hedge reserve. Amount recognized in the cash flow hedge reserve is re classified to the statement of profit or loss when the hedged item affects profit or loss.

Net Investment Hedge Reserve : A Net Investment Hedge Reserve is reserve arising from an entity's Net Investment in a Foreign Operation. The same includes the foreign exchange fluctuation on loans to foreign currencies for which the payment is not expected in foreseeable future.

a) Dividend distribution made and proposed

Particulars	As at March 31 2020	As at March 31 2019
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on March 31, 2020 (Rs. 4.50 per share)(Previous year: Rs. 4.50 per share)	516.35	516.35
Interim dividend on equity shares for the year ended on March 31, 2020 : Rs.4.50 per share	516.35	-
Special dividend on equity shares for the year ended on March 31, 2020 : Rs.2 per share	229.49	-
Dividend distribution tax	259.45	106.14
Proposed dividend on equity shares		
Final dividend for the year ended on March 31, 2020: Rs Nil per share (previous year: Rs. 4.50 per share)	-	516.35
Dividend distribution tax	-	106.14

Proposed dividend on equity shares is subject to the approval at the Annual General Meeting and not recognised as liability (including DDT thereon) as at the Balance Sheet date and hence no effect is given in these consolidated financial statements.

b) Refer note 45 for details of amounts accounted on account of impact of composite scheme of arrangement.

18 LONG TERM BORROWINGS

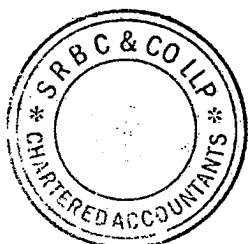
	Non-current		Current	
	As at March 31		As at March 31	
	2020	2019	2020	2019
Term Loans from Banks - at amortised cost				
Foreign Currency Loans (Secured)	25,916.90	35,351.32	14,762.64	10,309.61
Other Loans				
Unsecured	-	15.34	15.34	32.63
	25,916.90	35,366.66	14,777.98	10,342.24
The above amount includes:				
Secured Borrowings	25,916.90	35,351.32	14,762.64	10,309.61
Unsecured Borrowings	-	15.34	15.34	32.63
Amount disclosed under the head "Other current financial liabilities" (refer note 24)	-	-	(14,777.98)	(10,342.24)
Net Amount	25,916.90	35,366.66	-	-

(i) Loan taken by Intas (Parent company) : The foreign currency loan is secured by

- First ranking pari passu charge on movable assets
- Second pari passu floating charge on current assets
- First ranking pari passu charge on certain trademarks of the Company.
- First ranking pari passu charge on immovable properties of the Company.

Repayment schedule

Rate of Interest	As at March 31 2020	2020-21	2021-22	2022-23
Euribor + 2.45%	21,616.40	4,323.28	8,646.56	8,646.56



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

- (ii) **Loan taken by Accord Healthcare Limited, UK :** The loan taken by Accord Healthcare Limited, UK (Accord) for Sr.no.(i) Libor + 2.30% is secured by :
- First priority pledge over all shares of the Accord
 - First priority pledge over all shares of Accord UK Limited (earlier known as Actavis UK Limited) and Accord Healthcare Ireland Limited (earlier known as Actavis Ireland Limited).
 - First ranking security over all assets and accounts of the Accord in the UK, present and future (excluding shares (other than Shares of Accord UK Limited (earlier known as Actavis UK Limited) and Accord Healthcare Ireland Limited (earlier known as Actavis Ireland Limited) and material contracts).
 - First ranking security over all assets and accounts of Accord UK Limited (earlier known as Actavis UK Limited) and Accord Healthcare Ireland Limited (earlier known as Actavis Ireland Limited) in the UK and Ireland, present and future;
 - Assignment of the Accord's rights under the Share Purchase Agreement;
 - Assignment of shareholder loans from Intas to the Accord

Repayment schedule

Rate of Interest	As at March 31 2020	2020-21	2021-22	2022-23	2023-24	2024-25
(i) Libor + 2.30%	15,179.64	10,144.94	5,034.70	-	-	-
(ii) Libor + 2.4456%	3,525.21	-	-	1,177.86	1,180.09	1,167.26

(iii) Loan taken by Accord Healthcare Inc., USA :

- Loan taken from CITI Bank, N.A. amounting to USD 1.80 million, for working capital purposes at the interest rate of 3 months LIBOR plus 0.65%. The loan is due for repayment on April 16, 2018, the same is renewable on mutual consent.
- Loan taken from Standard Chartered Bank, Singapore amounting to USD 28.5 million at a variable Interest rate of 180 days LIBOR plus 1.95% for acquisition of firm named as "Essential Pharmaceutical LLC, USA". The said loan is secured through second pari passu floating charge on inventory, trade and other receivables of the Accord Healthcare Inc., USA. Apart from the security provided by the company, the loan is also secured by way of Stock pledge of holding company's (Intas Pharmaceuticals Limited's) holding in the Accord Healthcare Inc., USA. The Loan is repayable in 6 half yearly installments starting from January 2018 amounting to USD 4.75 million each.

Rate of Interest	As at March 31 2020	2020-21
Libor + 1.95%	358.29	358.29

- (iv) Other loans from Biotechnology Industry Research Assistance Council [BIRAC] is repayable as per table below.

Rate of Interest	As at March 31 2020	2020-21
3%	15.34	15.34

19 OTHER NON-CURRENT FINANCIAL LIABILITIES

Deposits received
Lease Liabilities
Others

As at March 31	
2020	2019 ¹
274.03	246.31
680.70	-
-	6.00
954.73	252.31

20 PROVISIONS

Provision for employee benefits

Provision for gratuity (Refer note 37)
Provision for leave encashment / other benefits
Provision for pension (Refer note 37)

Other provisions

Customer return and rebates

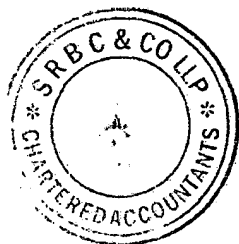
Non-Current		Current	
As at March 31		As at March 31	
2020	2019 ¹	2020	2019 ¹
804.77	899.99	314.95	83.19
706.99	716.74	192.46	204.69
-	-	46.27	38.25
1,511.76	1,616.73	553.68	326.13
-	-	1,052.50	700.44
-	-	1,052.50	700.44
1,511.76	1,616.73	1,606.18	1,026.57

Provision for Customer return and rebates

Opening balance
Add: Created during the year
Less: Utilised during the year
Closing balance

As at March 31	
2020	2019 ¹
700.44	738.93
1,052.50	700.44
(700.44)	(738.93)
1,052.50	700.44

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

21 GOVERNMENT GRANTS

	Non-Current		Current	
	As at March 31		As at March 31	
	2020	2019	2020	2019
Government Grants	52.59	11.79	7.95	2.95
	52.59	11.79	7.95	2.95

22 SHORT TERM BORROWINGS

	As at March 31	
	2020	2019
Secured Borrowings from Bank - at amortised cost		
Working capital facilities from banks	7,192.59	1,866.38
Foreign currency loans from banks	2,172.03	1,600.00
Unsecured Borrowings from Bank - at amortised cost		
Foreign currency loans from banks	5,590.65	3,683.90
	14,955.27	7,150.28
The above amount includes:		
Secured borrowings	9,364.62	3,466.38
Unsecured borrowings	5,590.65	3,683.90
	14,955.27	7,150.28

Secured borrowings includes consortium finance for the working capital facilities which are secured against entire current assets and movable properties and specific immovable properties of the Intas Pharmaceuticals Limited at varying coupon repayable on demand.

Working capital facilities from bank include bank overdraft of Rs 1,026.63 million (March 31, 2019: Rs. 389.50 million)

23 TRADE PAYABLES

	As at March 31	
	2020	2019
Trade Payables	21,224.41	21,833.59
	21,224.41	21,833.59

Note: For due to related parties (Refer note 36)

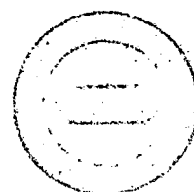
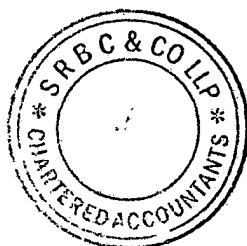
24 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31	
	2020	2019
Current Maturities of long term borrowings (refer note 18)	14,777.98	10,342.24
Capital creditors	317.48	487.61
Book overdraft	-	100.91
Derivative instruments at fair value through other comprehensive income (Option range forward)	17.76	-
Interest accrued	143.65	136.30
Lease Liabilities	299.67	-
Retro discounts and others payable	13,540.57	10,715.55
	29,097.11	21,782.61

25 OTHER CURRENT LIABILITIES

	As at March 31	
	2020	2019
Advance from customers	283.30	123.37
Payables to statutory authorities	2,402.33	828.89
Others (including deferred income)	172.89	240.60
	2,858.52	1,192.86

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

26 REVENUE FROM OPERATIONS

Revenue from contract with customers
Revenue from sale of goods
Revenue from license fees and services

Other operating income
Export benefits
Other income

Revenue from contracts with customers disaggregated based on geography

Domestic
Export
International

Year ended March 31

2020 2019¹

145,899.16	126,673.75
395.56	556.93
146,294.72	127,230.68
1,992.13	1,682.03
257.86	459.95
2,249.99	2,141.98
148,544.71	129,372.66

44,804.59	39,857.82
10,121.67	8,429.47
91,368.46	78,943.39
146,294.72	127,230.68

(i) Timing of revenue recognition

Goods and services transferred at a point in time
Services transferred over time

Year ended March 31

2020 2019

146,039.74	127,030.34
254.98	200.34
146,294.72	127,230.68

(ii) Right of return assets and refund liabilities

Right of return assets
Refund liabilities
Arising from rights of return

Year ended March 31

2020 2019

63.63	8.75
1,052.50	700.44

(iii)	Contract balances	31-Mar-20	31-Mar-19	01-Apr-18
	Trade receivables	33,815.72	27,645.75	25,432.22
	Contract liabilities	283.30	123.37	174.83

(iv) Set out below is the amount of revenue recognised from:

Amounts included in contract liabilities at the beginning of the year

Year ended March 31

2020 2019

123.37	174.83
--------	--------

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price
Adjustments
Less : Discount
Less : Sales return
Less : Chargeback / Allowance
Revenue from contracts with customers

Year ended March 31

2020 2019¹

258,084.38	235,638.98
31,363.23	25,837.44
1,920.29	1,481.99
78,506.14	81,088.87
146,294.72	127,230.68

27 OTHER INCOME

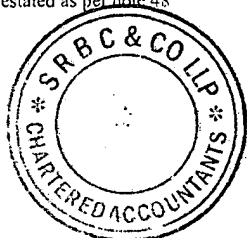
Interest Income on - Bank deposits
- Others
Insurance claims
Gain on sale of investment
Gain on liquidation of subsidiary
Grant income
Interest subsidy received from government
Other non-operating Income

Year ended March 31

2020 2019¹

19.73	1.52
14.53	14.31
51.92	63.54
5.91	2.97
4.20	0.20
-	2.95
-	28.46
137.03	105.61
233.32	219.56

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

28 COST OF MATERIALS CONSUMED

Inventory at the beginning of the year
Add: Purchases
Add: Pursuant to the Acquisition of subsidiary

Less: Inventory at the end of the year

Year ended March 31	
2020	2019 ¹
12,624.16	11,091.21
43,817.02	38,638.99
76.06	-
56,517.24	49,730.20
16,008.54	12,624.16
40,508.70	37,106.04

29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Inventory at the end of the year
Work-in-progress
Finished and Traded Goods

Inventory at the beginning of the year
Work-in-progress
Finished and Traded Goods

Pursuant to the Acquisition of subsidiary
Foreign currency translation difference

Year ended March 31	
2020	2019 ¹
5,447.60	4,683.14
23,771.09	19,660.25
29,218.69	24,343.39
4,683.14	3,258.76
19,660.25	17,917.75
24,343.39	21,176.51
91.80	57.24
771.22	(228.77)
(4,012.28)	(3,338.41)

30 EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonus
Contribution to provident and other funds
Gratuity and Other plans (Refer note 37)
Staff welfare expenses

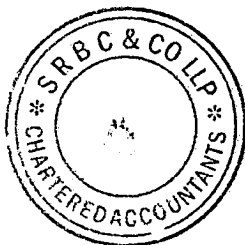
Year ended March 31	
2020	2019
21,947.11	18,953.88
1,527.41	1,199.33
219.47	273.56
511.11	473.61
24,205.10	20,900.38

31 FINANCE COSTS

Interest on borrowings (including interest on lease liabilities of Rs.30.56 million)
Other Interest
Net (gain)/loss on foreign currency transaction and translation on borrowings
Bank charges

Year ended March 31	
2020	2019 ¹
1,956.76	1,977.20
14.41	-
1,528.57	(1,041.27)
251.46	90.44
3,751.20	1,026.37

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

32 OTHER EXPENSES

	Year ended March 31	
	2020	2019 ¹
Consumption of stores and spares	1,747.75	1,924.14
Power and fuel	1,659.54	1,379.19
Processing charges and payment to contractors	801.94	786.45
Laboratory expenses	1,745.90	1,466.29
Repairs and maintenance		
- Building	49.36	49.98
- Plant and machinery	293.56	265.30
- Others	830.47	652.76
Rent	281.01	360.48
Rates and taxes	293.55	343.96
Insurance	584.57	512.10
Travelling and conveyance	2,347.06	2,545.66
Communication costs	126.94	145.57
Printing and stationery	137.67	134.21
Legal and professional fees	3,502.71	3,419.88
Net foreign exchange (gain) / loss	(729.84)	146.71
Non-Executive Directors' remuneration	13.38	14.71
Donations (Refer note (i))	71.89	167.72
Product development expenses	5,906.22	5,313.44
Goodwill written off		0.49
Bad debts/ advances / sundry balances written off	169.07	130.20
Provision for doubtful debts and advances	58.63	132.44
Loss on sale of property, plant and equipment (net)	42.14	12.22
Corporate social responsibility expenditure (refer note 42)	67.11	67.06
Commission on sales	777.89	725.71
Freight and forwarding on sales	5,493.94	6,010.85
Representative expenses and allowances	100.63	62.71
Marketing expenses	12,042.16	11,999.51
Miscellaneous expenses	1,436.03	1,412.16
	39,851.28	40,181.90

¹ Figures are restated as per note 48

Note (i) Donation includes Rs.60 million (previous year : Rs.150 million) towards payment through Electoral bonds.

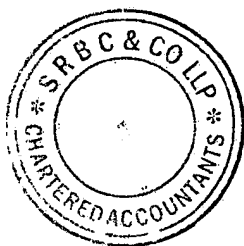
33 COMMITMENTS

	Year ended March 31	
	2020	2019
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,301.10	3,768.84

Other commitments

The Company had obtained duty free/concessional duty licenses for import of capital goods by undertaking export obligations under the "Export Promotion of Capital Goods (EPCG) Scheme" and import of goods under "Advance License Scheme". The Company needs to fulfill all these export obligations and has to apply for redemption of licenses on completion of the same. Future outstanding export obligation under the EPCG scheme is Rs. 1,527.54 million (Previous year Rs. 1,558.68 million).

Future outstanding export obligation under advance license scheme is Rs. 2,683.79 million (Previous year Rs. 2,347.23 million respectively).



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

34 CONTINGENT LIABILITIES NOT PROVIDED FOR

	Year ended March 31	
	2020	2019
(a) Bank Guarantees issued by the Bankers	634.05	573.50
(b) Letter of Credit for imports	278.26	725.76
(c) Claims against the Company not acknowledged as debts		
Income Tax *	2,849.04	2,493.82
Excise Duty and Service Tax **	1,144.27	1,113.66
GST	156.38	-
VAT ***	118.79	132.76
Customs **	6.72	35.55
The Competition Commission of India (CCI)****	555.97	555.97
Claims by Directorate General of Foreign Trade (DGFT)	14.12	14.12

* Claims against the group not acknowledged as debts include demands from Indian Income tax authorities for payment of additional income taxes of Rs. 2634.30 million. (Previous Year Rs. 2269.24 million) for the Assessment years 2007-08 to 2016-17; based on assessment/rectification/effects/stay/abeyance/appeal orders received/expected; Rs.123.16 million. (Previous Year Rs.132.99 million) of TDS demands raised/effects of appeals received/expected in respect of Assessment Years 2011-12 to 2013-14 under a TDS survey proceeding; Fringe Benefit Taxes in respect of Assessment years 2006-07 to 2008-09 amounting to Rs.91.59 million. (Previous year Rs.91.59 million) arose on account of adverse appeal decision in Department's appeal. Based on various decisions of appellate authorities in similar matters and the interpretations of relevant positions, the group has been advised that the demands are likely to be either deleted or substantially reduced and accordingly no provision has been made in the financial statements. The matters are pending/being preferred before respective appellate authorities and not yet settled and hence such outflow would be determined on such settlement.

** Towards levy of Excise duty, Service Tax, GST and Customs Duty, including penalty but other than interest thereof on account of issues relating to classification, valuation, CENVAT credit on inputs, capital goods and input services under Central Excise Act, 1944 & Central Excise Tariff Act, 1985, and rules made thereunder, Finance Act, 1994 and Rules made thereunder, relevant GST Acts and Rules made thereunder, Customs Act, 1962 & Customs Tariff Act, 1975 and rules made thereunder and Foreign Trade Policy, against which group has appealed before ACCE/CCE(A)/ADGFT/RA/CESTAT/High Court/Supreme Court. As per the opinion obtained from various counsels, the group does not anticipate any liabilities against the above claims.

*** VAT assessment of Gujarat State has completed upto the year 2016-17, and other than State of Gujarat group have disputed liability of Rs 118.79 million (Previous year Rs 132.76 million) raised by the statutory bodies in the State of West Bengal, Uttar Pradesh, Andhra Pradesh, Orissa and Kerala for which hearing of appeals at various forums are pending.

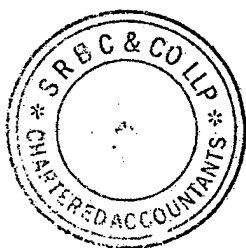
**** The Competition Commission of India (CCI) vide its order dated June 03, 2019 has imposed a penalty of INR 555.97 million on the Company alleging appointment of the new stockiest of the Company subject to permission (NOC /LOC) of Association in contravention of certain provisions of the Competition Act, 2002. NCLAT vide its order dated 08.08.2019 has stayed the Order of the CCI and directed the Appellants to deposit 10% of the penalty amount by way of FDR. We have deposited the FDR as directed by NCLAT.

(d) The Group company is involved in various legal proceedings including product liability, contracts and other regulatory matters relating to conduct of its business. The Company records a provision in the financial statements to the extent that it concludes that a liability is probable and estimable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc. The Company carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters are not expected to have material adverse effect on its Financial Statements.

(e.) Accord Healthcare Inc., North Carolina, USA is involved in lawsuits, including both patent (including challenges under 21 U.S.C. § 355(j)(2)(A)(vii)(IV) and 21 C.F.R. § 314.95(c)(6), commonly referred to as Paragraph IV Challenges) and other commercial matters that arise from time to time in the ordinary course of business.

Owing to uncertainties revolving around these matters in terms of the stage of the proceedings (in many cases trial dates have not been set) and the overall length and extent of pre-trial discovery, the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability, uncertainties in timing of litigation and the possible need for further legal proceedings to establish the appropriate amount of damages, if any, it is not possible to ascertain and quantify actual financial impact.

Although there can be no assurance regarding the outcome of any of the legal proceedings or investigations referred to in this Note, the Group does not expect them to have a materially adverse effect on its financial position.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

- (f) Accord Healthcare Inc., North Carolina, USA has been named in a number of lawsuits related to the use of docetaxel for treatment of breast cancer resulting in long-term hair loss (product liability claim). There are over 8,000 cases consolidated into a multi-district litigation (the "MDL") pending in federal court in the Eastern District of Louisiana. Accord Healthcare Inc., North Carolina, USA has been named and served in over 2,300 of these cases. Accord Healthcare Inc., North Carolina, USA is scheduled to go to trial in one of the bellwether cases in Fall, 2020. Additionally, Accord Healthcare Inc., North Carolina, USA has been named and served in approximately 40 cases pending in State court in New Jersey and Delaware. Notices of Removal have been filed in the New Jersey State court cases with the goal of transferring the State court cases to the MDL. These matters are insured. Accord Healthcare Inc., North Carolina, USA and its insurance provider are vigorously defending these claims and has engaged counsel as appropriate in various jurisdictions.
- (g) Accord Healthcare Inc., North Carolina, USA has been named and served in a case brought by Jim Hood, Attorney General of the State of Mississippi. The suit seeks civil damages for violations of the Mississippi Consumer Protection Act. Under various grounds available under the facts and the law, Company is seeking dismissal of the complaint.
- (h) In August 2018 Accord Healthcare Inc., North Carolina, USA initiated a nationwide consumer-level recall of one lot of its Hydrochlorothiazide Tablets USP 12.5 mg, 100 count, Lot Number PW05264, Manufacturing Date: 12/2017, Expiry Date: 11/2019. Since that time Accord Healthcare Inc., North Carolina, USA has received numerous claims and tenders of indemnity related to the recall, though no lawsuits have been filed to date. Accord Healthcare Inc., North Carolina, USA is currently answering these claims with correspondence explaining that the recall most happened inside the pharmacy in which the claim was made. Additionally, Accord has been sued in two cases, one in Federal court in Louisiana and one in State court in Louisiana. Accord has moved for summary judgment in both matters. Accord Healthcare Inc., North Carolina, USA believes that the mix up occurred at the pharmacy that raised the complaint and not at the manufacturing unit of Intas. Intas does carry insurance that may cover these claims.
- (i) The Competition and Markets Authority (CMA) is currently investigating matters relating to the pricing of Hydrocortisone in the UK. The CMA has previously issued a draft penalty statement indicating the fine it proposed to issue in connection with its investigation into Accord-UK Limited's (formerly Actavis UK Limited, one of the subsidiaries of Accord Healthcare Limited) pricing of Hydrocortisone tablets in the UK. However, the company is advised that the level of the fine proposed by the CMA is open to serious question from a legal point of view and representations challenging every aspect of the proposed fine have been made to the CMA. Furthermore, there have subsequently been significant developments in the area of law pertinent to the investigation, which are not yet settled finally, and it is not clear how the CMA may be planning to amend its case in light of these changes. Fines for competition law infringements can be up to 10% of the global group turnover. However, given the current uncertainty, it is not possible to quantify any such fine in relation to the investigation into the pricing of Hydrocortisone, where the investigation is ongoing. If any fine is ultimately imposed, the group will have the opportunity to appeal that fine. If a fine is imposed and any appeal is ultimately unsuccessful, litigation may be issued against the group in connection with these matters.

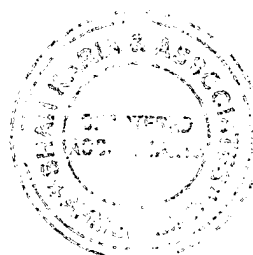
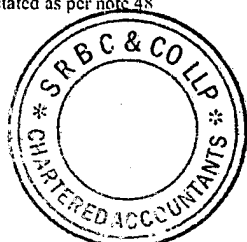
In relation to above, if any such fines are imposed (and any appeals are unsuccessful), the group may benefit from contractual protections/indemnification in connection with these matters from third parties, which would offset a significant part of any losses suffered by the group. Such protections arise from the agreements relating to the divestment of Actavis UK Limited (now Accord-UK Limited) by its previous owner and its acquisition by Intas Pharmaceuticals Limited. Given the current uncertainty, it is therefore not possible to quantify the value of any such assets. However, as the contractual protection/indemnification covers the period up to closing of that divestment in January 2017 and given that the alleged infringement relating to the pricing of Hydrocortisone tablets in the UK is for the most part historical, the directors therefore estimate that the contractual protection/indemnification should significantly offset any related contingent liability that may arise.

- (j) Former employee of Accord Healthcare Inc., Canada has filed a suit against the entity for wrongful dismissal. In the opinion of management, the outcome of the lawsuit, now pending with a court, is not determinable. Should any loss result from the resolution of this claim, such loss will be charged to operations in the year of resolution. The group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

35 EARNINGS PER SHARE (EPS)

		Year ended March 31	
		2020	2019 ¹
Net Profit as per Consolidated Statement of Profit and Loss (Basic & Diluted)	Rs.in million	16,405.66	12,662.06
Opening number of Equity Shares	Nos.	114,743,972	114,743,972
Weighted average number of equity shares in calculating basic EPS	Nos.	114,743,972	114,743,972
Add: Weighted average number of shares arising out of outstanding stock options and rights that have dilutive effect on EPS	Nos.	270,901	156,800
Weighted average number of equity shares in calculating diluted EPS	Nos.	115,014,873	114,900,772
Basic Earning Per Share	Rs	142.98	110.35
Diluted Earning Per Share	Rs	142.64	110.20
Nominal Value of Shares	Rs	10.00	10.00

¹ Figures are restated as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

36 INFORMATION IN RESPECT OF RELATED PARTIES

List of Related parties and their relationships

A Enterprises where Key Managerial Personnel have Significant Influence (EHSI)

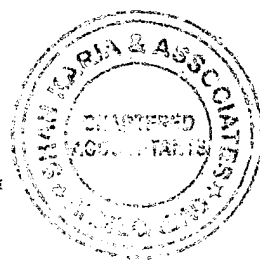
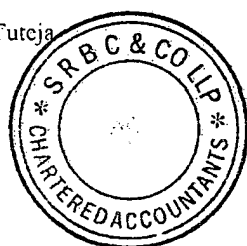
Advanced Transfusion Medicine Research Foundation
Arron Fresh Private Limited
Astron Packaging Limited
Cytas Research Limited (upto February 11, 2019)
Epsilon Marketing and Consultancy Private Limited
Equatorial Private Limited (upto February 11, 2019)
Intas Enterprise Private Limited (upto February 11, 2019)
Jina Pharmaceuticals Inc., USA
Jina Pharmaceuticals Limited
Lambda Therapeutic Research Limited
Lambda Therapeutic Research Sp. Z.o.o. Poland
Lambda Therapeutic Limited, UK
One Advertising & Communication Services Limited
Oncology Services India limited
Prime Paediatrics Private Limited (upto October 16, 2018)
Lambda Therapeutic Research Inc., USA
Lambda Therapeutic Research Inc., Canada
Unipath Specialty Laboratory Limited
Lambda Clinical Services Limited
Intas Welfare Trust
Occura Eyecare Private Limited
Astron Tours and Travels Private Limited
Accord Healthcare (Kenya) Limited (Till June 27, 2018)
Accord Healthcare Limited (w.e.f August 31, 2018)

B Key Managerial Personnel (KMP) and their relatives

Mr. Hasmukh K. Chudgar
Mr. Binish H. Chudgar
Mr. Nimish H. Chudgar
Dr. Urmish H. Chudgar
Mrs. Kusum Chudgar
Mrs. Binaben N Chudgar
Mrs. Bindiben H Chudgar
Mrs. Parulben U Chudgar
Mr. Shail U Chudgar
Mr. Jayesh S. Shah
Mr. Tushar D. Shroff
Mr. Manoj N. Nair

C Independent Directors

Mr. TP Ostwal
Mr. John Goddard
Mr. Surender Kumar Tuteja



INTAS PHARMACEUTICALS LIMITED

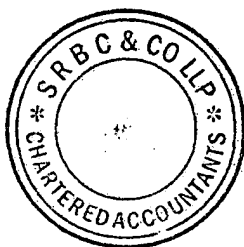
Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

36 INFORMATION IN RESPECT OF RELATED PARTIES (Cont..)

	Particulars	Enterprises Having Significant Influence (EHSI)		Key Managerial Personnel (KMP) and their relatives		Total	
		Mar-20	Mar-19 Restated	Mar-20	Mar-19 Restated	Mar-20	Mar-19 Restated
(ii)	Related Party Transactions						
	Sale of finished goods / services	-	5.66	-	-	-	5.66
	Purchase of PPE and Intangibles	163.11	-	-	-	163.11	-
	Receiving of materials and services	3,978.79	3,179.72	-	-	3,978.79	3,179.72
	Reimbursement of expenses	-	31.35	-	-	-	31.35
	Rent / interest paid	-	-	1.99	1.90	1.99	1.90
	Rent / interest received	0.96	0.96	-	-	0.96	0.96
	Dividend paid	-	238.72	1,058.47	194.29	1,058.47	433.01
	Remuneration to Key Managerial Personnel *	-	-	821.55	814.54	821.55	814.54
	Payment to Independent Directors	-	-	13.38	14.71	13.38	14.71
	* Amount includes Employee's stock option expense related to option granted to one of the KMP						
(iii)	Balances outstanding						
	Trade receivables	3.59	1.13	-	-	3.59	1.13
	Trade / others payable	524.17	981.75	309.62	1.06	833.79	982.81
	Advance to Creditors	26.81	37.17	-	-	26.81	37.17

Note : The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the Group as a whole.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

37 DETAILS OF EMPLOYEE BENEFITS

- (a) Employees of the certain group companies receives benefits of provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to government administered fund equal to 12% of the covered employee's qualifying salary.
The Group has no further obligations under the plan beyond its monthly contributions. The Group contributed Rs.500.91 million and Rs. 431.89 million to the provident fund plan during the years ended March 31, 2020 and March 31, 2019, respectively.

- (b) The Group has a defined benefit gratuity plan (funded). The scheme is funded with Life Insurance Corporation. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the plan.

STATEMENT OF PROFIT AND LOSS

Net employee benefit expense (recognised in employee cost):

Expense recognised in the Consolidated Statement of Profit and Loss for the year

Current service cost

Interest cost on benefit obligation

Return on plan assets

Expense recognised in other comprehensive income for the year

Net actuarial (gain) / loss recognised in the year

- Due to change in financial assumptions

- Due to experience

Net Benefit Expense

BALANCE SHEET

Changes in the present value of the defined benefit obligation are as follows:

Opening Defined Benefit Obligation

Acquisition of Subsidiary

Current Service Cost

Interest Cost on Benefit Obligation

Benefits paid

Actuarial (Gains) / Losses on Obligation

Closing Defined Benefit Obligation

Plan Assets

Reconciliation of fair value of plan assets

Opening balance of plan assets

Return on plan assets excluding amounts included in Interest income

Contribution of employer

Closing Balance of plan assets

Net Defined benefit obligation recognised in balance sheet

The principle assumption used in determining Gratuity Obligation for the Group's plan are shown below:

Discount Rate

Expected Return on Plan Assets

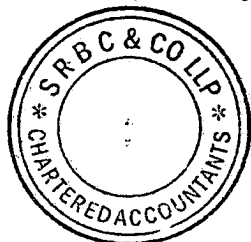
Increase in compensation cost

Rate of Employee Turnover

Mortality Rate During Employment

	Gratuity	
	2020	2019
Current service cost	141.53	114.73
Interest cost on benefit obligation	78.92	-
Return on plan assets	(3.31)	61.26
	217.14	175.99
Expense recognised in other comprehensive income for the year		
Net actuarial (gain) / loss recognised in the year		
- Due to change in financial assumptions	111.42	18.53
- Due to experience	57.60	49.87
	169.02	68.40
Net Benefit Expense	386.16	244.39
Changes in the present value of the defined benefit obligation are as follows:		
Opening Defined Benefit Obligation	983.18	777.43
Acquisition of Subsidiary	2.55	-
Current Service Cost	141.53	114.73
Interest Cost on Benefit Obligation	78.92	61.26
Benefits paid	(52.17)	(38.64)
Actuarial (Gains) / Losses on Obligation	169.02	68.40
Closing Defined Benefit Obligation	1,323.03	983.18
Plan Assets		
Reconciliation of fair value of plan assets		
Opening balance of plan assets		-
Return on plan assets excluding amounts included in Interest income	3.31	-
Contribution of employer	200.00	-
Closing Balance of plan assets	203.31	-
Net Defined benefit obligation recognised in balance sheet	1,119.72	983.18

Discount Rate	6.83	7.69
Expected Return on Plan Assets	6.83	N.A.
Increase in compensation cost	8.50	8.50
Rate of Employee Turnover	For service 4 years and below 10.00% p.a. For service 5 years and above 5.00% p.a.	For service 4 years and below 10.00% p.a. For service 5 years and above 5.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



37 DETAILS OF EMPLOYEE BENEFITS

	As at March 31	
	2020	2019
Within the next 12 months (next annual reporting period)	94.32	83.19
Between 2 and 5 years	286.16	227.74
Beyond 5 years	2,837.51	2,341.80
	3,217.99	2,652.73

Major categories of plan assets of the fair value of the total plan assets of gratuity are as follows:

Insurance Funds	203.31	-
% of total plan assets	100%	-
Expected contribution to planned assets for next year (gratuity)	417.24	-

Sensitivity Analysis for each significant actuarial assumption:

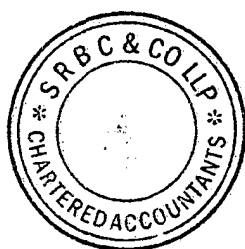
The significant actuarial assumptions for the determination of defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of respective assumptions occurring at the end of reporting period, while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

	(Rs Millions)	
	2020	2019
Projected Benefit Obligation on Current Assumptions	1,320.35	983.18
Delta Effect of +1% change in Rate of Discounting	(128.12)	(91.39)
Delta Effect of -1% change in Rate of Discounting	151.57	107.81
Delta Effect of +1% change in Rate of Salary Increase	147.56	105.87
Delta Effect of -1% change in Rate of Salary Increase	(127.38)	(91.53)
Delta Effect of +1% change in Rate of Employee Turnover	(21.91)	(9.68)
Delta Effect of -1% change in Rate of Employee Turnover	24.64	10.69

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

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

37 DETAILS OF EMPLOYEE BENEFITS

(c) Defined benefit pension scheme

One of the subsidiary Accord-UK Limited operates a defined benefit pension scheme. The Actavis Defined Benefit Pension Plan (formerly the Alpharma Limited Retirement Benefit Scheme), providing benefits based on final pensionable pay. This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the Company.

The scheme was closed to new entrants on 30 August 2006 and was closed to future accrual on 31 December 2010 at which time existing members of the pension scheme transferred to the company's defined contribution scheme. In November 2017, the trustees of the Scheme entered into a 'buy-in' contract to secure annuity policies covering all pensions currently in payment (together with attaching dependants' pensions) and the liability for the future benefits for the remaining active and deferred pensioner members.

The Scheme provides benefits on a defined benefit basis and the following disclosures relate to the defined benefit scheme alone.

	Pension	
	2020	2019
Present value of funded defined benefit obligations	(6,848.83)	(7,567.73)
Fair value of plan assets	6,932.68	7,662.38
Asset ceiling	-	-
Surplus/ (Deficit)	83.85	94.65
Movements in present value of defined benefit obligation		
At 1 April	(7,567.73)	(7,662.66)
Change in foreign currency translation reserve	(216.17)	150.21
Past service cost	-	262.83
Interest cost	(189.84)	(200.77)
Actuarial gain/(loss) arising from:		
- Changes in financial assumptions	742.43	(272.87)
- Changes in demographic assumption	-	-
- Experience gains/losses	-	-
Benefits paid	382.48	155.53
At 31 March	(6,848.83)	(7,567.73)
Movements in fair value of plan assets		
At 1 April	7,662.38	7,485.02
Change in foreign currency translation reserve	218.87	(146.72)
Interest income on plan assets	192.26	196.06
Return/loss on plan assets in excess of interest income	(758.35)	283.55
Benefits paid	(382.48)	(155.53)
At 31 March	6,932.68	7,662.38
(Expense) / income recognised in Consolidated statement of profit and loss		
Past service cost	-	265.74
Interest cost on defined pension plan obligation	(183.34)	(202.99)
Interest on effect of asset ceiling	-	-
Interest income on defined benefit pension plan assets	185.68	198.23
Total	2.34	260.98



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

37 DETAILS OF EMPLOYEE BENEFITS

Principal actuarial assumption at the year end were as follow:

Discount rate
Inflation rate - RPI
Salary growth
Pension increase in deferment- Pre April 2009
Pension increase in deferment- Post April 2009
Pension increase in payment - Fix 3%
Pension increase in payment - RPI, Max 5%
Pension increase in payment - RPI, Max 2.5%
Basic mortality table

As at March 31	
2020	2019
2.3% pa	2.5% pa
2.6% pa	3.4% pa
N/A	N/A
2.6% pa	3.4% pa
2.1% pa	2.5% pa
3.0% pa	3.0% pa
2.6% pa	3.3% pa
2.2% pa	2.4% pa
S2PMA/S2PFA	S2PMA/S2PFA
<hr/>	
Major categories of Plan Assets	
Equities	-
Bonds	-
Cash and other investments	41.97
Insurance policies	6,890.91
	7,620.67
	6,932.88
	7,663.65

The table below illustrates the estimated impact on the scheme's gross defined benefit obligation as at 31 March 2018 as a result of movements in the principal assumptions used to measure that obligation.

As at March 31	
2020	2019
Increase / decrease assumed rate of salary growth by 0.5% p.a.	+3% / -3%
	+3% / -3%

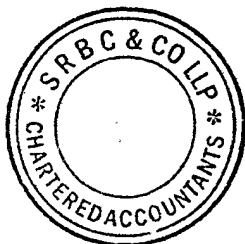
The above sensitivity analysis is based on a change in the salary growth assumption, which would affect the liabilities but not the value of assets.

Change in the other assumptions will have broadly the same effect on both the liabilities and assets, the resulting shortfall/surplus is therefore relatively insensitive to changes in the assumptions.

DEFINED CONTRIBUTION PENSION SCHEME

The group also contributed to a defined contribution pension scheme for the financial year as detailed below.

As at March 31	
2020	2019
Contribution during the year	189.36
Due to pension provider at the year end	46.25
	121.75
	38.25



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

38. FINANCIAL INSTRUMENTS

(i) Category wise classification of Financial assets and liabilities

Particulars *	As at March 31 2020		As at March 31 2019 ¹	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets:				
(a) Amortised cost:				
Cash & Cash Equivalents	6,375.58	6,375.58	1,981.96	1,981.96
Other Bank Balances	112.20	112.20	46.26	46.26
Trade Receivables	33,815.72	33,815.72	27,645.75	27,645.75
Loans	16.06	16.06	18.30	18.30
Other financial assets *	2,753.31	2,753.31	2,774.75	2,774.75
Total	43,072.87	43,072.87	32,467.02	32,467.02

Financial Liabilities:

(a) Amortised Cost:				
Borrowings	55,650.15	55,650.15	52,859.18	52,859.18
Trade Payables	21,224.41	21,224.41	21,833.59	21,833.59
Lease liabilities	980.37	980.37	-	-
Other financial liabilities	14,275.73	14,275.73	11,692.68	11,692.68
(b) Fair value through OCI:				
Derivative instruments	17.76	17.76	-	-
Total	92,148.42	92,148.42	86,385.45	86,385.45

* Other than investments in subsidiaries and jointly controlled entity.

¹ Figures are restated as per note 48

(ii) Fair value measurements:

The derivative instruments measured through fair value through profit and loss is measured using significant observable inputs being covered in level 2 hierarchy.

The investments measured through fair value through other comprehensive income is measured using significant observable inputs being covered in level 2 hierarchy.

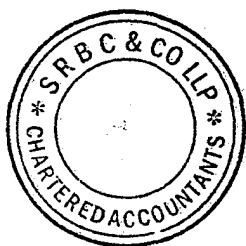
There have been no transferred between level 1 and level 2 during the period. There are no instruments covered under level 3.

(iii) Derivative financial instruments

The category wise outstanding positions of derivative instruments is as under:

Nature of Derivative Contracts	Currency	Buy / Sell	As at March 31, 2020		As at March 31, 2019	
			Amount (Rs.in million)	Foreign Currency (in million)	Amount (Rs.in million)	Foreign Currency (in million)
Options range forwards	USD	Sell	1,810.32	24.00	-	-
Options range forwards	EUR	Sell	249.42	3.00	-	-

The above derivatives are taken to cover foreign exchange risk of highly probable forecasted sales transactions occurring in foreign currencies and foreign currency receivables.



The Company is holding the following foreign exchange Contracts designated as cash flow hedges:

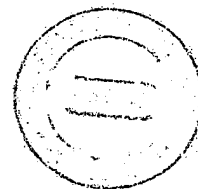
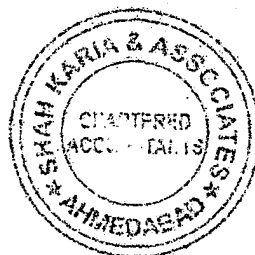
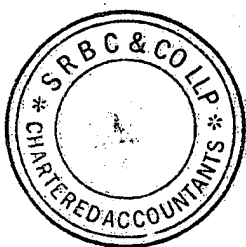
Particulars	Maturity Notional Amount (in Mns)	
	2020-21	2021-22
Option Range Forwards	USD 24.00	-
Option Range Forwards	EUR 3.00	-

The impact of the hedging instruments on the balance sheet (recognised in other financial liabilities) is as follows:

Particulars	31-03-2020 Notional Amount (in Mns)	31-03-2020 Carrying Amount (in Mns)	31-03-2019 Notional Amount (in Mns)	31-03-2019 Carrying Amount (in Mns)
Option Range Forwards	USD 24.00			
Option Range Forwards	EUR 3.00	(17.76)	-	-

The impact of the hedging instruments on the statement of profit and loss for the Year Ended 31st March, 2020 is as follows:

Particulars	Total hedging gain/(loss) recognised in OCI (in Mns)	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss
Option Range Forwards	(17.76)	-	-	-



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

(iv) Financial risk management

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

(a) Market risk :

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

(a) (i) Foreign currency exchange rate risk :

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

The major foreign currency exposures for the Group are denominated in USD, EURO and GBP. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges on future cash flows upto a maximum of 12 months forward / option based on historical trends, budgets and monthly sales estimates. Hedge effectiveness is assessed on a regular basis.

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

(Rs Millions)					
As at March 31 2020	USD	EUR	GBP	Others	Total
Assets :					
Cash & Cash Equivalents	1,734.77	1,529.47	616.76	916.71	4,797.71
Other Bank Balances	-	5.33	0.06	36.64	42.03
Trade Receivables	6,490.47	14,114.63	3,963.06	6,982.06	31,550.22
Other Financial Assets	2.33	-	2.90	38.41	43.64
Total	8,227.57	15,649.43	4,582.78	7,973.82	36,433.60
Liabilities					
Borrowings	6,118.75	28,093.81	20,281.90	157.50	54,651.96
Trade Payables	2,504.03	3,183.55	2,286.09	1,133.30	9,106.97
Other financial liabilities	26.65	18.98	13,047.89	442.28	13,535.80
Lease liabilities	592.91	-	328.80	-	921.71
Total	9,242.34	31,296.34	35,944.68	1,733.08	78,216.44

(Rs Millions)					
As at March 31 2019	USD	EUR	GBP	Others	Total
Assets :					
Cash & Cash Equivalents	254.11	689.37	233.83	532.59	1,709.90
Other Bank Balances	-	5.14	0.09	24.59	29.82
Trade Receivables	11,030.45	6,623.76	1,993.68	6,719.43	26,367.32
Other Financial Assets	2.14	-	22.53	31.99	56.66
Total	11,286.70	7,318.27	2,250.13	7,308.60	28,163.70
Liabilities					
Borrowings	3,661.23	21,703.02	26,454.03	171.63	51,989.91
Trade Payables	2,501.66	57,265.01	3,909.39	996.21	64,672.27
Other financial liabilities	16.58	9.03	10,488.27	207.08	10,720.96
Total	6,179.47	78,977.06	40,851.69	1,374.92	127,383.14



For the years ended March 31, 2020 and March 31, 2019, every 1% depreciation/appreciation in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would affect the Company's net profit by approximately Rs.(417.83) million and Rs. (435.34) million respectively.

(a) (ii) Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of foreign currency loans and rupee loans carrying a floating rate of interest. In respect of foreign currency loans, the Company has outstanding borrowing of USD 62.99 million, GBP 16.95 million and Euro 277.25 million.

For the years ended March 31, 2020 and March 31, 2019, a reasonable possible change of 50 basis points in interest rates at the reporting dates would have increased/(decreased) profit or loss by approximately Rs.242.21 million and Rs. 235.04 million respectively.

(b) Credit risk :

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

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2019 and March 31, 2018.

With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible.

(c) Liquidity risk :

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

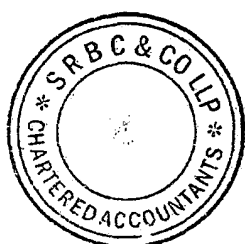
The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and As at March 31, 2018

(Rs Millions)					
As at March 31 2020	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	21,224.41	-	-	-	21,224.41
Borrowings	29,797.12	13,681.26	12,171.77	-	55,650.15
Derivative instruments	17.76	-	-	-	17.76
Other financial liabilities	14,301.37	-	-	954.73	15,256.10
Lease Liabilities	280.47	-	641.77	7.85	930.09
Total	65,621.13	13,681.26	12,813.54	962.58	93,078.51

As at March 31 2019 1	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	21,833.59	-	-	-	21,833.59
Borrowings	17,492.53	14,247.63	21,119.04	-	52,859.19
Other financial liabilities	11,440.37	-	-	252.31	11,692.68
Total	50,766.49	14,247.63	21,119.04	252.31	86,385.46

(v) Capital management

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



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

39 SEGMENT INFORMATION

A. Basis for Segments:

The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to ensure the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

B. Geographic information

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

Entity - wide disclosures :

(i) Revenues from external customers :

	Year ended March 31	
	2020	2019 ¹
India	47,902.46	41,999.80
Outside India		
USA	25,369.83	22,932.16
Europe	59,543.90	49,662.26
Others	15,728.52	14,778.44
	148,544.71	129,372.66

(ii) Non-current assets (*) :

	Year ended March 31	
	2020	2019 ¹
India	39,034.60	32,630.93
Europe	56,621.18	54,175.38
USA	1,885.49	1,978.54
Outside India	841.45	755.67
	98,382.72	89,540.52

(*) Non-current assets for this purpose consist of property, plant and equipment, intangible assets, Loans, Other financial assets and Other non-current assets.

(iii) Major customers :

The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2020 and March 31, 2019.

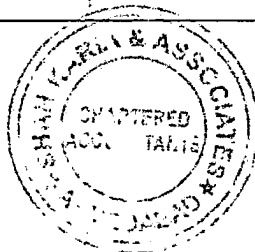
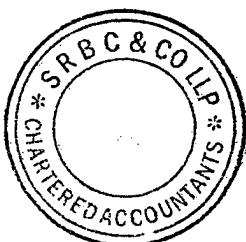
¹ Figures are restated as per note 48

40 BUSINESS COMBINATIONS AND ACQUISITIONS

Acquisition of S M Herbal Private Limited:

During the year, the Group has acquired 100% equity stake of M/S S M Herbal Private Limited, which is engaged in business of manufacturing and marketing of active pharmaceutical ingredients., pursuant to a Share Purchase agreement signed on October 31, 2019 at a consideration of Rs. 576.51 million. The fair value of the identifiable assets and liabilities of S M Herbal Private Limited as at the date of acquisition were as follows:

Particulars	Amount (Rs. In MN)
Property, plant and equipment	145.22
Investment	0.18
Other financial assets	2.21
Other current assets	3.50
Cash and cash equivalents	9.31
Bank balances other than cash and cash equivalents	0.04
Inventories	161.89
Trade receivables	8.85
Total Assets	331.20
Liabilities	
Trade Payables	(21.31)
Provisions	(2.92)
Tax Liability, net	(0.46)
Other current liabilities	(37.91)
Total Liabilities	(62.60)
Deferred tax liabilities, net	(26.30)
Total identifiable Assets at fair value	242.29
Goodwill arising on Acquisition	334.22
Purchase Consideration Transferred	576.51



Intas Pharmaceuticals Limited

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From the date of acquisition, S M Herbal Private Limited has contributed Rs.180.86 million and Rs. 30.21 million to the revenue and profit before tax of the Group. If the business combination had taken place at the beginning of the year, revenue would have been Rs.294.57 million and the profit before tax for the group would have been Rs.41.15 million.

41 Exceptional Items

Exceptional items during the year ended March 31, 2019 include legal settlements payable for the year related to Patent infringement and other items as details below:

Product infringement payable / (receivable)

Integration expense

Year ended March 31	
2020	2019
-	(509.85)
-	53.88
-	(455.97)

42 CSR EXPENDITURE

The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is Rs.67.11 million (previous year Rs.67.06 million shown in the respective heads of account) including Rs.0.28 million spent towards construction of building (previous Year Rs.10.30 million) and is shown separately based on guidance note on accounting for expenditure on CSR activities issued by the ICAI.

The amount required to be spent by the Company during the year is Rs.300.10 million (Previous Year Rs.287.99 million)

43 SHARE-BASED PAYMENT TRANSACTIONS

The Company has introduced Employee Stock Option Scheme, 2016 ("ESOS / Options") and Employee Stock Appreciation Rights, 2017 ("ESAR / Rights") scheme during earlier year. Share Options and Rights of the Company have been granted to eligible employees of the Company and its subsidiaries. The exercise price of Options is Rs.10 for employees of the Company and Rs.1,560, Rs.2,214 and Rs.2,215 for employees of its subsidiary entities while exercise price of Rights is Rs.10. Options and Rights granted would vest not earlier than one year and not more than four years commencing from the date of Grant of such Options and Rights. Options and Rights will vest in the proportion of 30%, 30%, 40% or 60%, 40% each year from the date of the grant. The Committee shall decide the Vesting schedule to any Employee or category of Employees as the case may be.

The fair value of Options and Rights are estimated at the grant date using a Black Scholes option pricing model, taking into account the terms and conditions upon which the Options and Rights were granted.

There are no cash settlement alternatives for employees.

The expense recognised for employee services received during the year is Rs. 188.20 million (Previous year Rs.417.74 million).

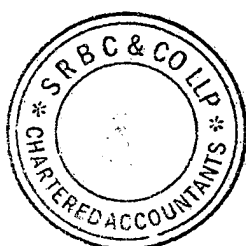
Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Options and Rights during the year:

Particulars	ESOS		ESAR	
	March 31, 2020	WAEP	March 31, 2020	WAEP
Outstanding as at April 01, 2018	422,620	1,325	72,021	10
Granted during the year	6,815	1,325	-	-
Lapsed/forfeited during the year	(6,032)	1,325	(5,320)	10
Options exercised during the year	-	-	-	-
Outstanding as at April 01, 2019	423,403	1,325	66,701	10
Granted during the year	25,936	2,215	29,209	10
Cancelled/forfeited during the year	(32,898)	1,560	-	-
Options exercised during the year	-	-	-	-
Outstanding as at March 31, 2020	416,441	1,362	95,910	10
Exercisable at March 31	234,724	-	40,021	-

The following tables list the inputs to the models used for the two plans for the year ended March 31, 2020:

Particulars	Year ended on March 31, 2020		Year ended on March 31, 2019	
	ESOS	ESAR	ESOS	ESAR
Dividend yield (%)	0.16	0.16	0.19	0.19
Expected volatility (%)	27.40	27.40	30.22	30.22
Risk-free interest rate (%)	7.80	7.80	7.32	7.32
Expected life of share options/ ESAR	2.55	2.55	3.55	3.55
Grant date share price (INR)	2,822.54	2,822.54	2,564.25	2,564.25
Model used	Black Scholes Option Pricing		Black Scholes Option Pricing	



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

The expected life of the share options and ESARs is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

44 LEASING

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Group has adopted Ind AS 116 - 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Group has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- The Group has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.
- The Group has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The borrowing rate applied to lease liabilities as at 1st April, 2019 is 4% to 8.46% (i.e. incremental borrowing rate of the respective entities).

(A) The carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

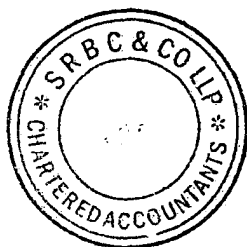
Particulars	Year ended March 31 2020
Addition on 1st April, 2019 (on adoption of Ind AS 116 - Leases)	1,195.20
Additions during the year 2019-20	61.51
Finance costs incurred during the year	30.56
Payments of Lease Liabilities	(340.17)
Foreign currency translation reserve	19.21
Balance as at 31st March, 2020	966.31

(B) Amounts recognised in profit or loss

Particulars	Year ended March 31 2020
Depreciation and amortisation	325.12
Other expenses	85.54
Finance cost	30.56
	441.22

(C) Amounts recognised in statement of cash flows

Particulars	Year ended March 31 2020
Total Cash outflow for Leases (financing activities)	340.17
	340.17



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

(D) Maturity analysis of lease liabilities

Maturity Analysis of contractual undiscounted cash flows

Particulars	Year ended March 31, 2020
Less than one year	305.71
One to five years	682.17
More than five years	7.85
Total undiscounted Lease Liability	995.73
Balances of Lease Liabilities	
Non Current Lease Liability	680.70
Current Lease Liability	299.67
Total Lease Liability	980.37

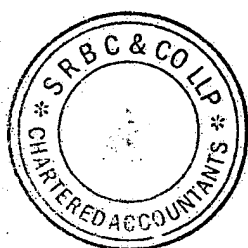
45 SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated 18th January, 2019 approved the Composite Scheme of Arrangement ("Scheme") in the nature of deimger of undertakings of Equatorial Private Limited ("EPL") and Intas Enterprise Private Limited ("IEPL") and transfer of the same to Accord Healthcare Limited, India and merger of Cytas Research Limited ("CRL") and remaining undertaking of EPL and IEPL with the Company.

During the previous year ended March 31, 2019, in terms of clause 17 of the sanctioned Scheme and upon the Scheme being effective the equity shares aggregating to 53,047,798 held by EPL, IEPL and CRL ("Transferor Companies") in the Company stood cancelled and the Company, issued and allotted 53,047,798 equity shares of Rs. 10/- each of the Company were issued to the respective equity shareholders of Transferor Companies in the ratio mentioned in the Scheme in lieu of their holdings in those Companies.

Details of assets, liabilities and reserves taken over and resultant adjustment to capital reserve is as under:

(Rs. million)				
Particulars	EPL	IEPL	CRL	Total
Cash and cash equivalents			0.01	0.01
Balance in Retained earnings	(254.71)	(106.80)	8.89	(352.62)
Balance in Securities Premium	(19.80)	(5.40)		(25.20)
Total assets, Liabilities and reserves acquired	(274.51)	(112.20)	8.90	(377.81)
Transfer to Capital Reserve	274.51	112.20	(8.90)	377.81



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

46 INCOME TAX EXPENSE

A The major components of income tax expense are:

Particulars	Year ended March 31	
	2020	2019 ¹
Current income tax:		
Current income tax charge	4,886.95	5,244.04
Short / (Excess) provision for current tax of earlier years	-	68.82
Deferred tax:		
Relating to origination and reversal of temporary differences	1,707.92	(1,156.45)
Tax expense reported in the statement of profit and loss	6,594.87	4,156.41
OCI Section:		
Tax effect on net movement on cash flow hedges	(3.10)	-
Tax effect on net gain/(loss) on hedge of net investment	206.62	(137.99)
Tax effect on net loss / (gain) on remeasurements of defined benefit plans	(29.62)	(30.93)
Tax expense/ (benefit) reported in the statement of OCI	173.90	(168.92)

B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31	
	2020	2019 ¹
Profit before Tax	23,000.53	16,818.47
Enacted tax rate in India	34.94%	34.94%
Expected income tax expense	8,037.31	5,877.05
Adjustments to reconcile expected Income tax expense to reported income tax expense:		
Effect of Weighted deduction allowed in India on research & development expenses	(742.35)	(708.90)
Effects of Different enacted tax rates for foreign entities	(1,829.81)	(538.55)
Effect of incomes exempt from income tax in India	(3,077.54)	(2,528.97)
MAT Credit not recognised	697.12	1,072.23
Reversal of MAT credit entitlement	1,409.51	-
Effects of expenses not deductible in determining taxable profit	753.12	514.69
Prior year tax adjustments in subsidiaries	929.94	101.42
Short/(excess) provision of current tax of earlier year	-	68.82
Others	417.57	298.63
Aggregate Tax Adjustments	(1,442.44)	(1,720.63)
Effective tax	6,594.87	4,156.41
Effective tax rate	28.67%	24.71%

Components of Deferred Tax Assets and Liabilities

Particulars	As at March 31	
	2020	2019 ¹
Deferred tax relates to :		
<u>Deferred tax liabilities:</u>		
Depreciation and amortisation	2,364.43	713.73
	2,364.43	713.73
<u>Deferred tax Assets:</u>		
MAT Credit entitlement	-	1,409.47
Reserves and provisions	1,250.75	628.47
Unrealised profit on inventories	927.40	698.74
Provision for employee benefits	657.30	621.08
Provision for doubtful debts	23.92	25.07
Others	521.97	151.73
	3,381.34	3,534.56
Deferred Tax Assets (Net)	1,016.91	2,820.83

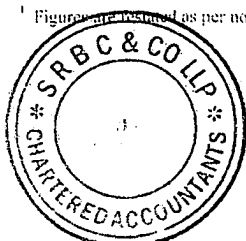
During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Till the year ended 31 March 2020, the Company did not recognise deferred tax assets of Rs 6,025 million primarily on MAT credit entitlement, as the Company believes that availability of taxable profit is not probable. The above MAT credit expire during various years ranging from 2027 through 2035.

Movement of Deferred Tax Assets (Net)

Particulars	As at March 31	
	2020	2019 ¹
Opening deferred tax assets (net)	2,820.83	1,842.14
Credit / (charge) to profit and loss	(1,707.92)	1,156.45
Foreign currency translation reserve	(96.00)	(177.76)
Closing deferred tax assets (net)	1,016.91	2,820.83

¹ Figures are rounded as per note 48



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

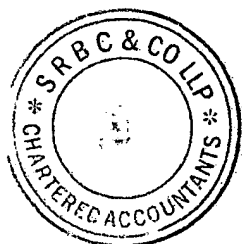
47. Additional Information, As Required Under Schedule III To The Companies Act, 2013, Of Enterprises Consolidated As Subsidiary / Jointly Controlled Entities

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive Income		Share in total Comprehensive income	
	As % of consolidated net assets	Rs. million	As % of consolidated profit and loss	Rs. million	As % of consolidated other comprehensive income	Rs. million	As % of total comprehensive income	Rs. million
Parent								
Intas Pharmaceuticals Limited	93.83%	90,433.35	81.34%	13,345.15	95.00%	740.42	81.96%	14,085.57
India								
S M Herbal Pvt Ltd.	0.18%	176.65	0.14%	22.66	-0.04%	(0.34)	0.13%	22.33
Foreign								
Accord Healthcare Limited, UK	-12.01%	(11,572.63)	-17.67%	(2,898.38)	19.82%	154.52	-15.97%	(2,743.86)
Astron Research Limited, UK	0.14%	139.46	0.02%	3.38	0.49%	3.78	0.04%	7.16
Accord Healthcare Inc., North Carolina, USA	1.08%	1,040.89	3.53%	578.70	18.64%	145.25	4.21%	723.95
Accord Healthcare (Pty) Limited, South Africa	-0.01%	(11.87)	-0.14%	(23.42)	0.22%	1.69	-0.13%	(21.73)
Accord Farmaceutica Ltda., Brazil	0.55%	534.58	0.89%	146.79	-14.23%	(110.91)	0.21%	35.88
Accord Healthcare SAC, Peru	-0.17%	(167.18)	-0.36%	(59.54)	-0.99%	(7.71)	-0.39%	(67.25)
Accord Farma S.A. De C.V., Mexico	0.34%	328.38	0.42%	69.46	-5.59%	(43.55)	0.15%	25.92
Accord Healthcare Inc., Canada	0.05%	46.78	0.13%	20.92	-2.62%	(20.44)	0.00%	0.48
Accord Healthcare Pty, Ltd, Australia	0.06%	56.58	0.16%	25.53	-0.32%	(2.46)	0.13%	23.07
Intas Third Party Sales 2005 S.L.	-0.08%	(80.03)	-0.31%	(50.74)	-0.53%	(4.16)	-0.32%	(54.90)
Accord Healthcare (Kenya) Limited	0.05%	46.55	0.04%	6.09	0.13%	0.98	0.04%	7.06
Farmhaiot S.A. DE CV, Mexico ⁽¹⁾	0.06%	60.26	-0.20%	(33.10)	2.81%	21.90	-0.07%	(11.20)
Essential Pharmaceuticals LLC ⁽³⁾	1.17%	1,125.72	1.94%	318.16	0.00%	-	1.85%	318.16
Accord Biopharma Inc. USA ⁽³⁾	-0.23%	(225.55)	-0.74%	(121.93)	0.00%	-	-0.71%	(121.93)
Accord Healthcare SAS, France ⁽¹⁾	0.22%	216.57	0.81%	132.19	-2.31%	(18.00)	0.66%	114.19
Accord Healthcare BV, Netherlands ⁽¹⁾	0.23%	217.39	0.73%	120.34	-5.83%	(45.42)	0.44%	74.93
Accord Healthcare Sociedad Limitada, Spain ⁽¹⁾	1.69%	1,630.57	5.27%	864.80	-3.79%	(29.54)	4.86%	835.25
Accord Healthcare Italia SRL, Italy ⁽¹⁾	0.20%	193.23	0.83%	135.36	-3.76%	(29.30)	0.62%	106.06
Accord Healthcare Polska Spolka Z Organizacja Odpowiedzialnoscia, Poland ⁽¹⁾	-0.07%	(68.03)	-1.30%	(212.48)	7.56%	58.93	-0.89%	(153.56)
Accord Healthcare AB, Sweden ⁽¹⁾	0.16%	150.47	0.46%	75.86	1.24%	9.69	0.50%	85.55
Accord Healthcare GmbH, Austria ⁽¹⁾	0.08%	77.73	0.19%	30.57	-0.61%	(4.74)	0.15%	25.83
Accord Healthcare OY, Finland ⁽¹⁾	-0.02%	(24.06)	0.18%	29.87	-0.39%	(3.06)	0.16%	26.81
Accord Healthcare Ireland Limited, Ireland ⁽¹⁾	0.78%	748.58	1.09%	178.84	-1.80%	(14.06)	0.96%	164.78
Accord Healthcare BVPA, Belgium ⁽¹⁾	-0.08%	(80.62)	0.04%	6.33	-0.16%	(1.24)	0.03%	5.09
Accord Healthcare Limited, Malta ⁽¹⁾	0.00%	(3.88)	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Accord Healthcare OU, Estonia ⁽¹⁾	0.08%	72.84	0.03%	4.22	0.00%	-	0.02%	4.22
Accord Healthcare GmbH, Germany ⁽¹⁾	0.33%	316.48	0.89%	146.16	-1.81%	(14.13)	0.77%	132.03
Accord Healthcare SDN BHD, Malaysia ⁽¹⁾	-0.04%	(34.69)	-0.04%	(6.52)	0.02%	0.15	-0.04%	(6.37)
Accord Healthcare MENA JLT, UAE ⁽¹⁾	0.07%	67.62	0.43%	71.01	0.00%	-	0.41%	71.01
Accord Healthcare S.R.O., Czech Republic ⁽¹⁾	0.01%	10.92	0.01%	1.48	0.00%	-	0.01%	1.48
Accord Healthcare Private limited, Singapore ⁽¹⁾	-0.27%	(256.52)	-0.15%	(24.69)	0.02%	0.16	-0.14%	(24.53)
Accord Healthcare, Unipessoal, Lda ⁽¹⁾	0.14%	130.15	0.37%	60.50	-0.56%	(4.39)	0.33%	56.11
Accord Healthcare HK Limited, Hongkong ⁽¹⁾	-0.03%	(32.78)	-0.05%	(8.10)	0.00%	-	-0.05%	(8.10)
Accord Healthcare SRL, Romania ⁽¹⁾	0.00%	1.67	-0.03%	(5.59)	0.00%	-	-0.03%	(5.59)
Accord Healthcare AG, Switzerland ⁽¹⁾	-0.14%	(134.70)	0.04%	7.28	-0.29%	(2.25)	0.03%	5.03
Accord UK Limited ⁽¹⁾	11.69%	11,267.65	21.17%	3,472.73	-0.30%	(2.34)	20.19%	3,470.39
Accord Healthcare Thailand Limited (Thailand) ⁽¹⁾	0.00%	(0.99)	-0.09%	(14.18)	0.00%	-	-0.08%	(14.18)
Accord Healthcare Korea Limited ⁽¹⁾	-0.02%	(15.69)	-0.06%	(9.93)	0.00%	-	-0.06%	(9.93)
Jointly Controlled Entity								
Alvi-Intas Medical Devices Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TOTAL	100.00%	96,381.86	100.00%	16,405.66	100.00%	779.42	100.00%	17,185.08

⁽¹⁾ Wholly-owned subsidiary of Accord Healthcare Limited, UK

⁽²⁾ Wholly-owned subsidiary of Accord Farma S.A. De C.V., Mexico

⁽³⁾ Wholly-owned subsidiary of Accord Healthcare Limited, USA



Intas Pharmaceuticals Limited

Notes to the Consolidated Financial Statements as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

48. PRIOR PERIOD ADJUSTMENT

Subsequent to adoption of Consolidated financial statements for the year ended March 31, 2019, the management has noted that revenue for one of the subsidiary company has been overstated with corresponding costs related to marketing and distribution expenses. The same tantamount to prior period error in terms of IND AS 8 and accordingly has been restated as below:

Statement of Profit and loss :

Particulars	Year ended March 31, 2019		
	Audited	Restatement	Restated
INCOME:			
Revenue from operations	131,100.22	(1,727.56)	129,372.66
Other income	219.56	-	219.56
Total income	131,319.78	(1,727.56)	129,592.22
EXPENSES:			
Cost of materials consumed	29,009.62	8,096.43	37,106.04
Purchases of stock-in-trade	20,657.29	(8,396.32)	12,260.97
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,854.26)	515.85	(3,338.41)
Employee benefits expenses	20,900.38	-	20,900.38
Finance costs	1,033.54	(7.17)	1,026.37
Depreciation and amortisation expense	5,092.47	-	5,092.47
Other expenses	40,056.89	125.01	40,181.90
Total expenses	112,895.93	333.80	113,229.72
Profit before tax and exceptional items	18,423.85	(2,061.36)	16,362.50
Less: Exceptional items	(455.97)	-	(455.97)
Profit before tax	18,879.82	(2,061.36)	16,818.47
Tax expenses:			
Current tax	5,277.12	(33.08)	5,244.04
Deferred tax credit	(658.50)	(497.95)	(1,156.45)
Short / (excess) provision for current tax of earlier years	68.82	-	68.82
Profit for the year	14,192.38	(1,530.33)	12,662.06
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations	(30.18)	10.81	(19.37)
	(30.18)	10.81	(19.37)
Net gain/(loss) on hedge of net investment	(640.63)	-	(640.63)
Income tax effect (current)	137.99	-	137.99
Net movement on hedge of net investment	(502.64)	-	(502.64)
Total Items that will be reclassified to profit or loss (B)	(532.82)	10.81	(522.01)
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans	(153.32)	-	(153.32)
Income tax effect	30.93	-	30.93
Net re-measurement of defined benefit plans	(122.39)	-	(122.39)
Total Items that will not be reclassified to profit or loss (C)	(122.39)	-	(122.39)
Other comprehensive income/(loss), net of taxes (D) = [B+C]	(655.21)	10.81	(644.40)
Total other comprehensive income for the year (A) + (D)	13,537.17	(1,519.52)	12,017.66



Intas Pharmaceuticals Limited

Consolidated Balance Sheet as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Balance sheet :

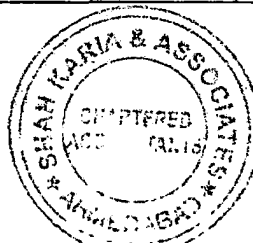
Particulars	As at March 31		
	Audited	Restatement	Reststed
ASSETS			
Non-current assets			
Property, plant and equipment	24,633.63	-	24,633.63
Capital work-in-progress	9,821.12	-	9,821.12
Goodwill	46,709.71	-	46,709.71
Other intangible assets	7,870.52	-	7,870.52
Intangible assets under development	90.60	-	90.60
Financial assets			
Investments	34.59	-	34.59
Loans	9.60	-	9.60
Other financial assets	142.10	(0.67)	141.43
Deferred tax assets, net	3,055.35	479.21	3,534.56
Tax assets, net	2,774.62	-	2,774.62
Other non-current assets	228.69	(0.27)	228.42
	95,370.53	478.27	95,848.80
Current assets			
Inventories	37,668.75	(213.61)	37,455.14
Financial assets			
Trade receivables	28,762.85	(1,117.10)	27,645.75
Loans	8.70	-	8.70
Cash and cash equivalents	1,982.16	(0.20)	1,981.96
Bank balances other than cash and cash equivalents	46.26	-	46.26
Other financial assets	2,043.64	589.68	2,633.32
Other current assets	6,907.09	(504.72)	6,402.37
	77,419.45	(1,245.95)	76,173.50

TOTAL ASSETS	172,789.98	(767.68)	172,022.30
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EQUITY AND LIABILITIES			
Share capital	1,147.44	-	1,147.44
Other equity	80,902.29	(1,519.50)	79,382.79
	82,049.73	(1,519.50)	80,530.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	35,366.66	-	35,366.66
Other financial liabilities	252.31	-	252.31
Provisions	1,616.73	-	1,616.73
Government grants	11.79	-	11.79
Deferred tax liabilities, net	713.73	-	713.73
	37,961.22	-	37,961.22

Current Liabilities			
Financial liabilities			
Borrowings	7,150.28	-	7,150.28
Trade payables	21,835.65	(2.06)	21,833.59
Other financial liabilities	20,998.70	783.91	21,782.61
Liabilities for current tax, net	-	541.99	541.99
Other current liabilities	1,192.78	0.08	1,192.86
Provisions	1,598.67	(572.10)	1,026.57
Government grants	2.95	-	2.95
	52,779.03	751.82	53,530.85

TOTAL EQUITY AND LIABILITIES	172,789.98	(767.68)	172,022.30
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Intas Pharmaceuticals Limited

Consolidated Balance Sheet as at March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

49 COVID Disclosure

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions.

Considering that the Group deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. The Group also has not experienced any difficulties with respect to market demand, collections or liquidity.

As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.

50 EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of July 08, 2020, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these consolidated financial statements.

As per our report of even date

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No.: 41818



Place: Mumbai
Date: July 8, 2020

For Shah Karia and Associates
Chartered Accountants
ICAI Firm Registration No.: 131546W

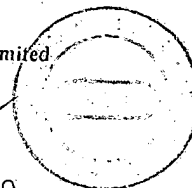
Priyank Shah
Partner
Membership No.: 118627

Place: Ahmedabad
Date: July 8, 2020



For and on behalf of the
Board of Directors of
Intas Pharmaceuticals Limited

Nimish Chudgar
Managing Director and CEO
DIN: 00212400



Jayesh Shah
Executive Director
DIN: 02681464

Tushar Shroff
Chief Finance Officer

Manoj Nair
Company Secretary

Place: Ahmedabad
Date: July 8, 2020