



Power of Empathy, Truth of Science

ANNUAL REPORT 2019-20



FORWARD-LOOKING STATEMENTS

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.

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FINANCIAL STATEMENTS

Highlights of FY20

Sales (INR)

10,741_{mn}

9.4 % yoy growth



EBITDA (INR)

3,684_{mn}

6.8 % yoy growth



PAT (INR)

2,965_{mn}

1.8 % yoy growth





POWER OF **EMPATHY**,
TRUTH OF **SCIENCE**

INDIA HEART STUDY

A MOMENT OF PRIDE

ERIS' INDIA HEART STUDY IN INTERNATIONAL JOURNAL

Our persistent efforts to promote science recognised
by global institutions of hypertension

Journal of
Hypertension

Official journal of the ISH & ESH



European
Society of
Hypertension



India Heart Study, the only study of its kind on Hypertension based on Indian population, which Eris carried out over the last year, has been jointly accepted by the **European Society of Hypertension** and **International Society of Hypertension** to publish in the upcoming issue of the Journal of Hypertension. Eris is possibly one of the very few Indian companies, if not the only, to have achieved this feat. The study reinforces Eris' position in the league of thought leaders who relentlessly aim towards creating a path breaking body of knowledge and thereby improve health outcomes.

A landmark study covering

18,918

PATIENTS

1,233

DOCTORS

355

CITIES

15

INDIAN STATES



PATIENT CARE INITIATIVES (PCI)



Over the last year, our PCI platform has become stronger and more focused to help doctors improve outcomes for thousands of patients. Every day, our initiatives are changing the way disease management is approached in the country. Our marketing divisions maintain their tenacious focus on Patient Care Initiatives while engaging with doctors. This investment in promotion of science provides Eris an unhindered mind-space and superior facetime with super specialist and specialist doctors.

Not only have we taken our flagship patient care initiatives like ABPM (Ambulatory Blood Pressure Monitoring), Sleep Study, Holter on call, CGM (Continuous Glucose Monitoring) on Call, Mobility Patron, ANC (Ante Natal Care) Associate to newer levels in terms of numbers and scale, this year we added newer initiatives like Save Kidney Save Heart.



Number of Patients Screened
13,204



Number of Patients Screened
38,991



Number of Patients Screened
81,000



Number of Patients Screened
> 1,20,000



Number of Patients Screened
> 2,50,000



Number of Patients Screened
313



Number of Patients Screened
1,05,381



Number of Patients Screened
43,781



Number of Patients Screened
1,86,169



Number of Patients Screened
1,302



Number of Patients Screened
12,721



Number of Patients Screened
20,907

Empowering Nation through Awareness

Our airport kiosks now screen patients for hypertension and diabetes at 7 airports across the country. To take the reach and access of these kiosks across more strata of our population, we decided to add a kiosk at the Delhi Metro Station as well as at Sir Gangaram Hospital in New Delhi and KG Hospital in Coimbatore, two of the nation's most reputed hospitals.

These kiosks have to-date screened more than 3,00,000 people. Astonishingly, more than 72,000 of them realised for the first time, with the help of findings at these screenings, that they are diabetic, hypertensive or both! The huge number makes our conviction even stronger that timely awareness is the first step towards a healthier nation.



Padmshree Dr. G. Bakthavathsalam
Owner of KG Hospital

CHAIRMAN'S LETTER

to Shareholders



Dear
Shareholders,

As I sit down to write this letter to you today, our nation and the whole world is going through testing times due to the Covid-19 pandemic. I pray and hope that very soon we will leave this pandemic behind us and will emerge from it stronger and wiser.

In these trying times, let me assure you that your company has been able to navigate itself efficiently. Three fundamental pillars of our business model assured that the disruptions caused by the pandemic were effectively managed.

The first pillar is the composition of our portfolio – in terms of therapy areas as well as large Mother Brands. Our portfolio constitutes 86% chronic and sub chronic therapies, with 56% coming from Diabetes Care and Cardiac Care alone. This ensured that most of our business comes from therapy areas that were least affected by the lockdown. Our emphasis on building large, strong and resilient Mother Brands – top 10 Mother Brands constitute 66% of the portfolio – stood ground in these times.

The second pillar is the strong cash flow generating ability of our business model. With efficient working capital management, your company was able to generate positive operating cash flows even in

these times when most financial systems saw liquidity drying up.

The third pillar of our business model is the robust supply chain management. Manufacturing operations at our Guwahati plant saw minimal impact with $\approx 90\%$ employees reporting to work. Adequate inventory of stocks was managed as part of our vigorous stock management. Distribution systems are also ramping up to full.

Strict adherence to our stated capital allocation policy meant that we could use our internally generated funds to consolidate and strengthen our balance sheet and at the same time invest for future. I have always shared with you our belief that from a shareholder point of view the most rewarding use of the free cash flows we generate every year is to reinvest them in the business for growth and expansion. This year we invested in Zomelis, our entry in the Vildagliptin market and expanded our manufacturing capabilities at the Guwahati plant. Also in line with the policy, we returned funds to the tune of INR $\approx 1,390$ mn to the shareholders through buyback of shares and an interim dividend.

This year your company extended its focus of disease management and forayed into disease prevention – through our OTC product portfolio. We strongly believe that while control and management of disease form an important aspect in building a strong healthcare system, disease prevention is the backbone of this strong healthcare system. This venture will also help us expand our representation in the acute market.

Exploring in-licensing opportunities has always been a part of our strategy for growth. Our ability to sell innovative concepts and our superior reach with super specialist doctors make us a partner of choice for multi-national corporations looking to make inroads in India with unique patented products. I am very glad to share with you that in Q3 FY 20 we launched Rariset under our in-licensing agreement with Pharmanutra S.P.A.

In the second half of this year we also realigned the structure of our business. The operations are now divided into four Strategic Business Units or Clusters-two for our cardio-metabolic franchise, one for CNS and one for our acute franchise. This realignment helps streamlining of focus, efforts and overview.

On behalf of the entire Board, I would like to express my gratitude to all of you – our shareholders, our employees and our business partners for being a part of our journey.

Regards,

Amit Bakshi

Chairman and Managing Director

FROM THE CFO'S DESK



I am delighted to share with you that strong cash flow generation remains a core focus for us.

Managing a tight control on our core working capital cycle is a pivotal element of our consistently strong operating cash flows. Over the years we have successfully done this while keeping in mind the interests of our vendors and customers. Case in point, this year we increased the credit period we allow our customers from 7/14 days to 21 days to help them better navigate any margin distress they may be facing due to channel disruptions in the industry. While this move - as well as increased sales in the last two weeks of March this year due to panic buying before the lockdown-increased our investment in working capital, it is a big step towards keeping the channel ecosystem healthy.

Effective balance sheet management remains core to sustaining our success. Since inception of the company, its balance sheet growth has been funded with internally generated earnings and the company has never in its history since inception raised equity capital; the public listing being an offer for sale by investors and promoters. In the last several years, staying committed to our stated capital allocation policy, we have chosen to utilise these internally generated earnings to invest for future growth.

From a financial perspective, FY 20 was a year of expansion and growth investments while keeping a tight control on costs and use of capital. Our strict adherence to our stated capital allocation policy meant that we could use our internally generated funds to consolidate and strengthen our balance sheet and at the same time invest for future. In December 2019, we did an acquisition of brand Zomelis from Novartis for INR 960 mn. We also made an additional investment of INR 316 mn to expand our manufacturing capabilities at the Guwahati plant. We believe that a strong debt free balance sheet will help us navigate the future better. In line with this view, we prepaid INR 1,750 mn of borrowings in April 2019.

In line with the capital allocation policy, this year we announced an interim dividend of INR 2.87 per share. We also successfully completed a buyback of 1,739,130 of our equity shares for INR 1,000 mn.

Our revenue from operations grew by 9.4% YoY, with the second half of the year seeing a higher growth momentum. Gross profit margin remained relatively stable at 84.0% of revenue.

This year saw a significant expansion of people (leading to higher on-boarding and training cost) and higher promotion costs for launch of new division and Zomelis. Employee cost for the year increased by 7.9% over previous year. Other expenses increased 12.1% over FY 19. These significant investments in people and promotions led to our EBITDA increasing 6.8% over FY 19.

Finance costs were significantly lower as we prepaid our borrowings in the first month of the financial year. For FY 20, our treasury investments earned an annual yield of 4.8%. The treasury is invested as per our Board

approved investment policy strictly adhering to our mandate to prioritise Safety, Liquidity and Returns, in that order.

Profit for the year was INR 2,965 mn, increasing by 1.8% over FY 19. Earnings per share increased by 2.2%, partly with profit for the year increasing and also on account of buyback of shares.

Our proven strategy of growth focus with clear control on costs and capital allocation has ensured that we continue to earn very high returns for our investors. Going forward, we will continue to create value for our investors by staying committed to our profitable growth strategy while being mindful stewards of capital. We will persist to achieve these financial commitments by maximizing the value of our investments to drive profitable growth and positive free cash flow as well as continuing to implement our operational effectiveness initiatives.

Sachin Shah
Chief Financial Officer

“ From a financial perspective, FY 20 was a year of expansion and growth investments while keeping a tight control on costs and use of capital. Our strict adherence to our stated capital allocation policy meant that we could use our internally generated funds to consolidate and strengthen our balance sheet and at the same time invest for future. ”

ERIS AT A GLANCE

WHO WE ARE

Eris Lifesciences is one of India's largest domestic branded formulations companies

Eris is a leading domestic branded formulations company with significant presence in chronic, sub chronic and acute segments. Our portfolio of over 100 Mother Brands has strong and established presence across lifestyle related therapies like Diabetes Care, Cardiac Care, Nutrition, Central Nervous System (CNS) and more. Our 15 marketing divisions cater to over 80,000 specialists and super specialist doctors. Our unique Patient Care Initiatives approach has ensured Eris is today ranked 22 in India, having jumped 7 ranks in the last 3 years and entering the elite list of the Top 25 pharmaceutical companies in India.

Today, more than **4,000 Erisians** – thriving at our offices, our advanced manufacturing facility in Guwahati and across field in India - join hands to prepare Eris for the next decade of challenges and opportunities.



RANK PROGRESSION

2020

22

2017

29

2012

33

2010

65

2008

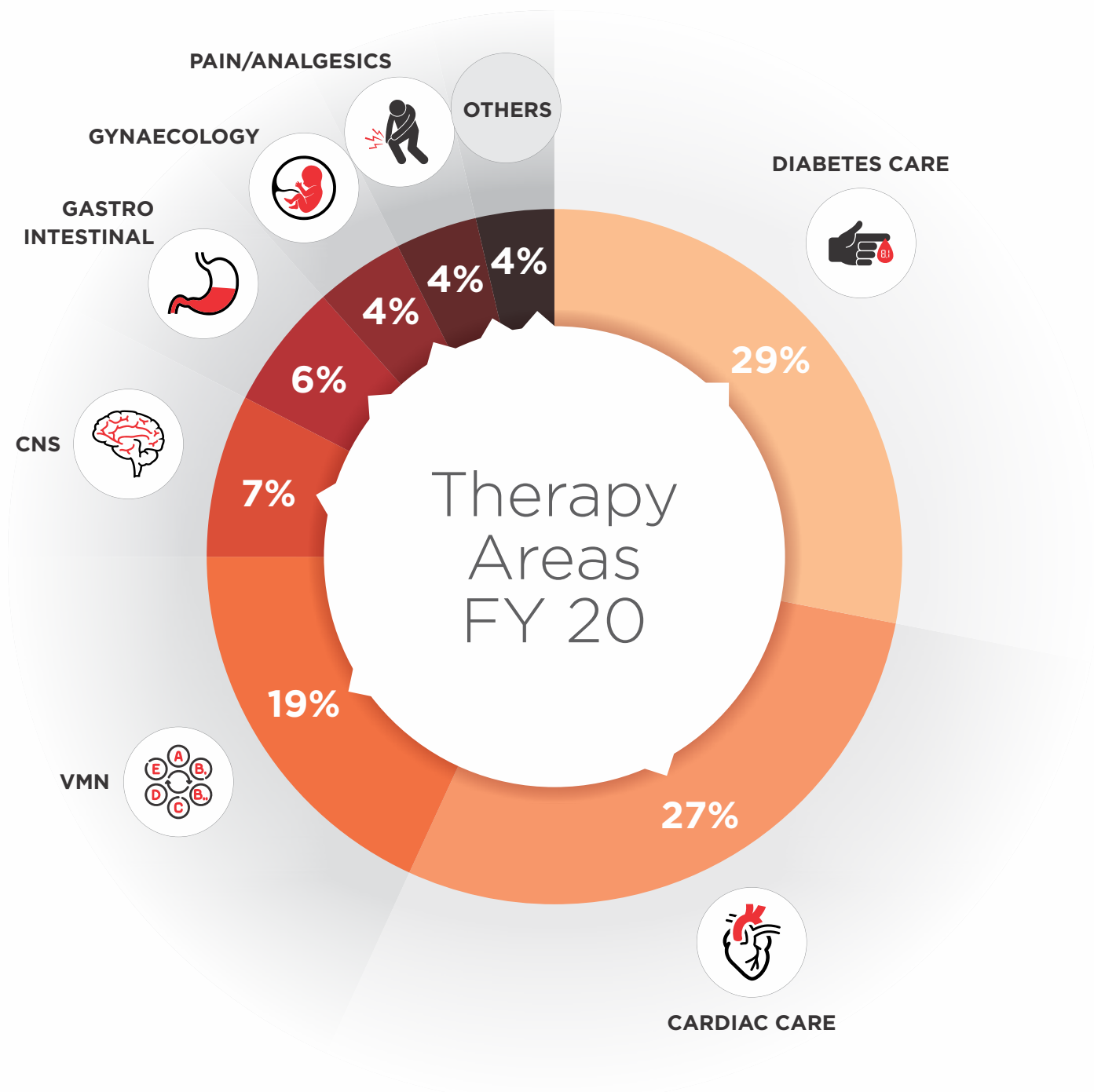
123

2007

Incorporated

Source: AIOCD MAT Mar '20

Eris derives all of its revenue from the domestic formulations market. Chronic and sub-chronic therapies make 86% of our business.



Source: AIOCD MAT Mar 20



Diabetes Care

Diabetes Care is our largest therapy area, contributing INR 4,060 mn or 29% to our business. Over the years, our Diabetes Care franchise has grown 1.7x faster than the market at a CAGR of 32% over FY 11 to FY 20.

With a very strong and established presence in the Diabetes Care segment, Eris continues to maintain high ranks in terms of revenue at 6th and in prescriptions by Diabetologists at 3rd.

In FY 20, while the Diabetes Care market grew at 11%, Eris outgrew it with a YoY growth rate of 20%.

1.7 times faster growth than market

CAGR over FY 11 - FY 20

32%

18%

ERIS

Diabetes Care Market

Source: AIOCD MAT Mar '20

FY 20 Revenue = INR 4,060mn

FY 20 YoY Growth Rate

20%

11%

ERIS

Diabetes Care Market

Source: AIOCD MAT Mar '20

The Top 4 Mother Brands in the segment - **Glimisave, Tendia, Cyblex** and **Zomelis** - all outgrew their respective markets and gained market share, with Cyblex climbing up a rank in terms of revenue and Glimisave and Tendia maintaining their ranks. The latest addition to the franchise, Zomelis, will add significantly to the performance of the segment in FY 21 with full year's revenue coming in.

GlimiSave

Tendia

Cyblex

Zomelis



Cardiac Care

Cardiac Care is our second largest therapy area, contributing INR 3,768 mn or 27% to our business. Over the years, our Cardiac Care franchise has grown 1.7x faster than the market at a CAGR of 20% over FY 11 to FY 20.

In FY 20, Eris outgrew the Cardiac Care market marginally by growing at 12.4%, while maintaining its high rank in revenue at 9th and in prescriptions by Cardiologists at 4th.

1.7 times faster growth than market

CAGR over FY 11 - FY 20

20%

12%

ERIS

Cardiac Care Market

Source: AIOCD MAT Mar '20

FY 20 Revenue = INR 3,768mn

FY 20 YoY Growth Rate

12.4%

11.8%

ERIS

Cardiac Care Market

Source: AIOCD MAT Mar '20

Of our top 4 Cardiac Care Mother Brands – **Eritel**, **Olmin**, **LN Bloc** and **Crevast** – Olmin and Crevast outgrew their respective segments and gained market share.

LN Bloc continued to be the **No.2** brand in its segment, 8 years after its launch still reaping the benefits of Eris' Applied Research capability.

Eritel

Olmin

LN BLOC

Crevast

VITAMINS, MINERALS and NUTRIENTS VMN

Vitamins, Minerals and Nutrients is our 3rd largest therapy area contributing to INR 2,590 mn or 19% to our business. Over the years, our VMN franchise has grown 1.7x faster than the market at a CAGR of 19% over FY 11 to FY 20

In FY 20, while the VMN market grew at 9%, Eris outgrew it marginally with a YoY growth rate of 10%.

1.7 times faster growth than market

CAGR over FY 11 – FY 20

19%

11%

ERIS

**VMN
Market**

Source: AIOCD MAT Mar '20

FY 20 Revenue = INR 2,590mn

FY 20 YoY Growth Rate

9.6%

8.7%

ERIS

**VMN
Market**

Source: AIOCD MAT Mar '20

3 out of our top 4 VMN Mother Brands – **Renerve**, **Tayo** and **Ginkocer** – significantly outgrew their markets. While **Renerve** is now **No.2** in its category, **Ginkocer** remains **No.1** in its category. All 3 of these Mother Brands gained market share this year. Remylin, our 3rd largest Mother Brand in the category, underperformed the market for the year, mainly in Q3 20.

Renerve

Tayo

GINKOCER

Remylin

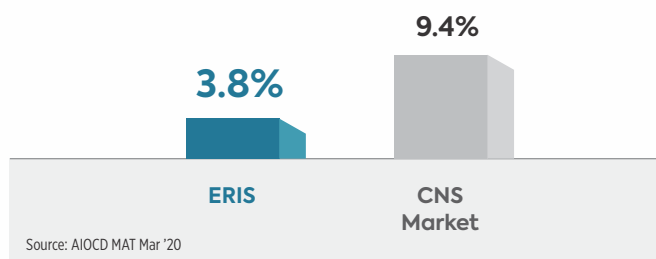
CENTRAL NERVOUS SYSTEM CNS

Our 4th largest and one of the newer therapy area, CNS contributed INR 1,016 mn or 8% to our business.

In FY 20, the Eris' CNS segment grew by 3.8% YoY while the CNS market grew by 9.4%.

FY 20 Revenue = INR **1,016mn**

FY 20 YoY Growth Rate



Of the top 4 Mother Brands – **Serlift**, **Desval ER**, **Sonaxa** and **Levroxa** – while Serlift and Desval ER saw subdued growth, they maintained their high ranks in the segment in terms of revenue (**Serlift** is **No.3** and Desval ER is **No.4** in their categories). Sonaxa and Levroxa outperformed their market and gained a rank in their respective categories.

Serlift

DESVAL ER

Sonaxa

Levroxa

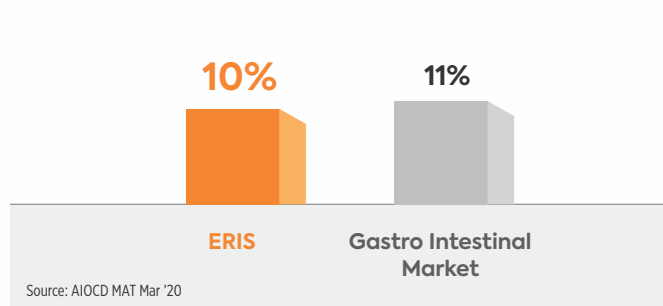


Gastro Intestinal

The largest therapy area in the acute franchise, GI contributed to INR 839 mn or 6% to our business. Over the years, our GI franchise has grown at a CAGR of 10% over FY 11 to FY 20.

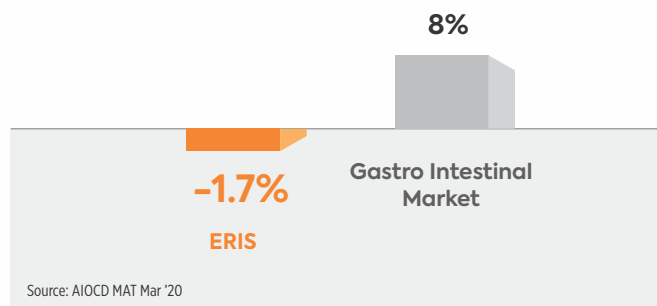
Close to Market Growth Rate

CAGR over FY 11 – FY 20



FY 20 Revenue = INR 839 mn

FY 20 YoY Growth Rate



The top 3 Mother Brands – **Rabonik**, **Velgut** and **Stugil** – constitute 93% of the GI portfolio. As all our acute businesses get clubbed together in a distinct cluster going forward, the renewed and streamlined focus will bring traction to the segment.

Rabonik

Stugil

Velgut



Gynaecology

Our gynaecology segment contributed INR 583 mn or 4% to our business. Over the years, Eris has outperformed the gynaecology market by 4.6 times by growing at a CAGR of 42%.

In FY 20, Eris' gynaecology segment grew by 8%, outperforming the market which grew by 6%.

4.6 times faster growth than market

CAGR over FY 11 - FY 20

42%

9%

ERIS

Gynaecology
Market

Source: AIOCD MAT Mar '20

FY 20 Revenue = INR **583**mn

FY 20 YoY Growth Rate

8%

6%

ERIS

Gynaecology
Market

Source: AIOCD MAT Mar '20

Of the Top 3 Mother Brands – **Raricap**, **Metital** and **Posito** – **Metital** grew by **23%** maintaining **No.1** position in its segment, while Raricap and Posito saw subdued performance. The new launches in the year of Rariset, Redrim and Fertinine added marginally to the growth of the segment. With full year's sale coming in for FY 21, these new launches will add significantly to the segment's performance.

Raricap

Metital

POSITO

OUR IN-LICENSING AGREEMENTS

Bringing innovation to Indian shores

We have several in-licensing partnerships with overseas companies that offer healthcare products based on novel concepts

TPIAO

Shenyang Sunshine

TPIAO stimulates the human body to produce more platelets - particularly useful in the treatment of cancer patients. The formulation has non-oncological applications as well. We are pursuing regulatory approvals in India.



A nutrition-class oral iron supplement, Rariset can treat patients with iron deficiency owing to anaemia, pregnancy, menstruation, dialysis, bleeding trauma, lactation, poor intake or malabsorption, effect of medications and so on. We have signed an agreement for this product's distribution in India.



We bring to India a host of hypertension offerings under the brand 'Circa' that perform distinctively on aspects of validation and accuracy in diagnostics.



OUR TOP MOTHER BRANDS

Our top 15 Mother Brands constitute 78% of our business. The strength and resilience of these brands is demonstrated in their growth of 13% CAGR over FY 16 to FY 20, in a period when the IPM grew by 8% CAGR.

CAGR over FY 16 – FY 20

13%
8%
ERIS
Top 15 Mother Brands

IPM

Source: AIOCD MAT Mar '20

FY 20 YoY Growth Rate

14%
10%
ERIS
Top 15 Mother Brands

IPM

Source: AIOCD MAT Mar '20

	Market Share - FY 20	Sales FY 20 (INR Mn)	Brand Growth	Market Growth	Brand Rank
GLIMISAVE	5.9%	2,462	11.4%	10.4%	6
ERITEL	4.3%	1,373	11.1%	17.2%	5
RENERVE	7.1%	1,079	24.4%	7.6%	2 ↑
TENDIA	6.8%	750	25.4%	21.8%	4
OLMIN	7.4%	670	11.5%	7.8%	3 ↑
CYBLEX	10.0%	634	64.2%	13.6%	5 ↑
LNBLOC	11.0%	584	18.2%	23.4%	2
TAYO	4.6%	557	11.4%	4.1%	4
REMYLIN	5.1%	555	-0.1%	6.4%	6
RABONIK	3.8%	540	-0.9%	6.0%	9 ↓
CREVAST	2.3%	420	38.7%	16.8%	11 ↑
ATORSAVE	2.3%	356	2.5%	9.7%	14
ROSIFLEX	19.2%	333	2.2%	40.5%	1
RARICAP	6.9%	274	-4.8%	0.2%	4
GINKOCER	29.2%	240	13.2	5.9%	1

Source: AIOCD MAT Mar '20

OUR CLUSTERS AND MARKETING DIVISIONS

Eris

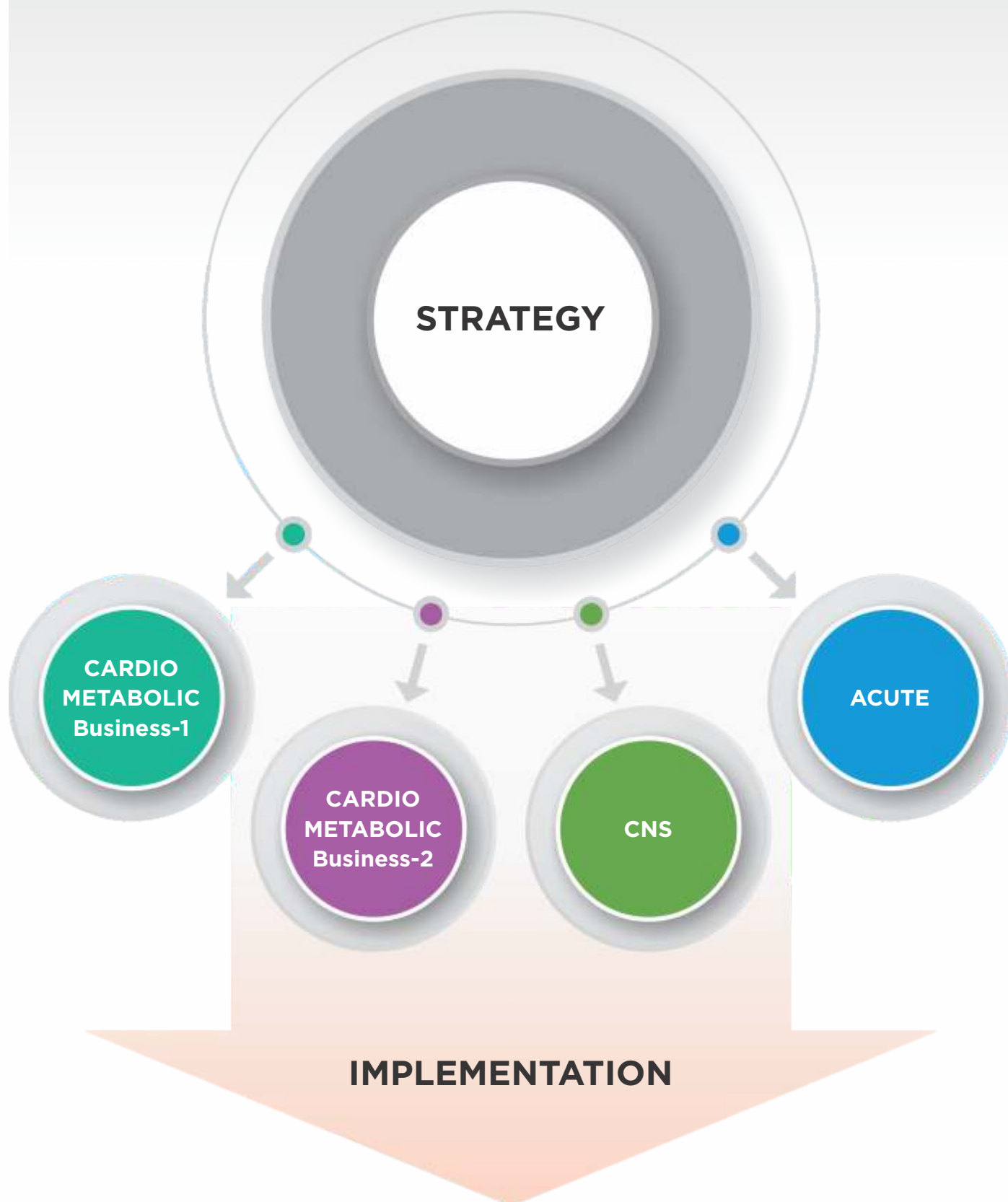
POWER OF EMPATHY, TRUTH OF SCIENCE

Present across key therapeutic areas

Our divisions leverage on their therapeutic domain expertise as well as our unique PCI framework for scientific engagement with doctors.



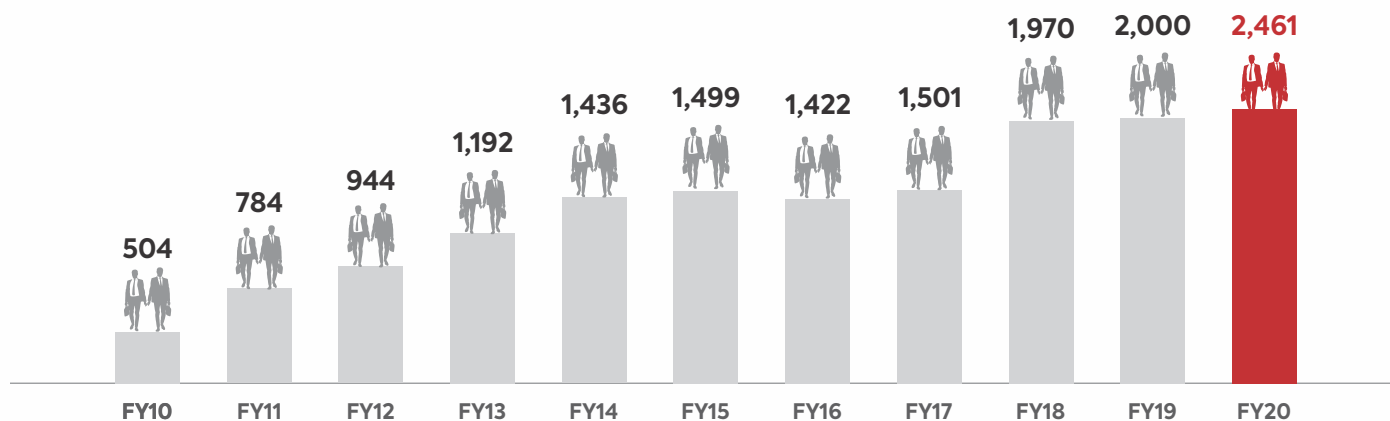
Business Redefined into 4 Clusters



OUR PEOPLE

Our most valuable asset is our team of **4,044** dedicated professionals working in our offices, our manufacturing plant and across India in the field.

Medical Representatives (Nos.)



Fully Digital Field Force:

Eris has a unique approach to empower our people with technology – our entire field force is fully digital on iPad devices. Our IT system uses purpose built applications to optimize guiding our field force in Doctor visits or brand promotions.

This complete digitization of the field force ensured that even during the nation-wide lockdown our field force were able to stay digitally connected with Doctors through video calls, video conferences etc.

Training and Development:

To achieve our shared goals, we believe in creating opportunities for potential enhancement and career growth for all Erisians. Some initiatives to that purpose are:

Eris Engage – This digital platform was launched in March 2020 with the sole aim of connecting all Erisians on one platform thereby interacting and contributing to a culture of shared values.



Saksham – This training programme was conducted specifically to align the whole team towards achieving a synergistic work environment by giving direction and purpose to the role, adding value to their daily activities and thereby enabling themselves to lead and develop their team.



e-Aagman – This is a web based learning platform, where we connect with our participants (new joiners) and enable interactive learning. e-Aagman is a step towards bridging the gap between employees joining in the field and the time till they attend Aagman.



Engagement Initiatives – We ensure to celebrate small moments of happiness with our employees and their families like elevation to the next level, a new born addition in the family etc. While we celebrate, we also ensure the safety and security of our employees. The impact and prevalence of COVID-19 has been a gruelling experience for all of us, where the well-being of all Erisians and their family was of paramount importance to us. Proactive steps were taken by the organization in dispatching hand sanitizers and masks to the impacted places.



OUR IT INFRASTRUCTURE

Our IT infrastructure is a robust operational backbone to all of our critical functions – Marketing and Field Force management, Supply Chain management and Production.

Each of the area above is serviced by a set of specialized applications provided by proven application vendors and further customized to our needs or built internally. Our technology vision is achieved using technology partner ecosystem which has marquee global names like Microsoft, VMWARE, Watch Guard, Dell, Hewlett Packard, EMC and QNAP whose technology helps us achieve our mission of being one of the most technologically enabled and highly agile pharmaceutical company.

The robustness of the IT architecture proved its mettle when in the last month of the financial year a nation-wide lockdown was imposed in India and our entire operations had to be migrated to a remote environment.



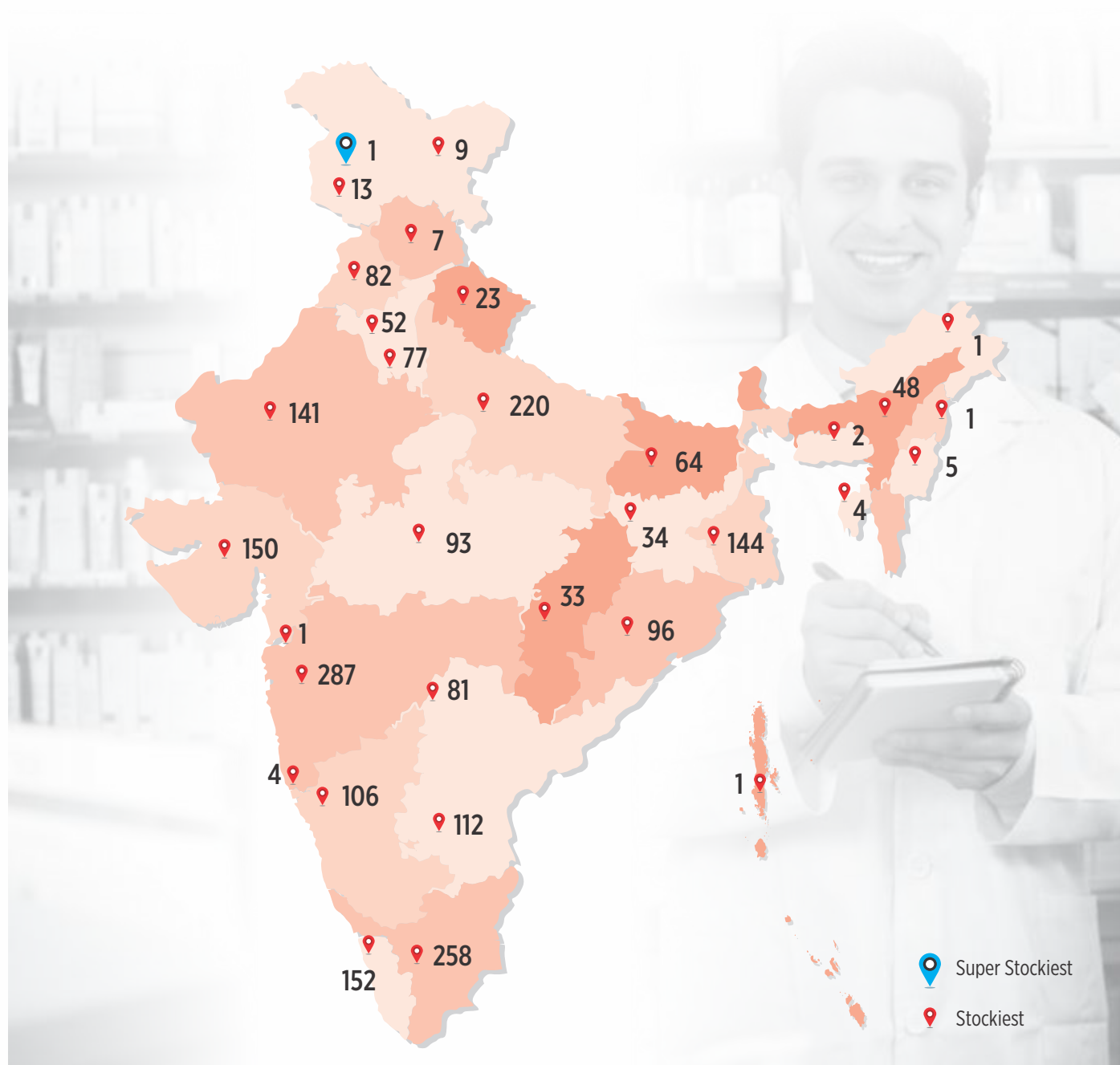
OUR DISTRIBUTION NETWORK

Our robust Pan-India distribution network of 23 Sales depot, 2,300 Stockiest and more than 500,000 chemists ensures timely and efficient distribution.

23
SALES DEPOT

2,300
STOCKIEST

5,00,000⁺
RETAIL CHEMISTS



OUR MANUFACTURING INFRASTRUCTURE

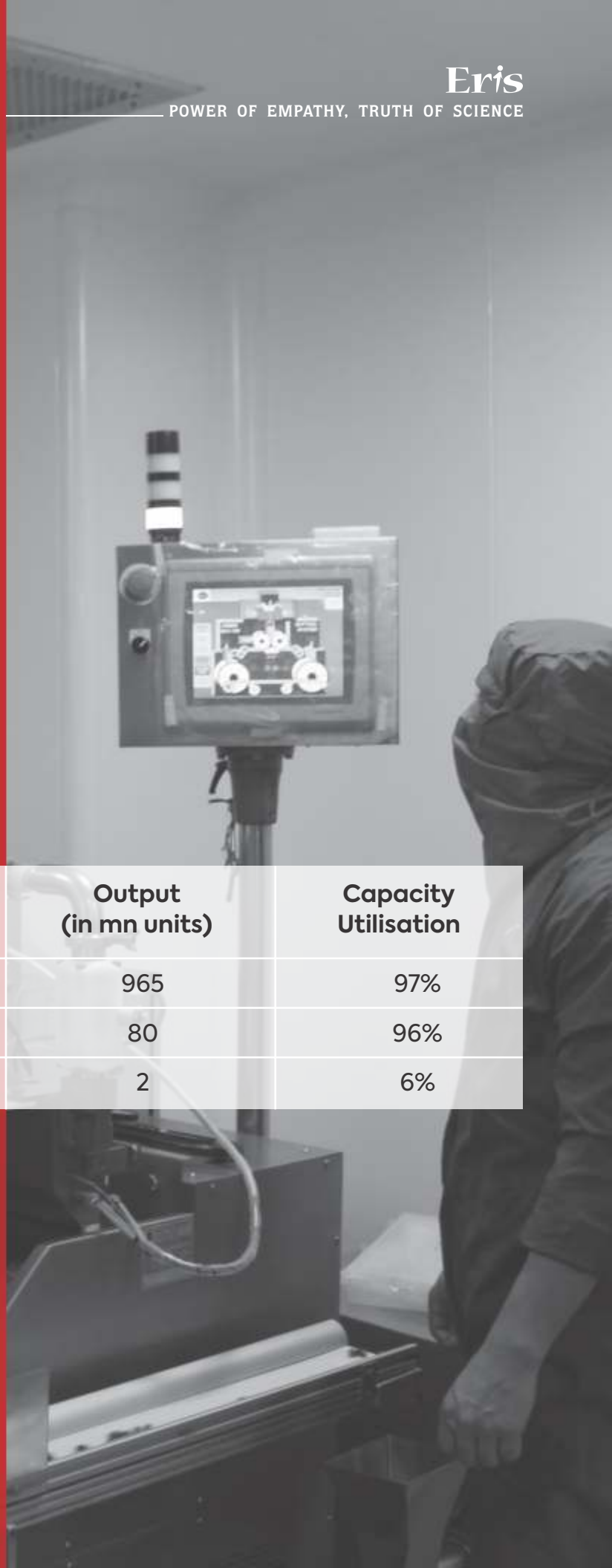
Our state of the art manufacturing facility in Guwahati, Assam is constantly aiming and achieving highest quality standards in manufacturing.



Products	Capacity (in mn units)	Output (in mn units)	Capacity Utilisation
Tablets	1000	965	97%
Capsules	83	80	96%
Sachets	18	2	6%

Installed Capacity calculated based on a single shift. The plant is scalable to 3 shifts per day.

In addition to the above, a newly constructed facility of soft-gel was added in the year 2019 with total production capacity of 75 mn units. An extended facility has been included for supplements and Nutraceuticals with an additional capacity of 60 mn tablets, 41 mn capsules and 4 mn sachets.





Best CFO Award in Medium Enterprises
(Manufacturing Industry Category)



National Best Employer Brand 2018
Eris wins out of 100 brands



Emerging Companies
Excellence Award 2013



Ernst & Young Awards
Mr. Amit Bakshi,
Entrepreneur of the Year 2013



Competitive Strategy
Leadership Award 2013

AWARDS AND RECOGNITION

THE ROAD AHEAD

Future Patent Expiry

Leverage R&D to target new product areas in cardiovascular and diabetes care segments nearing patent expiry.

Consolidation

Consolidate position in existing therapeutic areas by targeting new categories and extending product lifecycle.

Improve productivity and patient care initiatives.

In-licensing

Capitalise on existing sales, marketing, distribution and manufacturing capabilities to explore in-licensing opportunities.

Strategic Acquisition

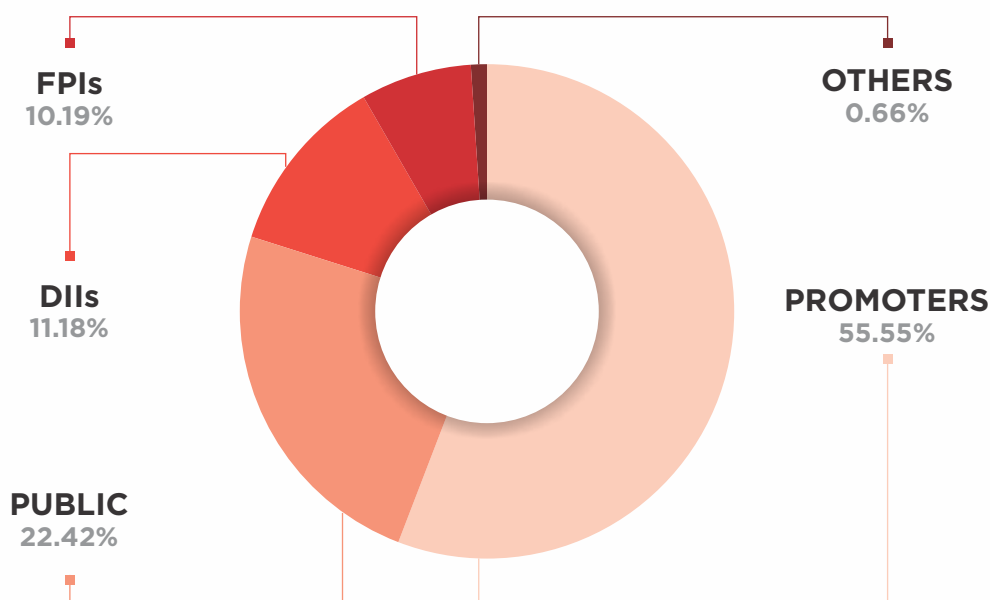
Enhance product line and capabilities inorganically.

Expansion

Undertake a focused approach to pursue high-growth opportunities like neurology, dermatology women's health and osteoarthritis.

Shareholding of Promoters and Top 15 Institutional Investors

	As on 31-Mar-2020 369*	As on 31-Dec-2019 474*	As on 30-Sep-2019 451*
Promoters	55.55%	56.23%	56.23%
ChrysCapital (Emerald Investment Limited)	5.51%	2.60%	-
Aditya Birla Sun Life Mutual Fund	3.43%	3.78%	3.85%
UTI Mutual Fund	3.04%	2.84%	2.65%
Franklin Templeton Mutual Fund	1.83%	1.73%	1.31%
Fundsmith Emerging Equities Trust	1.09%	1.11%	1.11%
Kotak Mutual Fund	1.04%	0.88%	0.47%
Morgan Stanley	1.01%	1.04%	1.01%
Tata Mutual Fund	0.94%	0.93%	0.44%
Abu Dhabi Investment Authority	0.87%	1.01%	1.01%
Edelweiss Mutual Fund	0.54%	0.44%	0.48%
Vanguard	0.31%	0.82%	0.85%
L and T Mutual Fund	0.24%	0.27%	0.27%
New Mark Captial Fund	0.23%	0.22%	-
Shinsei UTI JV	0.20%	0.21%	0.20%
Motilal Oswal Mutual Fund	0.15%	0.76%	3.87%



* Closing price as per NSE

10 YEAR FINANCIAL HIGHLIGHTS

CONSOLIDATED	Ind AS				Ind GAAP						
INR mn	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Operating Results											
Op. Revenue	10,741	9,822	8,556	7,495	5,970	5,456	5,088	3,931	2,739	2,054	955
Op. EBITDA	3,684	3,449	3,220	2,691	1,715	1,215	989	859	585	356	103
Op. EBITDA Margin	34%	35%	38%	36%	29%	22%	19%	22%	21%	17%	11%
Net Profit	2,965	2,911	2,950	2,466	1,349	893	705	584	371	215	60
Net Profit Margin	28%	30%	34%	33%	23%	16%	14%	15%	14%	10%	6%

Cash Flow Generation											
OCF	2,711	2,230	2,346	2,002	1,315	901	896	380	301	249	-13
Op. EBITDA to OCF	74%	65%	73%	74%	77%	74%	91%	44%	51%	70%	-12%

Assets Employed											
Tangible Assets [#]	873	553	526	557	707	675	711	235	198	164	42
Intangible Assets [*]	7,919	7,072	7,185	1,760	7	42	39	34	34	0.4	-
Core Working Capital	1,263	825	413	662	484	446	298	378	189	94	112
Treasury Investments	1,453	3,634	3,760	3,057	1,997	1,722	913	514	228	77	17
Total	11,508	12,084	11,884	6,035	3,195	2,885	1,960	1,161	649	335	170

Financed By											
Equity	12,963	11,505	8,613	5,671	2,992	2,657	1,765	1,061	479	206	48
Debt	-	1,764	3,768	6	5	10	5	26	50	104	91

ROCE	36%	39%	38%	99%	171%	128%	110%	139%	163%	123%	82%
ROE	26%	37%	61%	94%	131%	96%	83%	106%	143%	166%	193%

Medical Representatives	2,461	2,000	1,970	1,501	1,422	1,499	1,436	1,192	944	784	504
Yield per Man per Month (in lacs)	3.6	4.1	3.6	4.2	3.5	3.0	3.0	2.7	2.4	2.2	1.6

FORMULA:

Op. EBITDA Margin = Operating EBITDA / Revenue from Operations | ROCE = Operating EBITDA / Capital Employed (Ex-cash) | Net Profit Margin = Net Profit / Revenue from Operations

ROE = Net Profit attributable to owners / Net worth (Ex-cash) | Op. EBITDA to OCF = Operating Cash Flow Generated / Operating EBITDA

Net worth (Ex-cash) = (Equity attributable to the owners of the company) - (Treasury Investments + Cash and cash equivalents + other bank balances)

Capital Employed (Ex-cash) = Net worth (ex-cash) + Non controlling interest + Long-term Borrowings + Current maturities of long-term borrowings + Short-term Borrowings + Deferred tax liabilities (net)

[#]Tangible assets include Right of use assets | ^{*}Intangible assets include intangible assets under development and goodwill

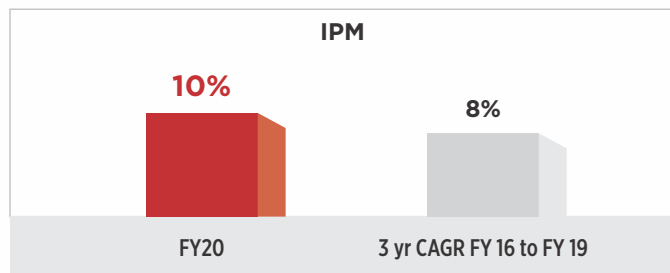
MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

Before the Covid-19 pandemic becoming a global phenomenon, the global economy was projected to grow by 3.4% and India was projected to grow by 7.0% in 2020 as per the IMF's World Economic Outlook report published in October 2019. As a result of the pandemic, the global economy is projected to contract sharply by -3.0% in 2020, much worse than during the 2008-09 financial crisis according to IMF's World Economic Outlook report published in April 2020. The economic landscape will be altered significantly for the duration of the crisis and possibly longer, with greater involvement of government and central banks in the economy. In this scenario emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0%). While India's growth is forecasted at a modest rate of 1.9% for 2020.

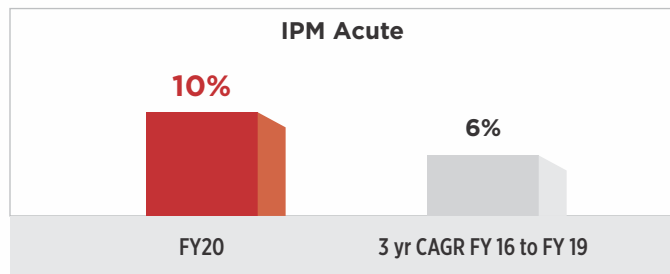
INDIAN PHARMACEUTICALS MARKET (IPM)

The INR 1,437 billion IPM grew by 10% YoY in FY 20, after a 3 year growth of 8% CAGR. The growth of 10% constitutes 4.8% from volume and new product increases and 5.2% from price increases.



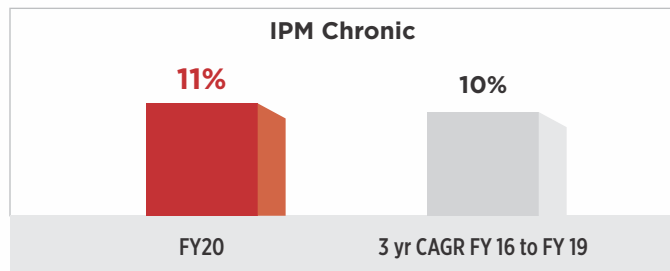
Source: AIOCD MAT Mar '20

This year, IPM's growth was mainly led by acute therapies, which grew at 10% compared to a 3 yr CAGR of 6%.

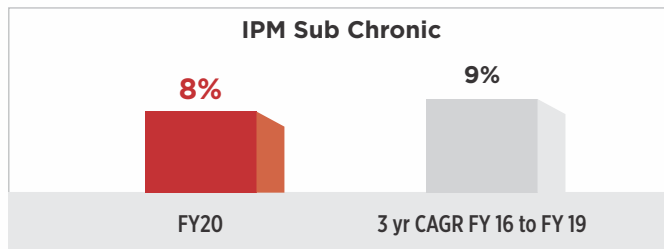


Source: AIOCD MAT Mar '20

IPM's Chronic and Sub-chronic categories continued their growth on almost the same momentum as the last 3 years.



Source: AIOCD MAT Mar '20



Source: AIOCD MAT Mar '20

In the last couple of months of the year, IPM and its operations were impacted by the spread of the global Covid-19. Supply constraints as China went under lockdown, distribution/ logistics constraints as India slowly started locking down infected districts and slowdown of marketing and promotion efforts were some of the issues the industry faced. With the Government declaring Pharma as an essential commodity, these constraints slowly cleared up.

COMPANY OVERVIEW

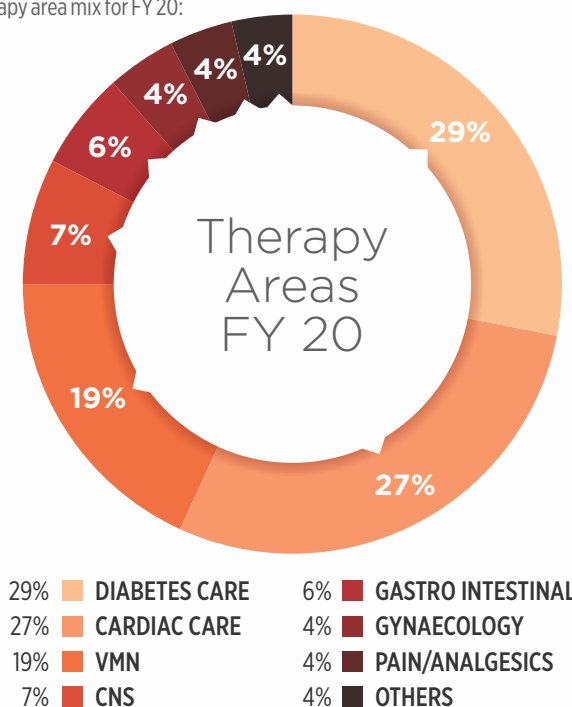
WHO WE ARE

Eris Lifesciences Ltd ("Eris") is engaged in manufacturing, marketing and distributing branded formulations in the Indian market. It has presence in high growth chronic, sub chronic and acute therapeutic areas that require high intervention of specialist and super specialist doctors.

Eris has a portfolio of 112 Mother Brands across therapy areas. These brands are promoted by a team of 2,461 medical representatives across India. The Top 15 Mother Brands contributed 78% to our revenue in FY 20.

THERAPY AREA MIX

Therapy area mix for FY 20:



■ OUR MARKETING DIVISIONS

Division Name	Therapeutic Areas Covered	Super Specialist / Specialist Covered	Key Brands
	Cardiac Care and Diabetes Care	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Neurologists	Glimisave, Eritel
	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Consulting Physicians and others	Renerve, Rabonik, Velgut
	Cardiac Care and Diabetes Care	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians	Olmin, Crevast
	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Raricap, Metital, Calshine P
	Cardiac Care and Diabetes Care	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Nephrologists	LN Bloc, Eritel LN, LN Beta
	Diabetes Care	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
	Arthritis & Pain Management	Orthopedicians	Tayo, Rosiflex, Mienta
	Neurology & Psychiatry	Neurologists & Psychiatrists	Serlift, Desval
	Neurology & Psychiatry	Neurologists & Psychiatrists	Levroxa, Ginkocer
	In-vitro fertilization	IVF specialists, Gynaecologists	Fetinine, Cetnine, Regunine
	Medical Nutrition Therapy	Endocrinologists, Diabetologists, Consulting Physicians	Prototal, Maxum
	Cancer therapy	Oncologists	Zumab, Ariterone, Leuren
	Multi-therapy	Consulting Physicians, General Practitioners, Orthopedics and Neurologists	Renerve
	Cosmetology & Dermatology	Cosmetologist, Dermatologist, Aesthetic Facial Surgeons	Starting Up Face, Retriderm, Urbane Renewal, Body of Knowledge
	Diabetes Care	Endocrinologists, Diabetologists, Consulting Physicians	Zomelis, Remylin

■ OUR MANUFACTURING OPERATIONS

The Company has a state-of-the-art manufacturing facility at Guwahati, Assam. For FY 20 and FY 19, products manufactured at the facility contributed to 76% and 60.6% of its revenues, respectively. The facility enjoys fiscal benefits in terms of Income Tax exemption till FY 24 and GST subsidies till FY 25.

The facility is currently utilised on a single shift basis and is expandable to triple shifts.

Products	Capacity (in mn units)	Output (in mn units)	Capacity Utilisation
Tablets	1000	965	97%
Capsules	83	80	96%
Sachets	18	2	9%

Installed Capacity calculated based on a single shift. The plant is scalable to 3 shifts per day.

In addition to the above, a newly constructed facility for soft-gel was added in the year 2019 with total production capacity of 75 mn units. An extended facility has been included for supplements and Nutraceuticals with an additional capacity of 60 mn tablets, 41 mn capsules and 4 mn sachets.

The company ensures that all manufacturing facilities (owned or contracted) availed for sourcing its products comply with Good Manufacturing Practices (GMP) stipulated by the statutes and administered by the state level food and drug administrations, Central Drug Standard Control Organisation of India (CDSCO) and other regulatory agencies. The company assures the quality of its products for the entire duration of the shelf life of the product, whether manufactured by themselves or its third party vendors. The company also complies with all environmental norms imposed by the authorities.

■ OUR DISTRIBUTION NETWORK

The company's strong and efficient distribution network consisting of 2 central ware houses, 23 CFAs/consignees and over 2,300 stockiest enables it to reach out to over 500,000 chemist outlets across the country.

■ OUR PEOPLE

As on March 31st 2020, the company had a robust and diverse workforce of 4,044 employees, with nearly 87% them being medical representatives and field managers. They have provided Eris a competitive edge and are the company's greatest strength.

The Company has further strengthened its culture of high performance by integrating various facets of people development:

To achieve our shared goals, we believe in creating opportunities for potential enhancement and career growth for all Erisians. Some initiatives to that purpose are:

Eris Engage – This digital platform was launched in March 2020 with the sole aim of connecting all Erisians on one platform thereby interacting and contributing to a culture of shared values.

Saksham – This training programme was conducted specifically to align the whole team towards achieving a synergistic work environment by giving direction and purpose to the role, adding value to their daily activities and thereby enabling themselves to lead and develop their team.

e-Aagman – This is a web based learning platform, where we connect with our participants (new joiners) and enable interactive learning. e-Aagman is a step towards bridging the gap between employees joining in the field and the time till they attend Aagman.

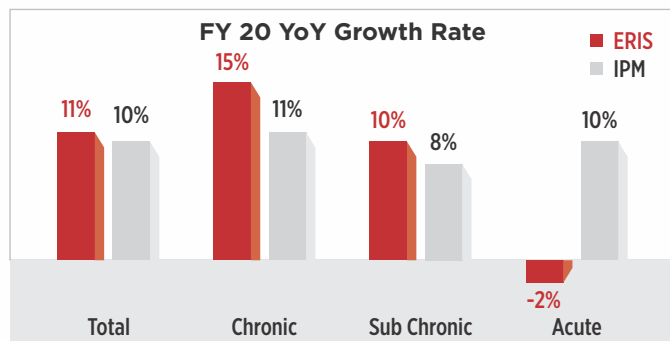
Engagement Initiatives – We ensure to celebrate small moments of happiness with our employees and their families like elevation to the next level, a new born addition in the family etc.

While we celebrate, we also ensure the safety and security of our employees. The impact and prevalence of COVID-19 has been a gruelling experience for all of us, where the well-being of all Erisians and their family was of paramount importance to us. Proactive steps were taken by the organization in dispatching hand sanitizers and masks to the impacted places.

REVIEW OF OPERATIONS

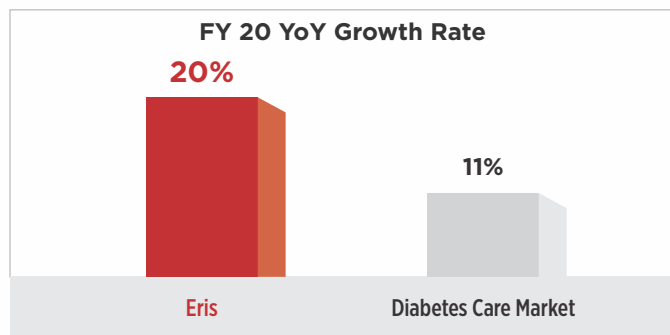
BUSINESS REVIEW

As per AIOCD MAT Mar 20, for the year under review, our revenue grew by 11% vs IPM's YoY growth of 10%. While our chronic therapies grew 15% vs a market growth of 11%, our sub chronic therapies grew 10% vs a market growth of 8% and our acute therapies degrew by -2% vs market growth of 10%



Source: AIOCD MAT Mar '20

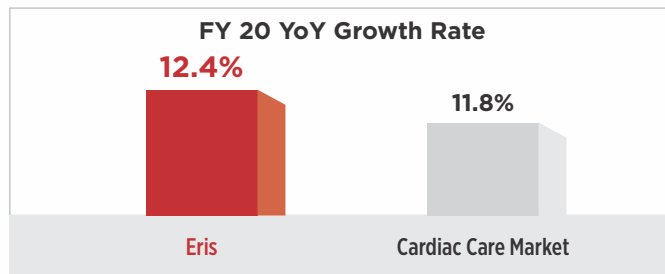
Diabetes Care: In FY 20, while the Diabetes Care market grew at 11%, Eris outgrew it with a YoY growth rate of 20%.



Source: AIOCD MAT Mar '20

The Top 4 Mother Brands in the segment - Glimisave, Tendia, Cyblex and Zomelis - all outgrew their respective markets and gained market share, with Cyblex climbing up a rank in terms of revenue and Glimisave and Tendia maintaining their ranks. The latest addition to the franchise, Zomelis, will add significantly to the performance of the segment in FY 21 with full year's revenue coming in.

Cardiac Care: In FY 20, Eris outgrew the Cardiac Care market marginally by growing at 12.4%, while maintaining its high rank in revenue at 9th and in prescriptions by Cardiologists at 4th.

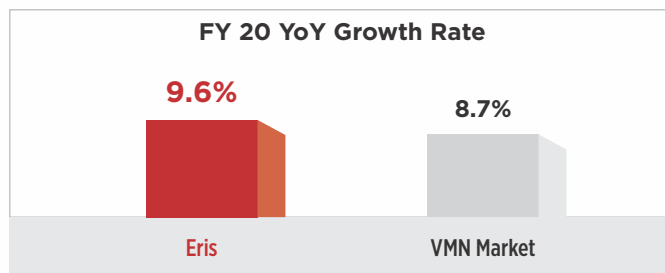


Source: AIOCD MAT Mar '20

Of our top 4 Cardiac Care Mother Brands - Eritel, Olmin, LNBloc and Crevast - Olmin and Crevast outgrew their respective segments and gained market share.

LNBloc continued to be the No.2 brand in its segment, 8 years after its launch still reaping the benefits of Eris' Applied Research capability. While until 2011 Cilnidipine had failed to challenge Amlodipine, Eris' scientific research clearly supported its market potential. We launched LNBloc in 2012 and due to Eris' efforts of successfully promoting the science, the Cilnidipine segment is today worth INR 8,100 mn, and LNBloc is the No. 2 brand.

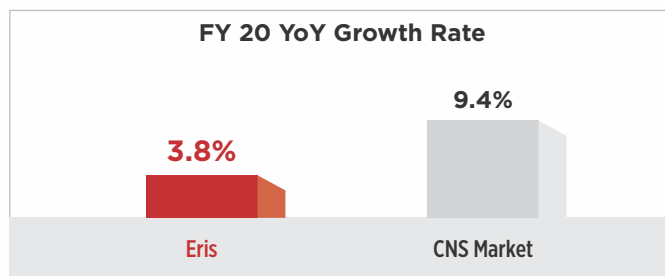
VMN: In FY 20, while the VMN market grew at 9%, Eris outgrew it marginally with a YoY growth rate of 10%.



Source: AIOCD MAT Mar '20

3 out of our top 4 VMN Mother Brands - Renerate, Tayo and Ginkocer - significantly outgrew their markets. While Renerate is now No. 2 in its category, Ginkocer remains No. 1 in its category. All 3 of these Mother Brands gained market share this year. Remylin, our 3rd largest Mother Brand in the category, underperformed the market for the year, mainly in Q3 20.

CNS: In FY 20, the Eris' CNS segment grew by 3.8% YoY while the CNS market grew by 9.4%.

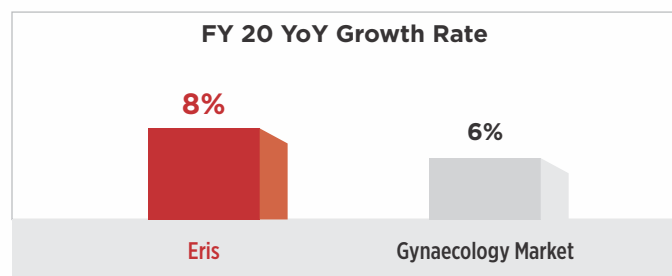


Source: AIOCD MAT Mar '20

Of the top 4 Mother Brands – Serlift, Desval ER, Sonaxa and Levroxa – while Serlift and Desval ER saw subdued growth, they maintained their high ranks in the segment in terms of revenue (Serlift is No. 3 and Desval ER is No. 4 in their categories). Sonaxa and Levroxa outperformed their market and gained a rank in their respective categories.

Gastro intestinal (GI): This year the GI segment underperformed compared to the market, de-growing by -1.7%. The top 3 Mother Brands – Rabonik, Velgut and Stugil – constitute 93% of the GI portfolio. As all our acute businesses get clubbed together in a distinct cluster going forward, the renewed and streamlined focus will bring traction to the segment.

Gynaecology: In FY 20, Eris' gynaecology segment grew by 8%, outperforming the market which grew by 6%.



Source: AIOCD MAT Mar '20

Of the Top 3 Mother Brands – Raricap, Metital and Posito – Metital grew by 23% maintaining No.1 position in its segment, while Raricap and Posito saw subdued performance. The new launches in the year of Rariset, Redrim and Fertinine added marginally to the growth of the segment. With full year's sale coming in for FY 21, these new launches will add significantly to the segment's performance.

NEW INITIATIVES

FY 20 saw significant investments done for future growth and expansion.

Zomelis and Aspire:

Eris entered the Vildagliptin market with the launch of Zomelis in Dec 2019.

In December 2019, Vildagliptin, a prime molecule in Diabetes Care, went off patent. Vildagliptin is a DPP 4 inhibitor – a class of oral diabetes drugs that has evolved as the first line of defence in Diabetes Care. Given Eris' established therapy area expertise in Diabetes Care, Vildagliptin, with a market size of ≈ INR 10,000 mn, presented a very exciting opportunity for Eris. In December 2019, Eris launched Zomelis, after acquiring the trademark from Novartis. Zomelis is an established brand with specialists and super specialist doctors and enjoys a market share of ≈6%. To ensure a focused effort, a new division, **Aspire** was launched with 186 BEs to spearhead **Zomelis**.

(Source: AIOCD Dec'19)

Rariset:

In Q3 FY 20 we launched Rariset, under our in-licensing agreement with Pharmanutra S.P.A for their patent protected Sucrosomial Iron. Iron has a crucial role in Ante Natal Care as well as management of chronic diseases like CKD. The patent protected Sucrosomial Iron has a superior efficacy and tolerability and addresses a market of ≈ INR 20,000 mn.

Evidence to Experience - to highlight the importance of Iron and the clinical evidence backed superiority of Sucrosomial Iron, Eris conducted more than 400 CMEs across India.

Clusters:

The 15 marketing divisions have been re-assigned into 4 clusters based on the specific domain area expertise required for the design and execution of strategy. While the Division heads will report to their respective Cluster Heads, the Cluster Heads will in turn report to the Board.

Screening Kiosks:

Our airport kiosks now screen patients for hypertension and diabetes at 7 airports across the country. We now also have kiosks at the Delhi Metro Stations and in reputed hospitals like Sir Gangaram Hospital in New Delhi and KG Hospital in Coimbatore.

FINANCIAL REVIEW

Financial Highlights

Financial performance

Revenue from Operations:

For the year under review, the company's Revenue from Operations increased by 9.4% to INR 10,740.6 mn from INR 9,821.6 mn in FY 19.

Earnings before Depreciation, Amortisation, Interest and Taxes (EBITDA):

The company earned INR 3,683.7 mn of EBITDA in FY 20 as against INR 3,449.1 mn in FY 19, a growth of 6.8%. The EBITDA margin for FY 20 is 34.3% compared to 35.1% in FY 19. Significant investments or future growth and expansion led to the slight decrease in EBITDA margin.

Finance Costs: The company incurred finance costs of INR 21.6 mn in FY 20 as against INR 229.0 mn in FY 19. The significant reduction in finance cost is owing to the prepayment in Q1 20 of the entire term loan outstanding and achieving a debt free status.

Tax expenses: The tax expenses for FY 20 were INR 348.4 mn. The manufacturing facility in Guwahati, Assam enjoys Income Tax exemption till FY 24. The company incurs income tax expenses under the Minimum Alternate Tax provisions. The company created deferred tax liability mainly for depreciation differences.

Net Profit: Net profit for FY 20, at 27.6% of Revenue from Operations, was INR 2,965.1 mn.

Debt to Equity: As of 31st Mar 2020, the Company has no long term debt outstanding. The net borrowings (borrowings less treasury investments) of the company remain nil.

Key Financial Ratios

Rupees in Millions	Consolidated		
	2020	2019	% change
Current Ratio			
Current Assets	4,796	5,818	
Current Liabilities	1,647	3,055	
	2.91	1.90	53%
Interest Coverage Ratio			
EBIT	3,335	3,403	
Interest	22	229	
	154	15	938%

	2020	2019	% change
Debtors Turnover Ratio			
Net Sales	10,582	9,672	
Debtors	1,569	840	
	7	12	-41%
Debt to Equity Ratio			
Total Liabilities	2,560	3,848	
Shareholder's Equity	12,963	11,505	
	0.20	0.33	-41%
Inventory Turnover Ratio			
Revenue from Operation	10,741	9,822	
Inventory	695	827	
	15	12	30%
Operating Profit Margin			
Operating Profit	3,181	3,086	
Revenue from Operations	10,741	9,822	
	30%	31%	-6%
Net Profit Margin			
Net Profit	2,965	2,911	
Revenue from Operations	10,741	9,822	
	28%	30%	-7%
Return on Net worth			
Net Profit	2,965	2,908	
Equity attributable to owners	11,510	7,872	
	26%	37%	-30%

Explanation:

- Current Ratio:** Increase in current ratio relates to decrease in current assets and substantial decrease in other financial liabilities.
- Interest Coverage Ratio:** The Company has prepaid the term loan in FY20 which has brought down the interest cost significantly at the end of FY20. The reduction in interest cost led the improvement in interest coverage ratio.
- Debtors Turnover ratio, Inventory Turnover ratio:** Growth in sales and Covid-19 related lockdown have impacted the debtors and inventory ratio.
- Debt to Equity Ratio:** On account of prepayment of loan and increase in shareholder's equity contributed the improvement in Debt to Equity Ratio.
- Return on Net worth:** The reduction is due to increase in equity attributable to owners.

INTERNAL FINANCIAL CONTROLS

The Company has built a robust Internal Financial Control (IFC) framework which is commensurate with the nature, size and complexity of the business. This framework facilitates the optimum use and protection of resources while ensuring accuracy in recording financial transactions, authorised use of assets and compliance with all statutes and laws. The Company also has a comprehensive Code of Business Conduct which lays down the ethical standards expected from each of its employees and business associates in their everyday actions.

The Company has strong audit framework to ensure & detect compliance to the Company's Policy. The Company monitors and controls all systems and processes and business groups ensuring compliance to financial norms and procedures,

building financial control and accountability. The Company also undertakes periodic review of these internal control systems to determine its continued effectiveness, which is critical for ensuring the reliability of financial and operational information and statutory compliances.

The Internal Audit Team ably assists the Company to ensure compliance with the IFC Framework. The internal auditors undertake audit on a periodic basis; identifying control deficiencies, if any, along with any other area meriting improvement, flagging-off significant observations and making recommendations to the operational management for mitigation plan. The observations and mitigation plan are reported to the Audit Committee. The Audit Committee in turn reviews the observations, assesses sufficiency of the proposed actions and monitors its implementation. All actions are adequately followed up by the internal auditors along with presenting its reports to the Audit Committee.

During the year under review, such controls were tested and no material weaknesses were observed both in their design or operation.

RISK AND RISK MITIGATION

The company has a Risk Management Committee of the board which is entrusted with the responsibility of overseeing various strategic, operational, compliance and financial risks the organisation faces. The company has a robust risk management framework to identify, monitor, mitigate and minimise risks.

Strategic Risks are uncertainties impacting strategic goals of the Company and these risks arise due to key decisions taken by the management with respect to new markets, product & process development, resources, business growth & revenue model, M&A, industry changes, investment model, natural disasters, etc. which can impact business objectives.

Operational Risks are attributable to the efficient and effective utilization of resources. It covers risks related to gaps in existing processes which could make the function/ process weak and vulnerable to exploitation, which could have an adverse impact on the business. The gaps could be related to production capacities, quality assurance, customer demands, material availability, human safety, etc.

Compliance risks arise out of non-compliance with applicable laws, regulations, standards and policies which could impact the Company's reputation and business.

Financial risks include uncertainties and untapped opportunities in effective and efficient utilization of financial resources as well as uncertainties in currency fluctuations, liquidity & funding, capital management and credit risk. These risks could have an impact on the Company's financial statements and the transmission of accurate financial information to stakeholders.

Economic and Political Risks are the risks impacted by the various macro-economic factors and economic developments which have an adverse effect not only on the industry, but also the company as a whole. Any change in Government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which the company operates. These factors could depress economic activities and restrict its access to capital, which could have an adverse effect on its operations.

Regulatory Risks: The industry is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licences and permits, could impact our business. The company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply chain processes, enable the company to maintain high quality standards on one hand, while

securing conformity with regulatory norms on the other. The Risk Committee of the Company reviews the regulatory changes and identifies the potential new risks and its impact and plans the remediation plan.

Competition Risk: The industry is a highly competitive one, with presence of several major players. As a result of this, products face intense competition in various therapeutic areas. In order to mitigate the risks arising out of competition, the company has developed capabilities in the commercialisation of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. The Company's capabilities are further enhanced with the presence of fifteen sales division that focus on developing and growing its industry engagement.

■ OUTLOOK

■ STRENGTHS AND OPPORTUNITIES

Strong brands: The Company continues to focus on maintaining the strength of its brand portfolio; the Top 15 Mother Brands contribute 78% of its revenue.

Leading prescription ranks: The Company's strong portfolio of Mother Brands enjoys leading prescription ranks with their respective specialties. Prescription ranks, implying the growth in new prescriptions, are a leading indicator of growth.

RANK IN PRESCRIPTION IN SPECIALISTS

Diabetologists	3 rd
Cardiologists	4 th
Neurologists	3 rd
Gastroenterologists	3 rd
Consulting Physicians	9 th

Patient care initiatives: Enabling the effort of strengthening brands are the unique patient care initiatives that, while primarily helping the healthcare community manage the disease burden, create immense brand equity for the company.

Operating efficiency: The yield per man (YPM) for the company has potential of scaling up to industry leading numbers. With improvement in the YPM metric margin efficiency also improves.

Unutilised capacity: The manufacturing facility in Guwahati, Assam currently operating at over ~85% capacity utilisation on a single shift basis is capable of being scaled up to triple shift basis.

Strong balance sheet: The Company has consistently generated profits and operating cash flows that it continues to use for scaling of operations and increasing shareholder value.

Demographic tailwinds: Overall healthcare spending in India is expected to rise due to rise in population, high real GDP growth rate, improving GDP per capita and rising affordability.

Increased lifestyle related diseases: Increasingly sedentary lifestyle, changing food habits and rapid urbanization has led to a widespread rise in chronic diseases. As the market and economy mature, India is expected to see a higher share of chronic diseases in line with other emerging and most developed nations.

Favourable policy measures: Various initiatives by the Government like the Pharma Vision 2020 (which aims to make India a major hub for end-to-end drug discovery), National Health Policy 2015 (which focuses on increasing public expenditure on healthcare segment), Ayushman Bharat etc. support growth.

Health Insurance coverage: Adoption of health insurance in India is increasing at a fast pace. This in addition to the National Health Protection Scheme announced in the Union Budget 2018-19 will drive the expansion of healthcare services and pharmaceuticals market in India.

Awareness: Enabled by rising medical information portals and healthcare startups, patients are becoming more aware of diseases and preventive therapies/ medicines.

Penetration of diagnostics: The government has plans of increasing focus on healthcare, doubling its share of expenditure as a % of GDP.

■ THREATS, RISKS AND CONCERNS

Pandemic-like Situation: The global coronavirus pandemic drastically affected global economic activity. While Pharmaceuticals sector has been identified by the authorities as an Essential Commodity and operations were allowed, any further spike in the infections and further lockdowns may affect operations temporarily.

Regulatory Overhang: The Drug Price Control (Amendment) Order limits price increases in schedule drugs mentioned in the National List of Essential Medicines (NLEM). While it has been observed that competitive forces in the market have been more effective in controlling prices, amendments in the list will continue to pose challenges for the industry. As on 31st March 2020, 8.1% of the company's revenue were from drugs scheduled in the NLEM.

Competitive Factors: The market remains fragmented and highly competitive, making it challenging to improve market share and profitability.

■ GOING AHEAD

While the existing business remains the main engine of growth for the company, in licensing, exploring newer therapeutic areas and future patent expiries are some areas that it is exploring. In licensing of products also remains an exciting opportunity for the company. It is aggressively looking for entering into partnerships with national and international entities to leverage its sales and marketing, distribution and manufacturing facilities.

The company has also identified various key products whose patents expire in the near future.

■ SAFE HARBOUR AND CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the company's objectives, projections, estimates or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions finished goods prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

BOARD OF DIRECTORS**Mr. Amit Bakshi**

Managing Director

Mr. Inderjeet Singh Negi

Wholetime Director

Mr. Kaushal Shah

Additional Director

Mrs. Vijaya Sampath

Independent Director

Mr. Prashant Gupta

Independent Director

Dr. Kirit Shelat

Independent Director

AUDIT COMMITTEE**Mrs. Vijaya Sampath**

Chairperson

Mr. Prashant Gupta

Member

Dr. Kirit Shelat

Member

Mr. Kaushal Shah

Additional Director

BANKERS**AXIS Bank Limited****HDFC Bank Limited****IDBI Bank Limited****State Bank of India****CHIEF FINANCIAL OFFICER****Mr. Sachin Shah****COMPANY SECRETARY****Mr. Milind Talegaonkar****STATUTORY AUDITORS****M/s. Deloitte Haskins & Sells LLP****INTERNAL AUDITORS****M/s. Agrawal Dhand Motwani & Co.****SECRETERIAL AUDITORS****M/s Ravi Kapoor & Associates****COST AUDITORS****M/s. Kiran J Mehta & Co.****REGISTERED OFFICE****8th Floor, Commerce House-IV, Prahladnagar,
Ahmedabad-380 015, Gujarat, India****MANUFACTURING FACILITY****Plot Nos. 30 and 31, Brahmaputra Industrial Park,
Under Mouza-Sila, Senduri Ghopa, Amingaon,
North Guwahati, Guwahati 781 031 Assam, India****REGISTRAR & SHARE TRANSFER AGENT****Link Intime India Private Limited C - 101, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai – 400 083**

BOARD OF DIRECTORS



Mr. Amit Bakshi

Chairman and Managing Director

Mr. Amit Bakshi has been on the Board of our Company since inception serving in capacity of Chairman and Managing Director. He brings extensive experience of Indian Pharmaceutical industry and handles Strategic Management role for the company across all functions of our business. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.



Mr. Inderjeet Singh Negi

Executive Director

Mr. Inderjeet Singh Negi has been on the Board of our Company since inception serving in capacity of Executive Director. He is responsible for supporting the overall management in line with strategic direction of our company across sales function. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.



Mr. Kaushal Shah

Additional Director

Mr. Kaushal Kamlesh Shah has been associated with our Company since 2007 as one of the directors on the Board. He resigned from the Board on January 5, 2017. He is the head of manufacturing and distribution at our Company. He holds a bachelor's degree in commerce from the Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies. He has more than 13 years' experience in the pharmaceutical industry, having previously worked with companies in the pharmaceutical sector. Mr. Kaushal Kamlesh Shah currently is a director on the board of our Subsidiaries, namely, Eris Therapeutics Private Limited, Kinedex Healthcare Private Limited, UTH Healthcare Limited, Aprica Healthcare Limited and Eris Healthcare Private Limited.



Ms. Vijaya Sampath

Independent Director

Mrs. Vijaya Sampath, is an Independent Director of our Company. She holds a bachelor's degree in Arts (English literature) from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India. She has also attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA. She was appointed on the Board of our Company on February 3, 2017. Mrs. Vijaya Sampath has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years. At the time of resigning from Bharti Airtel Limited, she held the designation of Group General Counsel and Company Secretary. Currently, she is also an independent director on the boards of various listed and unlisted companies in the financial services, power, renewable energy and branded luggage sector. She has more than 38 years of experience in the legal profession as an in-house counsel and lawyer and has significant experience in corporate law, joint ventures, mergers and acquisitions and commercial contracts.

Mr. Prashant Gupta

Independent Director

Mr. Prashant Gupta, is an Independent Director of our Company. He received his Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He was appointed on the Board of our Company on April 30, 2018. Mr. Prashant Gupta is a Partner in the corporate department of Shardul Amarchand Mangaldas. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017.



Dr. Kirit Nanubhai Shelat

Independent Director

Dr. Kirit Nanubhai Shelat, (IAS retired) is an Independent Director of our Company. He holds a bachelor's degree in arts (special) from the University of Gujarat and a Ph.D degree. He was appointed on the Board of our Company on February 3, 2017. Dr. Kirit Nanubhai Shelat has previously worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation. He has 43 years of experience in public administration.



STATUTORY REPORT

Dear Members,

The Board of Directors have pleasure in presenting their 4th Annual Report (Post – IPO) on the business and operations of the Company together with the Audited Financial Statements (standalone and consolidated) for the year ended on March 31, 2020.

1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under:

(₹. In Million)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations	10,202.31	8965.39	10,740.59	9821.61
Other Income	147.28	324.99	153.96	316.94
Total Revenue	10,349.59	9290.38	10,894.55	10138.55
Operating EBITDA	3,556.00	3336.59	3683.74	3449.13
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,703.28	3661.58	3,837.70	3766.07
Less: Depreciation/ Amortisation/ Impairment	448.82	315.89	502.58	363.54
Profit /loss before Finance Costs, Exceptional items and Tax Expense	3,254.46	3345.69	3,335.12	3402.53
Less: Finance Costs	18.54	227.93	21.62	228.95
Profit /loss before Exceptional items and Tax Expense	3,235.92	3117.76	3,313.50	3173.58
Add/(less): Exceptional items	0	0	0	0
Profit/(Loss) before taxation	3,235.92	3117.76	3,313.50	3173.58
Less : Tax Expenses (Current & Deferred)	323.18	263.95	348.43	262.11
Profit /loss for the year	2,912.74	2853.81	2,965.07	2911.47
Profit after tax before share of profit/(loss) of minority interest	2,912.74	2853.81	2,965.07	2911.47
Share of profit/(loss) attributable to Minority Interest	0	0	0.10	3.51
Profit for the year attributable to the shareholders of the company	2,912.74	2853.81	2,964.97	2907.96
Other Comprehensive Income/(Loss)	(11.71)	(0.99)	(12.18)	(1.13)
Total Comprehensive Income/Loss	2,901.03	2852.82	2,952.89	2910.34
- Owners of the company	2,901.03	2852.82	2,952.79	2906.83
Add : Balance B/F from the previous year	11,390.11	8537.29	11,335.22	8468.57
Less: Transfer to Debenture Redemption Reserve, If any	0	0	0	0
Less: Transfer to Reserves	0	0		0
Less: Interim dividend	(469.79)	0	(469.79)	0
Less: Utilised for buy back of shares	(990.42)		(990.42)	0
Add: Acquisition of Minority stake	0	0	(30.52)	(40.18)
Balance Profit / (Loss) C/F to the next year	12,830.93	11390.11	12,797.28	11335.22

2. STATE OF AFFAIRS:

The gross sales and other incomes for the financial year under review was Rs. 10,349.59 million as against Rs. 9290.38 million in the previous year, recording a growth of 11.40 %.

The profit before tax was Rs. 3,235.92 million for the financial year under review as against Rs. 3,117.76 million for the previous financial year, registering an increase of 3.79 %.

The profit after tax for the financial year under review was Rs. 2,912.74 million as against Rs. 2853.81 million for the previous financial year, registering an increase of 2.06 %.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to operate in one segment i.e. pharmaceuticals.

4. DIVIDEND:

During the year under review, the company had paid Rs. 2.87 per equity share of Re. 1/- each as interim dividend for the Financial Year 2019-20. No Final dividend recommended by the Board of directors (during the previous year Nil).

The Company has adopted the Dividend Distribution Policy and the said policy appears at "Annexure 1" and is also available on the website of the Company at the link <http://eris.co.in/policies>.

5. CAPITAL EXPENDITURE:

As on March 31st, 2020, the gross fixed assets (tangible and intangible) stood at Rs. 6,956.52 million (previous year Rs. 5518.05 million) and the net fixed assets (tangible and intangible), at Rs. 6,006.40 million (previous year Rs. 4838.47 million). Capital expenditure during the year amounted to Rs. 1,487.21 million (previous year Rs. 374.15 million). Additionally, during the year under review, consideration of Rs. 213.73 million (previous year Rs. 107.22 million) was paid towards business acquisition / consolidation of holding.

6. AMOUNT TO BE CARRIED TO RESERVES:

The Company has transferred Rs. 1.74 million to the reserves during the financial year under review on account of Buy Back of securities. (previous year: Nil)

7. CHANGES IN CAPITAL STRUCTURE:

During the year under review, the company concluded Buy-back of 1.74 million Equity shares at a price of Rs. 575/- per equity share from eligible shareholders of the Company on a proportionate basis through tender offer route in accordance with the provisions of the securities and Exchange (Buy-back of securities) Regulations, 2018 and the Companies Act, 2013 and the rules made thereunder. Accordingly, the paid up capital of the Company stood decreased to 135.78 million Equity shares of Re. 1/-.

8. STATUTORY AUDITORS:

M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018 Statutory Auditors of the Company, were appointed at the 10th AGM held on 25.10.2016 to hold office till the 15th AGM to be held in the year 2021.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, the requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting, members are not required

to ratify Auditor's appointment and M/s Deloitte Haskins & Sells LLP, Chartered Accountants, will continue to act as auditors of the Company till financial year 2020-21.

The Auditor's Report for the financial year ended 31st March, 2020 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

9. COST AUDITORS:

M/s Kiran J Mehta & Co., Cost Accountants have been duly reappointed as the Cost Auditors for the financial year 2020-2021. The cost records as specified by the central government under subsection (1) of section 148 of the Companies Act, 2013, are made and maintained by the Company.

10. SECRETARIAL AUDIT REPORT:

M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad have been duly re-appointed as the Secretarial Auditor of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year 2019-20 appears at "Annexure 2" to this report. The Secretarial Auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

11. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

12. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appear at "Annexure 3" to this report.

13. SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

As on March 31, 2020, the Company has (5) five wholly owned subsidiaries. The Board of Directors reviewed the affairs of all the subsidiaries. Neither any Company has become nor ceased to be its Subsidiaries, joint ventures or associate companies during the year. However during the year under review, the Company has acquired the remaining shares of Kinedex Healthcare Private Limited, thereby making it a wholly owned subsidiary.

Eris Healthcare Private Limited has incorporated subsidiary company "Eris Pharmaceuticals Private Limited" on 2nd, June 2020

The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at <http://eris.co.in/policies>.

14. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES /JOINT VENTURE/ ASSOCIATE COMPANY:

The Board has reviewed the affairs of its subsidiary companies. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company, bringing out the highlights of their performance, appears in Form AOC - 1 which is enclosed at "Annexure 4" to this report. Details pertaining to the subsidiaries of the Company are provided in the notes to the Consolidated Financial Statements.

The Audited Financial Statements of Company's subsidiaries for the financial year ended on 31st March, 2020 are available on the web link <http://eris.co.in/financial-statement-subsidiaries/> and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in the notice of the 14th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same subject to compliance of the applicable provisions of the Companies Act, 2013.

15. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 as also the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

16. ANNUAL RETURN (MGT-9):

The extract of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 appears at "Annexure 5" to this Report.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee composition, meetings and the attendance of the Members at the meetings along with other details appear in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at "Annexure 6" to this Report. The content of the CSR Policy is available on the website of the Company at the link: <http://eris.co.in/policies>.

18. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appears separately in the Annual Report.

19. CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance and the Practicing Company Secretary's Certificate confirming compliances thereof appears at "Annexure 7" to this report.

20. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as required under Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 describing the initiatives taken by the Company from an environmental, social and governance perspective appears separately in the Annual Report.

21. DIRECTORS & KEY MANAGERIAL PERSONNELS:

The composition of the Board of Directors underwent changes set out below:

During the year under review:

Mr. Amit Bakshi, Managing Director of the Company, being longest in office, retired by rotation and was reappointed as a Director at the 13th Annual General Meeting held on 27th September, 2019.

Subsequent changes in composition till the date of this Report:

Mr. Inderjeet Singh Negi, Whole-time Director of the Company, being longest in office, retires by rotation and being eligible offers himself for reappointment as a Director at the ensuing Annual General Meeting.

Mr. Himanshu Shah, had resigned from the Directorship of the Company on 16th July, 2019 and, at the request of the Company, had agreed to keep serving till 31st May 2020. Mr. Himanshu Shah stood relieved from the Directorship of the Company thereafter.

22. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, the Board of Directors of the Company duly met 6 (Six) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings appear in the Report on Corporate Governance which separately appears in this Annual Report.

23. COMMITTEES OF BOARD:

The Company has the following 6 (six) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Executive Committee
- Risk Management Committee

The details with respect to the composition, terms of reference, number of meetings held and other disclosures required to be made in the Board's report etc. of these Committees are given in the report on Corporate Governance which forms part of the Annual Report.

24. EMPLOYEES' STOCK OPTION SCHEME:

The 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders at their Extra Ordinary General Meeting held on 3rd February, 2017 and subsequently in the Eleventh Annual General Meeting held on 29th September, 2017, the Shareholders duly ratified the said Plan. The details as required to be disclosed under the Companies Act, 2013, read with the rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 [SEBI SBEB, 2014] appear at Annexure 8 and are available on the Company's website at: <https://eris.co.in/downloads/>

The objects of the Scheme are, inter alia, to provide an incentive to reward and motivate employees and enable them to participate in the long-term financial growth of the Company. The Company has granted stock options to the eligible employees. The options will be exercisable into equity shares as per the terms and conditions as stipulated in the Plan.

The Plan is in compliance with the SEBI SBEB, 2014. There were no material changes in the Plan. The certificate from the Statutory Auditors of the Company certifying that the Scheme is implemented in accordance

with the SBEB Regulations and the resolutions passed by the members in this regard shall be available at the Annual General Meeting for inspection by members.

25. CONTRACTS WITH RELATED PARTIES:

Related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 9" to this report.

26. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE OR SECURITY PROVIDED BY THE COMPANY:

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 appear in the notes to the financial statements.

27. PROTECTION OF WOMEN AT WORKPLACE:

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. RISK MANAGEMENT:

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of Overseeing the implementation / Monitoring of Risk Management Plan / Policy, Cyber Securities Risk, Periodically reviewing and evaluating the Risk Management Plan, etc. Further the Company has duly formulated and implemented a risk management plan for enabling the Company to identify elements of risks as contemplated by the provisions of Section 134(3)(n).

29. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported. The content of Policy is available on the Company's Website at the link: <http://eris.co.in/policies>.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis;
- They had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating efficiently; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

31. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company has in place a policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees which appears at "Annexure 10" to this report.

The details of parameters adopted for evaluating the performance of Non-Executive Directors appears in the Report on Corporate Governance which forms part of this Annual Report.

32. MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIED OUT:

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a) which took into account factors like 'ability to create value for its shareholders while ensuring legal compliances' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria approved by the Nomination and remuneration committee of the Company. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson and Managing Director of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on parameters adopted by the Nomination and Remuneration Committee.

33. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

34. DECLARATION OF INDEPENDENCE:

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013. The Directors have assessed the veracity of the same to their satisfaction. The Board of Directors have satisfied about the integrity, expertise and experience (including the proficiency) of the independent directors of the Company.

35. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and appears at "Annexure 11".

36. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments occurred, that would affect the financial position of the Company from the end of the financial year of the Company to which the financial statements relate till the date of the directors report.

37. SIGNIFICANT AND MATERIAL ORDER(S) PASSED BY REGULATORS / COURTS / TRIBUNALS

No material order has been passed by the Regulators / Courts / Tribunals against your company during the year under review.

38. PUBLIC DEPOSITS

The Company has not accepted deposits from public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

39. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or inapplicability of the provisions:

- Reporting of fraud(s) by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- Receipt of any commission from the Company or remuneration from any of its subsidiaries by the Managing Director or the Wholetime Directors of the Company.
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financials years.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in utilisation of money raised by public issue.

40. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

Dividend Distribution Policy

INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Eris Lifesciences Limited ('Company'), has formulated this 'DIVIDEND DISTRIBUTION POLICY' ('Policy').

The Board of Directors ('Board') of the Company has adopted this policy in their meeting held on 12th February, 2018.

OBJECTIVE

The Policy has been formulated:

- To provide guidance for making a decision for declaration of dividend by the Company so as to seek a balance in the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.
- Convey the above to the stakeholders for transparency and fair expectations.

FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

(i) Financial parameters and internal factors

- Net profit earned by the Company
- Profit available for distribution (profit of previous years available)
- Liquidity requirement of the Company
- Any current project requirement –whether business related or acquisition/ merger/ joint venture
- Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the Company
- Upgradation of technology and physical infrastructure
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowing
- Past dividend payout ratio/ trends
- Any other factor as thought fit by the Board

(ii) External factors

- Economic environment
- Capital markets
- Global conditions
- Dividend payout scenario in the industry
- Legal and regulatory provisions and guidelines
- any events such as strikes and lock outs

THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY NOT EXPECT DIVIDEND

The Company shall not declare or distribute any dividend wherein:

- Funds are required for On-going / proposed expansion plan;
- Funds are required for On-going / proposed project requiring large capital outflow;
- Requirement of high working capital;
- Re-payment of outstanding loan, if so decided by the Board;
- Loss/ inadequate profit is made by the Company;
- Covenants with lenders/ Debenture trustees, if any, providing anything to the contrary
- The Board decides so, after analyzing the circumstances

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The Board may retain its earnings in order to make better use of the available funds and increase the value for the stakeholders in the long run. The Board may consider the following factors while deciding the amount of earnings that need to be retained:

- To meet working capital requirement(s)
- Market expansion plan(s)
- Product expansion plan(s)
- Increase in production capacity(s)
- Modernization plan(s)
- Diversification of business
- To fund new acquisitions, mergers & investments
- To maintain adequate liquidity levels
- Replacement of capital assets
- Re-payment of outstanding loan, if so decided by the Board
- Creation of reserves/ statutory reserves in accordance with law
- Such other criteria as the Board may deem fit from time to time.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

PROCEDURE FOR DIVIDEND PAYOUT

The Dividend shall be paid out following the procedure in accordance with the provisions of the Companies Act, 2013, SS-3 issued by ICSI, SEBI Guidelines and any other applicable law.

DISCLOSURE

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company: <http://eris.co.in/>

POLICY REVIEW AND AMENDMENTS

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

For Eris Lifesciences Limited**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

Form No. MR- 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Eris Lifesciences Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eris Lifesciences Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

- 1. Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date: 26th June, 2020

For Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No.: 2587
C P No.: 2407
UDIN: F002587B000384837

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

Annexure A

To,
The Members
Eris Lifesciences Limited

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

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

Place: Ahmedabad
Date: 26th June, 2020

For Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No.: 2587
C P No.: 2407
UDIN: F002587B000384837

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of energy:

Steps taken for conservation of energy:

- Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.
- Use of LED lights to save electricity is being adopted.
- Regulation in usage of office lighting.
- Regular monitoring of high energy consumption areas and taking appropriate measures as and when required.
- All efforts are made to use more natural lights in the premises to optimise the consumption of energy.

The steps taken by the company for utilising alternate sources of energy:

- The Company is evaluating all possibilities of utilizing alternate sources of energy in its operation, wherever possible.

The capital investment on energy conservation equipment:

- During the year, the company made no capital investment on energy conservation equipment.

Technology absorption:

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- Expenditure on research and development by the Company was Rs. 41.96 Million during the year under review.

Foreign Exchange Earnings and Outgo details are as follows:

(₹. in million)

Sr. No.	Particulars	2019-20	2018-19
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgo	982.73	229.87

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June, 2020

Annexure 4

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in million)

Name of the subsidiary	Eris Therapeutics Private Limited	Aprica Healthcare Private Limited	Kinedex Healthcare Private Limited	UTH Healthcare Limited	Eris Healthcare Private Limited
The date since when subsidiary was Acquired	01.04.2010	12.07.2016	23.11.2016	01.10.2017	01.12.2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A.	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
Share capital	0.1	0.1	1.83	71.43	43.33
Reserves and surplus	0.74	116.49	3.42	-306.96	493.52
Total assets	0.85	226.55	66.73	35.38	658.00
Total Liabilities	0.01	99.96	16.48	20.91	121.15
Investments	0.02	2.52	2.53	-	-
Turnover	-	560.78	57.76	-0.36	62.66
Profit before taxation	-0.01	112.16	16.51	-2.54	-8.54
Provision for taxation	-	33.33	4.88	0.17	-0.70
Profit after taxation	-0.01	78.83	11.63	-2.71	-7.84
Proposed Dividend	Nil	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%	100%	100%

Part B Associates and Joint Ventures

Name of Associates or Joint Ventures

There are no associates or joint ventures of the Company during the year.

1. Latest audited Balance Sheet Date	N.A
2. Date on which the Associate or Joint Venture was associated or acquired	N.A
3. Shares of Associate or Joint Ventures held by the company on the year end	
a. Numbers	N.A
b. Amount of Investment in Associates or Joint Venture	N.A
c. Extent of Holding (in percentage)	N.A
4. Description of how there is significant influence	N.A
5. Reason why the associate/joint venture is not consolidated	N.A
6. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A
7. Profit or Loss for the year	
i. Considered in Consolidation	N.A
ii. Not Considered in Consolidation	N.A

- There are no subsidiaries or associates or joint ventures which are yet to commence operations.
- There are no subsidiaries or associates or joint ventures which have been liquidated or sold during the year.

For Eris Lifesciences Limited

Amit Bakshi
Chairperson & Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No. A-26493

Ahmedabad 26th June, 2020

Form MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L24232GJ2007PLC049867									
2	Registration Date	25TH JANUARY, 2007									
3	Name of the Company	ERIS LIFESCIENCES LIMITED									
4	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES NON- GOVERNMENT COMPANY									
5	Address of the Registered office & contact details	8TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-3045 1000									
6	Email address	complianceofficer@erislifesciences.com									
7	Name of the Police Station having jurisdiction where the registered office is situated	ANAND NAGAR POLICE STATION									
8	Address for correspondence, if different from address of registered office:	7TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-3045 1000									
9	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	YES <table> <thead> <tr> <th>SN</th><th>Stock Exchange Name</th><th>Code</th></tr> </thead> <tbody> <tr> <td>1.</td><td>BSE Limited</td><td>540596</td></tr> <tr> <td>2.</td><td>National Stock Exchange of India Limited</td><td>ERIS</td></tr> </tbody> </table>	SN	Stock Exchange Name	Code	1.	BSE Limited	540596	2.	National Stock Exchange of India Limited	ERIS
SN	Stock Exchange Name	Code									
1.	BSE Limited	540596									
2.	National Stock Exchange of India Limited	ERIS									
10	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED C - 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI - 400 083. (T): 91 22 49186000									

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% of total turnover of the Company
1	PHARMACEUTICAL	2100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – SUBSIDIARY COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	ERIS THERAPEUTICS PRIVATE LIMITED Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007	U24230GJ2009PTC057670	Subsidiary	100%	2(87)
2	APRICA HEALTHCARE PRIVATE LIMITED Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007	U24290GJ2016PTC092903	Subsidiary	100%	2(87)
3	KINEDEX HEALTHCARE PRIVATE LIMITED Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007	U51397GJ2002PTC112851	Subsidiary	100%	2(87)
4	ERIS HEALTHCARE PRIVATE LIMITED Vision 2020, SF-209, 150ft Ring Road Nr. Lijjat Papad, PLT-3-4 Rajkot Rajkot GJ 360007	U24211GJ2013PTC113419	Subsidiary	100%	2(87)
5	UTH HEALTHCARE LIMITED Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007	U24232GJ2011PLC112374	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	7,71,46,807	-	7,71,46,807	56.10	7,54,31,423	-	7,54,31,423	55.55	(0.55)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other Non Public & Non Promoter	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :	7,71,46,807	-	7,71,46,807	56.10	7,54,31,423	-	7,54,31,423	55.55	(0.55)
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-

Total Promoter Shareholding (A)=(A)(1)+ (A)(2)	7,71,46,807	-	7,71,46,807	56.10	7,54,31,423	-	7,54,31,423	55.55	(0.55)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,52,01,804	-	1,52,01,804	11.05	1,42,76,919	-	1,42,76,919	10.51	(0.54)
b) Banks / FI	5,833	-	5,833	0.0#	2,879	-	2,879	0.00#	0.00#
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others									
(Foreign Portfolio Investors)	1,11,90,535	-	1,11,90,535	8.14	1,38,35,415	-	1,38,35,415	10.19	2.05
(Alternate Investment Funds)	8,13,595	-	8,13,595	0.59	8,94,835	-	8,94,835	0.66	0.07
Sub-total (B)(1)	2,72,11,767	-	2,72,11,767	19.78	2,90,10,048	-	2,90,10,048	21.36	1.58
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	14,75,997	9	14,76,006	1.07	14,09,234	9	14,09,243	1.04	(0.04)
(ii) Individual Shareholders Holding nominal share capital in excess of Rs. 1lakh	3,13,37,984	-	3,13,37,984	22.79	29036292	-	29036292	21.38	(1.40)
c) Others (Specify)	-	-	-	-	-	-	-	-	-
HUF	60,402	-	60,402	0.04	60,994	-	60,994	0.04	-#
Non Resident Indian	1,84,683	-	1,84,683	0.13	1,07,220	-	1,07,220	0.08	-0.05
Director or Director's Relative	2,220	-	2,220	0.00#	2,220	-	2,220	0.00#	0.00#
Clearing Members	21,409	-	21,409	0.02	4,92,709	-	4,92,709	0.36	0.34
Bodies Corporate	77,307	-	77,307	0.06	2,30,504	-	2,30,504	0.17	0.11
Trusts	198	-	198	0.00#	-	-	-	-	(0.00#)
NBFCs registered with RBI	1,000	-	1,000	0.00#	-	-	-	-	(0.00#)
Sub-total (B)(2)	3,31,61,200	9	3,31,61,209	24.11	3,13,39,173	9	3,13,39,182	23.08	-1.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,03,72,967	9	6,03,72,976	43.9	6,03,49,221	9	6,03,49,230	44.45	0.55
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13,75,19,774	9	13,75,19,783	100	135780644	9	135780653	100	-

II. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of Company*	% of shares pledged/encumbered to total shares	No. of Shares	% of Total shares of Company*	% of shares pledged/encumbered to total shares	
1	Mr. Amit Indubhushan Bakshi	54513423	39.64	0.00	54698423	40.28	0.00	0.64
2	Mr. Himanshu Jayantibhai Shah	6284500	4.57	0.00	4384500	3.23	0.00	(1.34)
3	Mr. Inderjeet Singh Negi	5939833	4.32	0.00	5939833	4.37	0.00	0.05
4	Mr. Rajendrakumar Rambhai Patel	5939834	4.32	0.00	5939834	4.37	0.00	0.05
5	Mr. Kaushal Kamleshkumar Shah	4469217	3.25	0.00	4468833	3.29	0.00	0.04

III. Change in Promoter's Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company*	No. of Shares	% of total shares of the company
1.	MR. AMIT BAKSHI				
	At the beginning of the year	54513423	39.64	54513423	39.64
	Shareholding increase by purchase of shares on 31.05.2019	185000	0.13	54698423	39.77
	At the end of the year	54698423	40.28@	54698423	40.28@
2.	MR. HIMANSHU SHAH				
	At the beginning of the year	6284500	4.57	6284500	4.57
	Shareholding decrease by sale of shares on 27.03.2020	-19,00,000	-1.4	4384500	3.17
	At the end of the year	4384500	3.23@	4384500	3.23@
3.	MR. INDERJEET SINGH NEGI				
	At the beginning of the year	5939833	4.32	5939833	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.37@	5939833	4.37@
4.	MR. RAJENDRA PATEL				
	At the beginning of the year	5939834	4.32	5939834	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939834	4.37@	5939834	4.37@
5.	MR. KAUSHAL K. SHAH				
	At the beginning of the year	4469217	3.25	4469217	3.25
	Shareholding decrease by sale of shares on 21.02.2020	243	0.00#	4468974	3.29#
	Shareholding decrease by sale of shares on 28.02.2020	141	0.00#	4468833	3.29#
	At the end of the year	4468833	3.29@	4468833	3.29@

* % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

IV. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of total shares of the company*	No. of Shares	% of total shares of the company*	No. of Shares Held	% of total shares of the company
1.	RAKESH SHAH	15854000	11.68			15854000	11.68
	Transfer on 24.01.2020			(169658)	(0.12)	15684342	11.55
	Transfer on 27.03.2020			65	0.00	15684407	11.55
	AT THE END OF THE YEAR					15684407	11.55
2.	BHIKHALAL CHIMANLAL SHAH	10676864	7.86			10676864	7.86
	Transfer on 29.11.2019			-1600000	-1.18	9076864	6.68
	Transfer on 24.01.2020			-184434	-0.14	8892430	6.55
	AT THE END OF THE YEAR					8892430	6.55
3.	EMERALD INVESTMENTS LIMITED	0	0.0000			0	0.00
	Transfer on 29.11.2019			3579559	2.64	3579559	2.64
	Transfer on 28.02.2020			939250	0.69	4518809	3.33
	Transfer on 20.03.2020			1162832	0.86	5681641	4.18
	Transfer on 31.03.2020			1794139	1.32	7475780	5.51
	AT THE END OF THE YEAR					7475780	5.51
4.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID '95 FUND	5293353	3.90			5293353	3.90
	Transfer on 12.04.2019			(4181)	(0.00)	5289172	3.90
	Transfer on 26.04.2019			(515)	(0.00)	5288657	3.90
	Transfer on 07.06.2019			(3432)	(0.00)	5285225	3.89
	Transfer on 19.07.2019			5016	(0.00)	5290241	3.90
	Transfer on 02.08.2019			10000	0.01	5300241	3.90
	Transfer on 13.12.2019			(99600)	(0.07)	5200641	3.83
	Transfer on 24.01.2020			(130245)	(0.10)	5070396	3.73
	Transfer on 20.03.2020			(413552)	(0.30)	4656844	3.43
	AT THE END OF THE YEAR					4656844	3.43
5.	HETAL RASIKLAL SHAH	4807120	3.54			4807120	3.54
	Transfer on 07.06.2019			(91)	(0.00)	4807029	3.54
	Transfer on 14.06.2019			(5786)	(0.00)	4801243	3.54
	Transfer on 21.06.2019			(118)	(0.00)	4801125	3.54
	Transfer on 29.06.2019			(18355)	(0.01)	4782770	3.52
	Transfer on 29.11.2019			(700002)	(0.52)	4082768	3.01
	Transfer on 24.01.2020			(56155)	(0.04)	4026613	2.97
	AT THE END OF THE YEAR					4026613	2.97

6.	UTI - EQUITY FUND	1306080	0.96	1306080	0.96	
	Transfer on 05.04.2019		18578	0.01	1324658	0.98
	Transfer on 12.04.2019		8015	0.01	1332673	0.98
	Transfer on 19.04.2019		10000	0.01	1342673	0.99
	Transfer on 26.04.2019		9959	0.01	1352632	1.00
	Transfer on 17.05.2019		75876	0.06	1428508	1.05
	Transfer on 24.05.2019		10000	0.01	1438508	1.06
	Transfer on 31.05.2019		37000	0.03	1475508	1.09
	Transfer on 07.06.2019		42000	0.03	1517508	1.12
	Transfer on 14.06.2019		58000	0.04	1575508	1.16
	Transfer on 21.06.2019		23000	0.02	1598508	1.18
	Transfer on 29.06.2019		21000	0.02	1619508	1.19
	Transfer on 05.07.2019		21000	0.02	1640508	1.21
	Transfer on 12.07.2019		40000	0.03	1680508	1.24
	Transfer on 19.07.2019		13000	0.01	1693508	1.25
	Transfer on 26.07.2019		58000	0.04	1751508	1.29
	Transfer on 02.08.2019		79788	0.06	1831296	1.35
	Transfer on 09.08.2019		102479	0.08	1933775	1.42
	Transfer on 16.08.2019		69031	0.05	2002806	1.48
	Transfer on 23.08.2019		145000	0.11	2147806	1.58
	Transfer on 30.08.2019		315000	0.23	2462806	1.81
	Transfer on 06.09.2019		385374	0.28	2848180	2.10
	Transfer on 13.09.2019		301803	0.22	3149983	2.32
	Transfer on 20.09.2019		4922	0.00	3154905	2.32
	Transfer on 27.09.2019		160279	0.12	3315184	2.44
	Transfer on 30.09.2019		16508	0.01	3331692	2.45
	Transfer on 04.10.2019		15058	0.01	3346750	2.46
	Transfer on 11.10.2019		7142	0.01	3353892	2.47
	Transfer on 18.10.2019		7000	0.01	3360892	2.48
	Transfer on 08.11.2019		25000	0.02	3385892	2.49
	Transfer on 15.11.2019		13871	0.01	3399763	2.50
	Transfer on 22.11.2019		16033	0.01	3415796	2.52
	Transfer on 29.11.2019		88791	0.07	3504587	2.58
	Transfer on 13.12.2019		4235	0.00	3508822	2.58
	Transfer on 20.12.2019		5000	0.00	3513822	2.59
	Transfer on 27.12.2019		30000	0.02	3543822	2.61
	Transfer on 31.12.2019		21000	0.02	3564822	2.63
	Transfer on 03.01.2020		13000	0.01	3577822	2.64
	Transfer on 10.01.2020		(7000)	(0.01)	3570822	2.63

Transfer on 17.01.2020	(12000)	(0.01)	3558822	2.62
Transfer on 24.01.2020	(40304)	(0.03)	3518518	2.59
Transfer on 31.01.2020	(14477)	(0.01)	3504041	2.58
Transfer on 14.02.2020	24679	0.02	3528720	2.60
Transfer on 28.02.2020	40000	0.03	3568720	2.63
Transfer on 06.03.2020	67000	0.05	3635720	2.68
Transfer on 13.03.2020	33000	0.02	3668720	2.70
Transfer on 31.03.2020	3004	0.00	3671724	2.70
AT THE END OF THE YEAR			3671724	2.70
7. FRANKLIN INDIA SMALLER COMPANIES FUND	0	0.00	0	0.00
Transfer on 13.09.2019	1804654	1.33	1804654	1.33
Transfer on 25.10.2019	200000	0.15	2004654	1.48
Transfer on 15.11.2019	78000	0.06	2082654	1.53
Transfer on 22.11.2019	322000	0.24	2404654	1.77
Transfer on 13.12.2019	(21572)	(0.02)	2383082	1.76
Transfer on 07.02.2020	(1224)	(0.00)	2381858	1.75
Transfer on 14.02.2020	(45528)	(0.03)	2336330	1.72
Transfer on 20.03.2020	150000	0.11	2486330	1.83
AT THE END OF THE YEAR			2486330	1.83
8. FUNDSMITH EMERGING EQUITIES TRUST PLC	1374492	1.01	1374492	1.01
Transfer on 24.05.2019	155665	0.11	1530157	1.13
Transfer on 06.03.2020	(43402)	(0.03)	1486755	1.10
Transfer on 13.03.2020	(1654)	(0.00)	1485101	1.09
AT THE END OF THE YEAR			1485101	1.09
9. KOTAK EMERGING EQUITY SCHEME	822087	0.61	822087	0.61
Transfer on 05.04.2019	(1336)	(0.00)	820751	0.60
Transfer on 26.07.2019	(33543)	(0.02)	787208	0.58
Transfer on 02.08.2019	(15995)	(0.01)	771213	0.57
Transfer on 09.08.2019	(65419)	(0.05)	705794	0.52
Transfer on 16.08.2019	(46384)	(0.03)	659410	0.49
Transfer on 23.08.2019	(3004)	(0.00)	656406	0.48
Transfer on 30.08.2019	(5693)	(0.00)	650713	0.48
Transfer on 18.10.2019	350000	0.26	1000713	0.74
Transfer on 22.11.2019	194075	0.14	1194788	0.88
Transfer on 27.12.2019	10000	0.01	1204788	0.89
Transfer on 24.01.2020	(96303)	(0.07)	1108485	0.82
Transfer on 21.02.2020	76265	0.06	1184750	0.87
Transfer on 28.02.2020	231851	0.17	1416601	1.04
AT THE END OF THE YEAR			1416601	1.04

10.	TATA MUTUAL FUND - TATA INDIA TAX SAVINGS FUND	394200	0.29		394200	0.29
	Transfer on 02.08.2019		137976	0.10	532176	0.39
	Transfer on 23.08.2019		67824	0.05	600000	0.44
	Transfer on 27.09.2019		7500	0.01	607500	0.45
	Transfer on 18.10.2019		450000	0.33	1057500	0.78
	Transfer on 22.11.2019		225000	0.17	1282500	0.94
	AT THE END OF THE YEAR				1282500	0.94
11.	ABU DHABI INVESTMENT AUTHORITY - BEHAVE	1389290	1.02		1389290	1.02
	Transfer on 24.01.2020		(205819)	(0.15)	1183471	0.87
	AT THE END OF THE YEAR				1183471	0.87
12.	MOTILAL OSWAL FOCUSED 25 FUND	5460495	4.02		5460495	4.02
	Transfer on 06.09.2019		60381	0.04	5520876	4.07
	Transfer on 13.09.2019		(201414)	(0.15)	5319462	3.92
	Transfer on 20.09.2019		6	0.00	5319468	3.92
	Transfer on 27.09.2019		(13)	0.00	5319455	3.92
	Transfer on 30.09.2019		2	0.00	5319457	3.92
	Transfer on 04.10.2019		9	0.00	5319466	3.92
	Transfer on 11.10.2019		150	0.00	5319616	3.92
	Transfer on 18.10.2019		(800004)	(0.59)	4519612	3.33
	Transfer on 25.10.2019		(199874)	(0.15)	4319738	3.18
	Transfer on 01.11.2019		(31368)	(0.02)	4288370	3.16
	Transfer on 08.11.2019		9	0.00	4288379	3.16
	Transfer on 15.11.2019		(324483)	(0.24)	3963896	2.92
	Transfer on 22.11.2019		(2919975)	(2.15)	1043921	0.77
	Transfer on 29.11.2019		14	0.00	1043935	0.77
	Transfer on 06.12.2019		40	0.00	1043975	0.77
	Transfer on 13.12.2019		15	0.00	1043990	0.77
	Transfer on 20.12.2019		19	0.00	1044009	0.77
	Transfer on 31.12.2019		12	0.00	1044021	0.77
	Transfer on 03.01.2020		25	0.00	1044046	0.77
	Transfer on 10.01.2020		43	0.00	1044089	0.77
	Transfer on 17.01.2020		109	0.00	1044198	0.77
	Transfer on 24.01.2020		(10388)	(0.01)	1033810	0.76
	Transfer on 31.01.2020		67	0.00	1033877	0.76
	Transfer on 07.02.2020		121	0.00	1033998	0.76
	Transfer on 14.02.2020		(29885)	(0.02)	1004113	0.74
	Transfer on 28.02.2020		28	0.00	1004141	0.74
	Transfer on 06.03.2020		(100)	(0.00)	1004041	0.74
	Transfer on 13.03.2020		77	0.00	1004118	0.74
	Transfer on 20.03.2020		(547022)	(0.40)	457096	0.34
	Transfer on 27.03.2020		139	0.00	457235	0.34
	Transfer on 31.03.2020		(255503)	(0.19)	201732	0.15
	AT THE END OF THE YEAR				201732	0.15

13.	MATTHEWS INDIA FUND	1950176	1.44		1950176	1.44
	Transfer on 12.04.2019		(53526)	(0.04)	1896650	1.40
	Transfer on 17.05.2019		(25014)	(0.02)	1871636	1.38
	Transfer on 24.05.2019		(123790)	(0.09)	1747846	1.29
	Transfer on 31.05.2019		(59400)	(0.04)	1688446	1.24
	Transfer on 07.06.2019		(14187)	(0.01)	1674259	1.23
	Transfer on 14.06.2019		(50836)	(0.04)	1623423	1.20
	Transfer on 21.06.2019		(16898)	(0.01)	1606525	1.18
	Transfer on 29.06.2019		(20919)	(0.02)	1585606	1.17
	Transfer on 05.07.2019		(31935)	(0.02)	1553671	1.14
	Transfer on 19.07.2019		(39667)	(0.03)	1514004	1.12
	Transfer on 26.07.2019		(5321)	(0.00)	1508683	1.11
	Transfer on 02.08.2019		(159154)	(0.12)	1349529	0.99
	Transfer on 09.08.2019		(49082)	(0.04)	1300447	0.96
	Transfer on 16.08.2019		(4468)	(0.00)	1295979	0.95
	Transfer on 23.08.2019		(133753)	(0.10)	1162226	0.86
	Transfer on 30.08.2019		(203084)	(0.15)	959142	0.71
	Transfer on 06.09.2019		(233633)	(0.17)	725509	0.53
	Transfer on 13.09.2019		(725509)	(0.53)	0	0.00
	AT THE END OF THE YEAR				0	0.00
14.	GOLDMAN SACHS INDIA LIMITED	1320604	0.97		1320604	0.97
	Transfer on 31.05.2019		(41629)	(0.03)	1278975	0.94
	Transfer on 05.07.2019		(28471)	(0.02)	1250504	0.92
	Transfer on 12.07.2019		(6994)	(0.01)	1243510	0.92
	Transfer on 19.07.2019		(210)	(0.00)	1243300	0.92
	Transfer on 26.07.2019		(18302)	(0.01)	1224998	0.90
	Transfer on 02.08.2019		(66745)	(0.05)	1158253	0.85
	Transfer on 09.08.2019		(35179)	(0.03)	1123074	0.83
	Transfer on 16.08.2019		(17372)	(0.01)	1105702	0.81
	Transfer on 23.08.2019		(46062)	(0.03)	1059640	0.78
	Transfer on 30.08.2019		(64640)	(0.05)	995000	0.73
	Transfer on 24.01.2020		(149727)	(0.11)	845273	0.62
	Transfer on 21.02.2020		(12856)	(0.01)	832417	0.61
	Transfer on 28.02.2020		(832417)	(0.61)	0	0.00
	AT THE END OF THE YEAR				0	0.00

* % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

V. Shareholding of Directors and Key Managerial Personnel.

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	MR. AMIT BAKSHI				
	At the beginning of the year	54513423	39.64	54513423	39.64
	Shareholding increase by purchase of shares on 24/05/2019	185000	0.13	54698423	39.77

	At the end of the year	54698423	40.28@	54698423	40.28@
2	MR. HIMANSHU SHAH*				
	At the beginning of the year	6284500	4.57	6284500	4.57
	Shareholding decrease by sale of shares on 27.03.2020	(19,00,000)	(1.40)	4384500	3.17
	At the end of the year	4384500	3.23@	4384500	3.23@
3	MR.INDERJEET SINGH NEGI				
	At the beginning of the year	5939833	4.32	5939833	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.37@	5939833	4.32@
4	MR. KIRIT NANUBHAI SHELAT				
	At the beginning of the year ^{&}	-	-	-	-
	Transaction (Increase by purchase and Decrease by sale) during the year	-	-	-	-
	At the end of the year ^{&}	-	-	-	-
5	MRS. VIJAYA SAMPATH				
	At the beginning of the year	2220	0.00 #	2220	0.00 #
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	2220	0.00 #	2220	0.00 #
6	MR. PRASHANT GUPTA				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7	MR. SACHIN SHAH				
	At the beginning of the year	15022	0.01	15022	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	15022	0.01	15022	0.01
8	MR. MILIND TALEGAONKAR				
	At the beginning of the year	1330	0.00 #	1330	0.00 #
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	1330	0.00 #	1330	0.00 #

[&] Excluding shares Jointly held with other relatives.

* Resigned w.e.f. 31.05.2020

VI. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,750	-	-	1,750
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.60	-	-	12.60
Total (i+ii+iii)	1762.60	-	-	1762.60
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	1762.60	-	-	1762.60
Net Change	1762.60	-	-	1762.60
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹. in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole-time Directors	Total Amount
1.	Gross salary	AMIT BAKSHI	INDERJEET SINGH NEGI HIMANSHU SHAH*	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.14	13.00 11.00	73.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	- others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	49.14	13.00 11.00	73.14
	Ceiling as per the Act			319.64

* Resigned w.e.f. 31.05.2020.

B. REMUNERATION TO OTHER DIRECTORS:

(₹. in Million)

Sr. No.	Particulars of Remuneration	Name of Other Directors			Total Amount
1.	Independent Directors	Mr. Kirit Shelat	Mrs. Vijaya Sampath	Mr. Prashant Gupta	
	Fee for attending board committee meetings	1.125	0.825	0.90	2.85
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1.125	0.825	0.90	2.85
2.	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	1.125	0.825	0.90	2.85
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹. in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.86	10.70	13.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	6651 shares	16628 shares	23279 shares
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	0
	Others, please specify	-	-	-	
	Total	-	2.86	10.70	13.56

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Due to rounding off.

@ Due to Buy back of shares of the Company.

For Eris Lifesciences Limited**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

BRIEF OF THE COMPANY'S CSR POLICY:

While the Company continues to expand and grow in its sector of business, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda.

The Company's focus areas under CSR are:

- Preventive Medical Screening
- Education
- Environment
- Rural & Agricultural Development

The CSR Policy has been put up on the Company's Website and can be accessed through the following link: <http://eris.co.in/policies>.

THE COMPOSITION OF THE CSR COMMITTEE:

The CSR committee of the Board is responsible for inter alia overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on 31.03.2020 was:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1	Mr. Inderjeet Singh Negi – Chairperson	Executive	Non-Independent
2	Mr. Himanshu Shah - Member*	Executive	Non-Independent
3	Mr. Kirit Shelat- Member	Non-Executive	Independent
4	Mr. Prashant Gupta – Member	Non-Executive	Independent

* Resigned w.e.f. 31.05.2020.

TOTAL NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

- ₹ 8891.44 Million

AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

- ₹ 2963.81 Million

PRESCRIBED CSR EXPENDITURE :

- ₹ 59.28 Million (2% of Average Net Profit)

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year: ₹ 59.28 Million
- Total amount spent during the financial year: ₹ 59.53 Million
- Amount unspent: Nil

Manner in which the amount spent during the financial year is detailed below:

S.No	CSR project or activity identified	Sector in which the Project is covered.	Projects or Programs 1. Local Area or Other 2. Specify the State and district where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Preventive Medical Screening at public places	Preventive Healthcare Schedule VII (i)	Gujarat (Ahmedabad), Maharashtra (Mumbai), Kerala (Trivandrum and Cochin), Goa (Goa), Uttar Pradesh (Lucknow) and Tamil Nadu (Coimbatore) and Delhi (Delhi)	50.28 Million	52.59 Million	72.06 Million	Both, Implementing Agency namely Eris Foundation
2	Screening activities to alleviate the ailments of senior citizens	Preventive Healthcare Schedule VII (i)	All over India	5 Million	4.7 Million	23.97 Million	Direct
3	Other Healthcare Activities	Preventive Healthcare Schedule VII (i)	Gujarat (Ahmedabad)	1 Million	Nil	2.28 Million	Direct
4	Education of Underprivileged	Education Schedule VII(ii)	Gujarat (Ahmedabad)	1 Million	2.24 Million	2.71 Million	Direct
5	Animal Welfare	Animal Welfare Schedule VII (iv)	Gujarat (Ahmedabad)	1 Million	Nil	0.50 Million	Direct
6	Rural Development	Rural Development Schedule VII (X)	Gujarat (Ahmedabad)	1 Million	Nil		Direct

*Eris Foundation is a public charitable trust formed under The Bombay Trusts Act, 1950 (Registration No.:E/19081/Ahmedabad) and having applicable registrations under the Income Tax Act, 1961. It has been in existence since 2009.

THE REASONS FOR UNSPENT AMOUNT:

Not Applicable

A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with the Company's CSR objectives.

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 26th June 2020

Inderjeet Singh Negi
DIN: 01255388
Chairperson, CSR Committee

(Pursuant to provisions of Schedule V of the SEBI (LODR) Regulations, 2015/ “SEBI Listing Regulations”)**1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your Company believes in conscientiousness, innovation, fairness, transparency, pursuit of long-term value for all stakeholders, ethical & accountability driven processes and a purposeful existence. Your Company views the code of Governance as an opportunity to translate these beliefs into conduct which may assure all persons dealing or contemplating dealing with the company about these legitimate expectations from the Company.

2. BOARD OF DIRECTORS:

As on 31st March, 2020, the Board of Directors (Board) comprised of 6 (six) directors out of which 3 (three) being promoter executive directors and 3 (three) non-executive independent directors. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2020, have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act (Act). The maximum tenure of independent directors is compliant with the requirements of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

BOARD MEETINGS

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year ended on 31st March, 2020 the Board met 6 (Six) times on 21.05.2019, 03.07.2019, 27.07.2019, 07.11.2019, 14.02.2020 and 11.03.2020.

COMPOSITION AND CATEGORY OF DIRECTORS

The Composition of the Board, the category of Directors’ and their attendance at the Board Meeting held during the year is as follows.

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorships [^]	No. of Committees in which Chairman/member #	
					Chairperson	Member
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	6	Yes	1	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	6	Yes	2	0	1
Mr. Himanshu Jayantbhai Shah* (DIN: 01301025)	Promoter, Executive and Whole-time Director	6	Yes	1	0	2
Mr. Kirit Nanubhai Shelat (DIN: 00190619)	Non-Executive and Independent Director	6	No	1	1	2
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	5	Yes	9	1	9
Mr. Prashant Gupta (DIN:08122641)	Non-Executive and Independent Director	5	No	0	0	2

* Resigned w.e.f. 31.05.2020.

[^] The above list of ‘other directorships’ is based on declaration received from the respective Directors and does not include directorship in this Company.

The Committee (Audit and Stakeholders’ Relationship Committee only) Memberships and Chairmanship in Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

DIRECTORSHIP IN LISTED COMPANIES OTHER THAN ERIS LIFESCIENCES LIMITED

Name of Directors	Category & Designation	Name of Listed Company
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	N.A	N.A
Mr. Inderjeet Singh Negi (DIN: 01255388)	N.A	N.A
Mr. Himanshu Jayantibhai Shah (DIN: 01301025)	N.A	N.A
Mr. Kirit Nanubhai Shelat (DIN: 00190619)	Non-Executive and Independent Director	Deep Industries Limited
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	Safari Industries (India) Limited Varroc Engineering Limited Intellect Arena Design Limited Ingersoll Rand (India) Limited XPRO India Limited - Resigned w.e.f. 17-06-2020
Mr. Prashant Gupta (DIN:08122641)	N.A	N.A

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Information is also provided to the Board of Directors as and when required to make informed and timely decisions for the Company.

None of the Directors are related to each other in any way.

As on 31st March, 2020, the details of Equity Shares held by Non-Executive Directors are as under:

Name of Director	No. of Equity Shares held
Dr. Kirit Nanubhai Shelat	0
Mrs. Vijaya Sampath	2220
Mr. Prashant Gupta	0

The familiarisation programmes imparted to independent directors is available on <http://eris.co.in/policies/>

The Board, in their meeting, assessed the veracity of the declaration given by the Independent Directors and confirmed that the Independent Directors comply with the provisions regarding independence specified in the SEBI LODR regulations and are independent from the Management of the Company.

During the year under review no independent director resigned before the expiry of his/her tenure.

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

The Board of Directors identifies and approves the following core skills/expertise/competencies required by the Board of Directors for effective functioning of business and sector in which the Company operates:

- Pharmaceutical Industry expertise;
- Financial expertise;
- Legal expertise;
- Out of Industry perspective;
- Familiarity with Company history gained through long employment;
- Marketing of brands in Pharma market.

Name of Director	Pharmaceutical Industry expertise	Financial expertise	Legal expertise	Out of Industry perspective	Familiarity with Company history gained through long employment	Marketing of brands in Pharma market
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Y	Y	-	-	Y	Y
Mr. Inderjeet Singh Negi (DIN: 01255388)	Y	Y	-	-	Y	Y
Mr. Himanshu Jayantibhai Shah (DIN: 01301025)	Y	Y	-	-	Y	Y
Mr. Kirit Nanubhai Shelat (DIN: 00190619)	-	Y	-	Y	-	-
Mrs. Vijaya Sampath (DIN: 00641110)	Y	Y	Y	Y	-	-
Mr. Prashant Gupta (DIN:08122641)	-	Y	Y	Y	-	-

The Directors of the Company possess the aforementioned core skills/expertise/competencies.

3. AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2020 comprising of 4 (four) members out of which 1 (one) being executive director and 3 (three) non-executive independent directors.

During the year under review, the Audit Committee duly met 4 (Four) times on 21.05.2019, 27.07.2019, 07.11.2019 and 14.02.2020. The gap between any two successive Audit Committee meetings did not exceed one hundred and twenty days. The composition as on 31st March, 2020 of the audit committee along with changes during the years are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson, Non-Executive Independent Director	3
2	Dr. Kirit Shelat	Member, Non-Executive Independent Director	4
3	Mr. Prashant Gupta	Member, Non-Executive Independent Director	3
4	Mr. Himanshu Shah (Ceased to be member w.e.f. 31.05.2020)	Member, Executive Director	4

All recommendations made by the Audit Committee during the year under review have been accepted by the Board of Directors.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee is responsible for the discharge of its statutory role as per framework provided under the Companies Act, 2013 and the applicable SEBI rules and regulations. It covers, inter alia, the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors (including chief internal auditor of the Company and external auditors) and the fixation of the audit fee;
3. Approval of payment to statutory auditors or external auditors for any other services rendered by them;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the statutory auditor's and Internal Auditors independence and performance and discuss the same with the management and review effectiveness and adequacy of audit process and review Internal audit reports relating to internal control weaknesses;
8. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed and mandatorily review Statement of significant related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
13. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. Reviewing the functioning of the whistle blower mechanism;
17. Review of statutory compliances and legal cases
18. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
19. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law.
20. Mandatorily review Management discussion and analysis of financial condition and results of operations;
21. Management letters / letters of internal control weaknesses issued by the statutory auditors;
22. Statement of deviations in terms of the SEBI Listing Regulations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2020, comprising of 5 (five) members out of which 2 (two) being executive director and 3 (three) non-executive directors. Chairperson of this Committee is non-executive director.

The Composition as on 31st March, 2020 of the Stakeholders Relationship Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1.	Mr. Kirit Shelat	Chairperson @ Non-Executive Independent Director	1
2.	Mrs. Vijaya Sampath	Member \$ Non-Executive Independent Director	1
3.	Mr. Prashant Gupta	Member Non-Executive Independent Director	0
4.	Mr. Himanshu Shah (Ceased to be member w.e.f. 31.05.2020)	Member Executive Director	1
5.	Mr. Inderjeet Singh Negi	Member Executive Director	1

@ Appointed as a Member and Chairperson w.e.f. 27.07.2019.

\$ Cease to be chairperson w.e.f. 21.05.2019.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Stakeholders Relationship Committee duly met 1 (one) time on 27.07.2019. Mr. Milind Talegaonkar, Company Secretary acts as the Compliance Officer of the Company.

Number of Shareholder Complaints Received, Solved and Pending during the year:

No. of Complaints Received	No. of Complaint not Solved to the satisfaction of shareholders	No. of Complaints Pending
8	0	0

The terms of reference of the Committee, inter alia, includes the following:

- Considering and resolving grievances of shareholders', debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- To consider and approve, any and all requests of the Security(ies) holders of the Company, for re-materialisation or de-materialisation of the Securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) and Regulation 19 of the Listing Regulations as on March 31, 2020, comprising of 4 (Four) members out of which 3 (three) being non-executive independent directors and 1 (one) being Chairman and Managing Director of the Company.

The Composition as on 31st March, 2020 of the Nomination and Remuneration Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mr. Kirit Nanubhai Shelat	Chairperson, Non-Executive Independent Director	2
2	Mrs. Vijaya Sampath	Member, Non-Executive Independent Director	1
3	Mr. Prashant Gupta	Member, Non-Executive Independent Director	2
4	Mr. Amit Indubhushan Bakshi	Member, (Chairperson of the Company, Executive Director)	2

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Nomination and Remuneration Committee duly met 2 (Two) times on 21.05.2019 and 14.02.2020.

The Nomination and Remuneration Committee, in its meeting held on 29th January, 2019, has adopted the following parameters to evaluate the performance of Non-Executive Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements, business performance,
- Overall contribution to the enhancement of brand image of the Company,
- performance of the directors,
- fulfilment of the independence criteria as specified in applicable regulation of SEBI LODR Regulations, 2015 and their independence from the management

Managing Director and the Whole-time Director(s) and other Executive director(s):

- appropriate benchmarks set as per industry standards,
- the performance of the role occupant.

The terms of reference of the Committee, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Recommend to the board, all remuneration, in whatever form, payable to senior management

- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
- To administer and superintend the ESOP scheme of the company.

6. CSR COMMITTEE

As on 31st March, 2020 the CSR Committee comprises of 4 (four) members out of which 2 (two) are executive directors and 2 (two) are non-executive Independent Director of the Company. The committee carries out functions enumerated in the Act. During the Year Company has conducted only One Meeting on 21.05.2019.

The Composition as on 31st March, 2020 of the CSR Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mr. Inderjeet Singh Negi	Chairperson, Executive Director	1
2	Mr. Kirit Shelat	Member, Non-Executive Independent Director	1
3	Mr. Himanshu Shah (Ceased to be member w.e.f. 31.05.2020)	Member, Executive Director	1
3	Mr. Prashant Gupta	Member, Non-Executive Independent Director	1

The Company has spent Rs. 59.53 Million on CSR activities during the said financial year.

The terms of reference of the CSR Committee, inter alia, includes the following:

- Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013 for every financial year; and
- Monitoring the Corporate Social Responsibility Policy of our Company from time to time and recommending to the Board, any amendments in Corporate Social Responsibility Policy indicating activities that can be undertaken by the Company as specified in Schedule VII to the Companies Act 2013.

7. EXECUTIVE COMMITTEE MEETING

As on 31st March, 2020 the Executive Committee comprises of 3 (three) members, all being executive directors. During the Year Company has conducted Nine Meetings on 06.04.2019, 04.07.2019, 12.07.2019, 11.09.2019, 19.11.2019, 22.11.2019, 19.12.2019, 20.01.2020 and 06.03.2020.

The Composition as on 31st March, 2020 of the Executive Committee are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Amit Indubhushan Bakshi - CHAIRPERSON	Executive	Non-Independent	7
2	Mr. Himanshu Shah – Member (Ceased to be member w.e.f. 31-05-2020)	Executive	Non-Independent	9
3	Mr. Inderjeet Singh Negi – Member	Executive	Non-Independent	9

The terms of reference of the Executive Committee, inter alia, includes the following:

- Deal with the day-to-day activities of the Company business including all operational matters affecting it;
- Develop and implement the adopted business plans, policies, guidelines, strategies, procedures, budgets and operational plans;
- Monitor and manage the operating and financial performance of the Company;
- Optimise, prioritise and allocate investment and resources;
- Manage and develop talent and undertake succession planning;
- Manage the risk profile of the Company;
- Give or make available to the Board such information, reports and other documents to enable it to carry out its duties.
- Be responsible for the identification, management, and mitigation of risk(s) across the Company's business;

- Manage the internal controls environment;
- Be responsible and accountable for the integrity of management information and financial reporting systems;
- Review the legal structure and propose recommendations for its improvement to the Board based thereon; and
- Borrow monies in terms of Section 179(3)(d) of the Act read with the first proviso thereto not exceeding an amount of INR 1000 crores (onethousand crores only) in the aggregate
- Invest the funds of the Company in terms of Section 179(3)(e) of the Act read with the first proviso thereto within the aforesaid overall limit of INR 1000 crores (one thousand crores only).
- Grant loans or give guarantee or provide security in respect of loans in terms of Section 179(3)(f) read with the first proviso thereto within the limits available to the Board from time to time.
- All actions and decisions ancillary, incidental, or connected to the above unless those are ultra-vires the Company or fall within the terms of reference of any other committee of the Board or is only exercisable by the general body, or is specifically required by the prevailing Company Laws to be exercisable only by the Board without permitting any committee delegation thereof.

8. RISK MANAGEMENT COMMITTEE:

As on 31st March, 2020 the Risk Management Committee comprises of 3 (Three) members out of which 2 (two) are executive directors and 1 (one) is employee of the Company. The committee carries out functions enumerated in the Act. The composition as on 31st March, 2020 of the risk management committee along with changes during the years are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi	Chairperson Executive Director	1
2	Mr. Amit Bakshi	Member @ Executive Director	1
3	Mr. Sachin Shah	Member CFO	1

@ Mr. Amit Bakshi appointed as Member of the Committee w.e.f. 21.05.2019.

Mr. Himanshu Shah Cease to be member of the Committee w.e.f. 21.05.2019.

During the Year Company has conducted only One Meeting on 14.02.2020.

Terms of Reference for the Risk Management Committee:

The Risk Management Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, for the following:

- Framing of Risk Management Plan and / or Policy;
- Overseeing implementation / Monitoring of Risk Management Plan and / or Policy;
- Validating the process of Risk Management;
- Validating the procedure for Risk Minimization;
- Periodically reviewing and evaluating the Risk Management Plan and / or Policy and practices with respect to risk assessment and risk management processes;
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Review of development and implementation of a risk management policy / plan including identification therein of element of risk;
- Annual performance evaluation of the Committee;
- Cyber Security risk management and mitigation;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

9. INDEPENDENT DIRECTORS MEETING:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, separate meeting of Independent Directors was held on 11.03.2020 without the participation of Non-Independent Directors and members of the management. The Independent Directors discussed on various aspects, viz. performance of non-independent directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. REMUNERATION OF THE DIRECTORS

- Transactions with the non-executive directors: - The Company does not have material pecuniary relationship or transactions with its non-executive directors. The Company has paid sitting fees to non-executive directors for attending the meetings of the Board / Committees / sub-committees.
- Criteria for making payments to Non-Executive Directors are available on the Company's website: <http://eris.co.in/policies/>
- Disclosures with respect to remuneration:

In addition to the disclosures required under Companies Act, 2013, as given in extract of annual return, the disclosure regarding remuneration are as follows:

- Details of fixed component and performance linked incentives, along with the performance criteria:

(Amount in ₹)

Sr. No	Particulars	Mr. Amit Bakshi Managing Director	Mr. Himanshu Shah Whole-time Director	Mr. Inderjeet Singh Negi Whole-time Director
1.	Basic Salary	1,75,00,000	38,50,000	45,50,004
2.	Fixed components	1,16,36,652	71,50,004	84,49,992
3.	Variable components	2,00,00,000	0	0
	Total	4,91,36,652	1,10,00,004	1,29,99,996

Non-Executive Directors:

During the year under review only sitting fees was paid to the Non-Executive Directors including Independent Directors of the Company which are as under;

Name of Director	Amount of sitting fees paid
Mrs. Vijaya Sampath	8,25,000
Dr. Kirit Shelat	11,25,000
Mr. Prashant Gupta	9,00,000

Performance criteria includes the growth, consolidation, Position of the Company in Indian Pharmaceutical Market (IPM), Compliance Record, comparison with the peer group as assessed/ adjudged along with other criteria as decided by the Board / Committee time to time.

- There are no separate service agreements executed by the Company and its Directors. However, the Company has executed following agreements:

- Managing Director Employment Agreement and its amendment thereof with Mr. Amit Bakshi,
- Employment Agreement and its amendment thereof with Mr. Himanshu Shah and Mr. Inderjeet Singh Negi.

The Non-Executive/Independent Directors are entitled to sitting fees in respect of the meetings of the Board and its committee/ sub-committees attended by them and they are also entitled to reimbursement of all expenses for participation in the Board and other meetings in accordance with the Letter of Appointment issued to them.

Apart from the above agreements and letters of appointments, there are no service agreements/severance fees executed / paid by the Company to the Directors. For all the above mentioned agreements notice period is/ would be 120 days. Non Executive Director may resign from his/her position at any time after serving a reasonable written notice to the Board.

- The Company has not granted any ESOPs to any of the Directors of the Company.

11. GENERAL BODY MEETINGS:

The last three Annual General Meetings (AGM) were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1.	2016-17	Friday, 29th September, 2017	11:00 A.M.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
2.	2017-18	Saturday, 29th September, 2018	11:00 A.M.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
3.	2018-19	Friday, 27th September, 2019	11:00 A.M.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

Special Resolution passed in last three AGM:

In 11th AGM held on 29th September, 2017 following special resolutions were passed:

- Ratification of the Eris Lifesciences Employee Stock Option Plan 2017;
- Determine the fees for service of any document through a particular mode of delivery to a member.

In 12th AGM held on 29th September, 2018 following special resolutions were passed:

- To approval of the change in the 'Object Clause' of the Memorandum of Association of the Company;
 - To authorise the Board of Director to sell, lease or dispose of the undertaking of the company.
- Other than above no special resolutions were passed in last three Annual General Meetings.

The Company neither passed any resolution through postal ballot during the year under review nor any special resolution is proposed to be conducted through postal ballot.

12. MEANS OF COMMUNICATION:

Quarterly / Annual Results: The quarterly / half-yearly / annual financial results as required under Regulation 33 of the Listing Regulations have been intimated to the Stock Exchanges and published in the newspaper- 'The Financial Express' (English & Gujarati editions). Further the said are also available at the website of the Company i.e. www.eris.co.in.

News releases, presentations and others: Official news releases and official media releases are sent to Stock Exchanges and are put on the Company's website.

Information on website of the Company: The Company is in compliance of Regulation 46 of the Listing Regulations. On the website of the Company (www.eris.co.in), a separate section under 'Investors' tab has been created, where Company disseminates information and various announcements made by the Company are available.

Presentations to institutional investors / analysts: The transcript of the conference calls for Results, presentations made to institutional investors and financial analysts are intimated to the Stock Exchanges and are put on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION:

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Tuesday Date: 29th September, 2020 Time: 11:00 a.m. Venue : 8th floor, Commerce House IV, Prahladnagar, Ahmedabad - 380015.
(ii)	Financial Year	1st April, 2019 to 31st March, 2020
(iii)	Date of Book Closure	22nd September, 2020
(iv)	Dividend Payment Date	Not Applicable
(v)	ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi)	Registered Office	8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad - 380015
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083
(viii)	Investor Correspondence	7th Floor, Commerce House-IV, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad - 380015
(ix)	Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
(x)	Any Website where it displays official releases	http://www.eris.co.in
(xi)	Any presentation made to the institutional investor and analyst	Displayed on website of the Company.
(xii)	Is half yearly report sent to the shareholders	No
(xiii)	Whether Management Discussion and Analysis is a part of this report	The said report is part of Annual Report.

(xiv)	Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent. The work of electronic transfer of shares is done through the depositories.
(xv)	Auditors for the FY 2019-20 and Proposed Auditors for the FY 2020 – 2021	M/s Deloitte Haskins & Sells LLP
(xvi)	Compliance Officer	Mr. Milind Talegaonkar
(xvii)	Company Secretary	Mr. Milind Talegaonkar
(xviii)	Whether securities are suspended from trading	No

Listing on Stock Exchange(s):

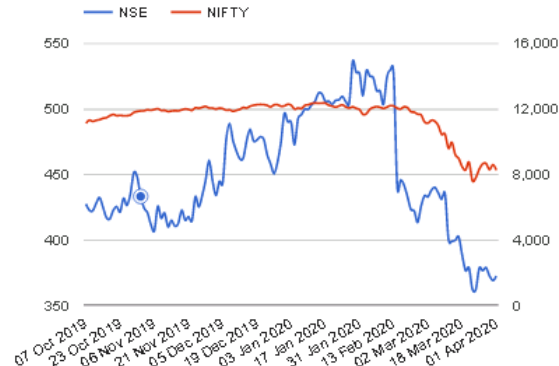
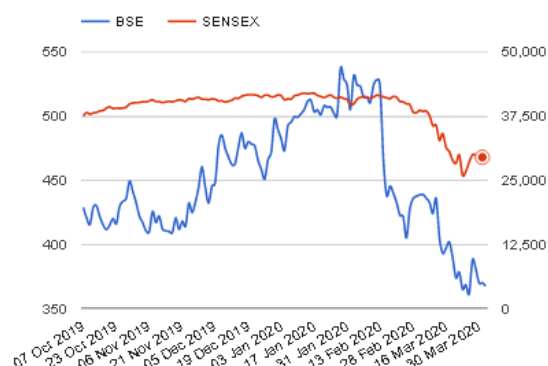
Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	ERIS

Notes: Annual Listing fees for the Financial Year 2019 - 20 has been duly paid to the stock exchanges.

Market price data of the Company:

Month	BSE Limited		National Stock Exchange of India Limited	
	Month's High Price	Month's low Price	Month's High Price	Month's low Price
Apr-19	655.4	610.7	649.9	609.55
May-19	634.8	511	636.15	501.9
Jun-19	539	475	534	473.5
Jul-19	519.5	379	518.9	378.05
Aug-19	428	357.8	430	358.25
Sep-19	455	359	454.9	358.1
Oct-19	460.7	398.65	463.1	397.7
Nov-19	472.4	402.4	473	401
Dec-19	509.3	432	509.7	431.3
Jan-20	546.45	471.3	546.6	471.05
Feb-20	559.5	405	560	404
Mar-20	449	341.05	449	321

Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:



14. FINANCIAL CALENDER:

Report Period	: From 1st April 2020 to 31st March 2021
First Quarter Result	: Second Week of August, 2020 (tentative)
Second Quarter Result	: Second Week of November, 2020 (tentative)
Third Quarter Result	: Second Week of February, 2021 (tentative)
Fourth Quarter Result	: Last Week of May, 2021 (tentative)

15. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

Distribution schedule: (AS ON 31-03-2020):

Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	28983	98.36	981621	0.72
501 – 1000	214	0.73	163613	0.12
1001 – 2000	96	0.33	132315	0.10
2001 – 3000	24	0.08	61437	0.05
3001 – 4000	19	0.06	68174	0.05
4001 – 5000	12	0.04	54714	0.04
5001 – 10000	19	0.06	153673	0.11
Above 10001	99	0.34	134165106	98.81
Grand Total	29466	100.00	135780653	100

Shareholding Pattern:

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020:

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoter & Promoter Group		
	Indian	75431423	55.55
	Foreign	0	0
2	Public		
	Institutions	29010048	21.37
	Central Government/ State Government(s)/ President of India	0	0
	Non-Institutions	31339182	23.08
3	Non Promoter - Non Public		
	Custodian/DR Holder	0	0
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0
	Total (1+2+3)	137580653	100

16. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the shares except 9 Equity shares of the Company have been dematerialised by investors as on 31st March, 2020. All shares of the Company except Lock-in shares are liquid and actively traded in normal volume on BSE Limited and National Stock Exchange of India Limited.

17. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

18. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The Company has obtained necessary authorisations for covering the foreign exchange exposure. The decision to avail hedging is taken on case to case basis.

19. CREDIT RATING:

During the year under review no credit rating was required by the Company. However in the previous year, Crisil Limited has given "CRISIL AA-/Stable" rating to the Company for the Rupee Term Loan given by Axis Bank Limited to the Company worth ₹ 400Cr which stood duly prepaid.

20. OTHER DISCLOSURES:**a. Materially significant related party transactions:**

There were no materially significant related party transactions during the year under review that may have potential conflict with the interests of the Company at large.

b. Details of noncompliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL**c. Whistle Blower Policy**

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.

d. Compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. However, at present the Company has not adopted the non-mandatory requirements of Regulation 27 read with Part E of schedule II of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 except Reporting of Internal Auditor to the Audit Committee.

e. The Company has in place the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company- <http://www.eris.co.in/policies>.**f. The Company has in place the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.****g. Disclosure of accounting treatment different from accounting standards: None****h. The Company has not raised funds through preferential allotment or qualified institutions placement.****i. We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.****j. The Board of Directors accepted all the recommendations given by any committee of the Board during the financial year under review.****k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is ₹ 52,40,007/-.****l. Disclosure required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of Complaints outstanding at the beginning of the financial year: Nil

Number of complaints filed during the financial year: Nil

Number of complaints disposed of during the financial year: Nil

Number of complaints pending as on end of the financial year: Nil

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

21. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:

The balance in the demat suspense account or unclaimed suspense account is nil.

22. DETAILS OF NON-COMPLIANCE

No Penalty has been imposed by any stock exchanges and SEBI, nor has there been any instance of non-compliance with any legal requirements of corporate governance report.

23. DISCLOSURE OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENT:

The Company has complied with the corporate governance requirement as specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Regulations.

24. MANAGING DIRECTOR /CFO CERTIFICATION:

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is given below:

COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To,
The Board of Directors.
Eris Lifesciences Limited

We, Amit Bakshi, DIN: 01250925, Chairperson & Managing Director and Sachin Shah, Chief Financial Officer of Eris Lifesciences Limited ("Company") to the best of our knowledge and belief certify that:

- A. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter / year ended 31st March, 2020 and that to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (1) There has not been any significant changes in internal control over financial reporting during the year;
 - (2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 26.06.2020

Amit Bakshi
Chairman & Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer

25. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior Management. The code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

The Code has been uploaded on the website of the Company.

26. DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2019 – 2020.

I, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2019 – 2020.

Place: Ahmedabad
Date: 26.06.2020

Amit Bakshi
Chairperson & Managing Director
DIN: 01250925

27. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance, as stipulated under Regulation 34 of the SEBI Regulations is appears as under:

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
ERIS LIFESCIENCES LIMITED

As requested by Eris Lifesciences Limited ("the Company"), this report is issued pursuant to the provision of Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and prepared solely to communicate to the members of the Company on the compliance by the Company with the requirement of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations.

We, G K Shah & Associates, Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of the Listing Regulations.

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

OUR RESPONSIBILITY:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION:

Based on our examinations of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2020 to the extent applicable to the Company.

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

G K Shah & Associates
Gajara Shah
Company Secretary in Practice

ACS No.: 37875
C P No.: 22522
UDIN: A037875B000388346

Place: Ahmedabad
Date: 26.06.2020

Eris

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road,
Ahmedabad – 380015

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in
Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION PLAN, 2017 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 DATED JUNE 16, 2015 AS ON MARCH 31, 2020:

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**
Members may refer to the audited financial statements prepared as per IND AS for the year 2019-2020.
- B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:**
Diluted EPS for the year ended March 31, 2020 is Rs. 21.21 calculated in accordance with Ind-AS 33 (Earnings per Share)
- C. Details related to Employees' Stock Option Plan, 2017 ("ESOP 2017")**

Sr. No.	Description	Details
1	Date of Shareholders' Approval	3rd February, 2017 29th September, 2017 (Ratified)
2	Total Number of Options approved under ESOPs	3,91,599 equity shares
		Options granted under ESOP 2017 would vest not earlier than 1 (One) year and not later than 5 (Five) years from the date of Grant of such Options.
		The Option would vest on completion of vesting period and the vesting of options would be subject to continued employment/service with the Company.
		The Nomination and Remuneration Committee of the Company/Compensation Committee may specify certain performance parameters subject to which the Options would vest.
3	Vesting requirements	The Options would vest in a Director only if he continues to remain a Director of the Company on the date of the Vesting of Options. Vesting of Options in case of Employees on long leave: The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.

4	Exercise Price	The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company / Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was determined as Rs. 451.04.
5	Pricing Formula	Discount to fair market value of the Equity Shares as on the date of grant.
6	Maximum term of option granted	The options would vest over a maximum period of 5 years from the date of grant of Options.
7	Sources of Shares	Primary
8	Variation in terms of options	Nil
9	Method used to account for ESOPs	Black Scholes Option Pricing Model.
10	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
11	Option movement during the year as on March 31, 2020	
	a. Number of options outstanding at the beginning of the period	3,36,895
	b. Number of options granted during the year	Nil
	c. Number of options forfeited/ lapsed during the year	14,965
	d. Number of option vested during the year	-71,169
	e. Number of options exercised during the year	0
	f. Number of shares arising as a result of exercise of options	0
	g. Money realised by exercise of options (INR), if scheme is implemented directly by the company	0
	h. Loan repaid by the trust during the year from exercise price received	NA
	i. Number of options outstanding at the end of the year	-3,21,930
	j. Number of options exercisable at the end of the year	1,17,401
12	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise prices: ₹ 451.04 Weighted average fair values: ₹ 268.77
13	Employee- wise details of options granted during the year to:	
	i. Senior Managerial Personnel and / or Key Managerial Personnel	Nil
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

13. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- a. The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model:

Sr. No	Particular	2019-20
i.	weighted average risk free interest rate	6.91%
ii.	weighted average expected option life (in Years)	5.50
iii.	weighted average expected volatility	20.56%
iv.	weighted average expected dividend yield	1.00%
v.	weighted average share price	601.38
vi.	weighted average exercise price (rounded to nearest decimal)	451.04

- b. **The method used and the assumptions made to incorporate the effects of expected early exercise:**

Black Scholes Option Pricing Model. The assumptions are as stated in the above table.

- c. **How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:**

The expected volatility has been calculated based on the nearest comparable peers prices, as the historical data of the Company is not available considering the unlisted status of your Company as at grant date of stock options.

- d. **Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition:**

Yes, the features are mentioned below, viz:

- weighted average risk free interest rate
- weighted average expected volatility
- weighted average share price

Disclosures in respect of grants made in three years prior to IPO under each ESOP:

- During the year 2016-17, the ESOP scheme 2017 was approved but no grants were made.
- On April 12, 2017 all options under the said scheme i.e. 391,599 options were granted prior to the IPO.

Information regarding option Lapse:

- During the year 2017-18, 23,281 options became unexercisable and were recredited to options reserved due to various reasons.
- During the year 2018-19, 11,640 options became unexercisable/Lapsed.
- During the year 2019-20, 14,965 Options became unexercisable/Lapsed.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto. (FY 2019 - 20)

I Details of contracts or arrangements or transactions not at arm's length basis:

a.	Name(s) of the related party and nature of relationship:	Not Applicable
b.	Nature of contracts/arrangements/transactions:	Not Applicable
c.	Duration of the contracts/arrangements/transactions:	Not Applicable
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
e.	Justification for entering into such contracts or arrangements or transactions:	Not Applicable
f.	Date(s) of approval by the Board, if any:	Not Applicable
g.	Amount paid as advances, if any:	Not Applicable
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not Applicable

II Details of material contracts or arrangement or transactions at arm's length basis:

1.

a.	Name(s) of the related party and nature of relationship:	Mr. Saurabh Shah (Brother of Mr. Himanshu Jayantbhai Shah, Whole Time Director of the Company)
b.	Nature of contracts/arrangements/transactions:	Employment agreement
c.	Duration of the contracts/arrangements/transactions:	Appointed w.e.f 1st September, 2016
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Regular employment; in the ordinary course of business of the Company. Requisite approval of General Meeting obtained for a monthly remuneration of ₹ 0.3 million. Subsequent yearly increase, not exceeding 20% to be made by the Board or any of its designated Committee.
e.	Date(s) of approval by the Board, if any:	21.05.2019 ^{Note1}
f.	Amount paid as advances, if any:	NIL

2.

a.	Name(s) of the related party and nature of relationship:	Aprica Healthcare Private Limited (wholly owned subsidiary)
b.	Nature of contracts/arrangements/transactions:	Amendment to the agreement of drug manufacturing for the subsidiary at the manufacturing facility of the Company.
c.	Duration of the contracts/arrangements/transactions:	One year from the effective date (i.e. 01.12.2018) of entering into the agreement. Further the said agreement has been amended till terminated by either party.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Manufacture and supply of the Drug(s) agreement by Eris for sale by Aprica, in the ordinary course of business of the Company
e.	Date(s) of approval by the Board, if any:	29.01.2019 Original Agreement 22.11.2019 Amendment approved by the Board's Committee
f.	Amount paid as advances, if any:	NIL

3.

a.	Name(s) of the related party and nature of relationship:	Subsidiaries of the Company [Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited, UTH Healthcare Limited, Eris Healthcare Private Limited]	
b.	Nature of contracts/arrangements/transactions:	Intra Group licensing of Trade marks	
c.	Duration of the contracts/arrangements/transactions:	Continuing	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Monthly Net Sales	% of Monthly Net Sales as royalty
		Upto ₹ 9.00 Crores	1%
		₹ 9 Crores to Rs. 12.00 Crores	3%
		Above ₹ 12 Crores	5%
e.	Date(s) of approval by the Board, if any:	5th January, 2018 by Board's Committee and 12th February 2018 by Audit Committee	
f.	Amount paid as advances, if any:	NIL	

4.

a.	Name(s) of the related party and nature of relationship:	Kinedex Healthcare Private Limited	
b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade	
c.	Duration of the contracts/arrangements/transactions:	Continuing	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase: 46.62 Million	
e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable	
f.	Amount paid as advances, if any:	NIL	

5.

a.	Name(s) of the related party and nature of relationship:	UTH Healthcare Limited (wholly owned subsidiary)	
b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade	
c.	Duration of the contracts/arrangements/transactions:	Continuing	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase: 0.05 Million	
e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable	
f.	Amount paid as advances, if any:	NIL	

6.

a.	Name(s) of the related party and nature of relationship:	Aprica Healthcare Private Limited (wholly owned subsidiary)	
b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade	
c.	Duration of the contracts/arrangements/transactions:	Continuing	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale: 80.56 Million	
e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable	
f.	Amount paid as advances, if any:	NIL	

7.

a.	Name(s) of the related party and nature of relationship:	Eris Healthcare Private Limited (wholly owned subsidiary)
b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade
c.	Duration of the contracts/arrangements/transactions:	Continuing
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale: 2.31 Million
e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable
f.	Amount paid as advances, if any:	NIL

Note1 : Appointment of Mr. Saurabh Shah was approved by the members of the Company through an ordinary resolution in the Annual General Meeting held on 29th September, 2017.

For Eris Lifesciences Limited
Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (“KMP”) AND OTHER EMPLOYEES

Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees (hereinafter referred as the “Policy”) of Eris Lifesciences Limited (“the Company”) is designed and formulated by the Nomination and Remuneration Committee (“the Committee”) of the Company pursuant to the Companies Act, 2013 (the “Act”) and rules made thereunder and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Board of Directors of the Company adopted this policy at their meeting held on August 17, 2017.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the company and it's shareholders.

B. Components of Remuneration:

The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- a. Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
- b. Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
- c. Share based payments:** The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- d. Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffeur's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- e. Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- f. Retirement benefits:** The Company shall provide retirement benefits applicable in accordance with law.
- g. Sitting Fee and Commission:** The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.
- h. Loan/ advances to the Employees:** The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Whole Time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors / Executive Committee
Other Directors	Board of Directors
Senior Management	Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors
Other employees	Departmental Heads in consultation with Human Resources Head

*Sitting fee payable to the directors shall be in accordance with the provisions of the law.

D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June, 2020

Annexure 11

1. Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name and Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2019-20	% increase/(decrease) in remuneration in the FY 2019-20 *
1.	Mr. Amit Indubhushan Bakshi Managing Director	206.80	0%
2.	Mr. Inderjeet Singh Negi Whole time Director	54.71	0%
3.	Mr. Himanshu Jayantbhai Shah Whole time Director	46.30	0%
4.	Mr. Kirit Nanubhai Shelat Independent Director	4.73	21.62 %
5.	Mrs. Vijaya Sampath Independent Director	3.47	13.79 %
6.	Mr. Prashant Gupta Independent Director	3.79	2.86 %
7.	Sachin Shah CFO	45.03	8%
8.	Milind Talegaonkar Company Secretary	12.06	10%

* Includes sitting fees paid to Non-Executive Directors.

- The percentage decrease in the median remuneration of employees in the financial year: 14.33 %
- The number of permanent employees on the rolls of company: ~2,239
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentile increase in the managerial remuneration has been 0.02 % which is higher than the change in the remuneration of employees other than constituting managerial remuneration which register a decline of 5.47%. The change in the remuneration of field staff is made as per their sales performance as per a documented increment structure uniformly applied to the field staff. The managerial function is concerned with more critical issues which influence and determine the survival, continued growth, and the business direction for the company. The managerial talent is scarce and hence its retention is even more important. Managerial personnel form executive management and remain accountable to all the stakeholders of the company for business performance as well as corporate governance and therefore need to demonstrate balance of judgement and mature decision making in the backdrop of fast changing and increasingly complex industry landscape. These reasons justify the higher increase in the managerial remuneration.

- Remuneration of Directors, KMP and other employees is in accordance with the Company's Remuneration Policy.

Details pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees in terms of remuneration drawn during the year:

Name of Employee	Designation	Remuneration received	Qualifications	experience	Date of commencement of employment	Age (Approx)	Last employment	Percentage of equity shares held by the employee
Amit Bakshi	Managing Director	4,91,36,652	Indian School Certificate examination	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.	January, 2007	45	Intas Pharmaceuticals Limited	40.28
Inderjeet Singh Negi	Wholetime Director	1,29,99,996	Bachelor's degree in science	He has more than 20 years of experience in the pharmaceutical industry.	January, 2007	48	Intas Pharmaceuticals Limited	4.37
Sachin Shah	CFO	1,07,00,020	Chartered accountant	He has more than 10 years experience in Investment Banking and pharmaceutical industry.	January, 2013	40	Avendus Capital Private Limited	0
Himanshu Shah	Wholetime Director	1,10,00,004	Bachelor's degree in science, Diploma in pharmacy, Diploma in management	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 13 years experience in the pharmaceutical industry.	January, 2007	43	Intas Pharmaceuticals Limited	3.23
Alok Mahajan	Vice President	1,26,33,579	PGDM Marketing	He has previously worked in marketing field for more than 19 years.	June. 2018	44	Ruchi Soya	0
Vijay S. Joshi	President	1,02,69,198	BSC	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 30 years experience in the pharmaceutical industry.	May, 2010	67	USV Group	0
Kaushal Shah	HEAD - Mfg. & Distribution	73,53,936	Bachelor's degree in commerce, Post graduate diploma in management	He has more than 13 years experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector.	January, 2007	40	Kanchan pharma pvt ltd	3.29
Dr. Viraj Ramesh Suvarna	Vice President	1,50,78,086	MD, MSc, MBBS, MCPS	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 19 years experience in the pharmaceutical industry.	September, 2018	52	Boehringer Ingelheim	0

Santanu Rudra	Vice President	84,58,226	M Pharm	He has more than 25 years of experience in field of Pharmaceuticals.	August, 2018	50	Wockhardt Ltd.	0
Manish Kapoor	Cluster Head (AVP)	68,20,799	MBA	He has more than 22 years experience in Healthcare industry comprising of varied segments i.e Cardiovascular, Diabetes, Vaccine, nutraceuticals comprising of assignments in Sales, Training & Marketing	August, 2018	43	Sanofi	0

- Employees mentioned above are neither relatives of any directors or managers of the Company.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.

2. Other Employee(s) Drawing a remuneration of Rs. 1.02 Crore or above:

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

3. Other Employee(s) Employed for part of the year with an average salary above Rs. 8.5 Lakh per month or above;

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age (Approx)	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
Deepak Kapoor	CLUSTER HEAD (Sr VP SALES AND MARKETING)	17,93,183	B.Sc, IIM HAMEDABAD CRASH COURSE	He has more than 30 years experience in the Pharmaceutical industry in sales and marketing	06/02/2020	56	SUN PHARMA	0	None

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 26th June 2020

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
CIN of the Company	L24232GJ2007PLC049867
Name of the company	ERIS LIFESCIENCES LIMITED
Registered Address	8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015 IN
Website	eris.co.in
Email id	complianceofficer@erislifesciences.com
Financial Year Reporting	Financial Year 2019-20
Sector(s) that the Company is engaged in (Industrial activity code wise)	Pharmaceuticals NIC Code- 2100
List three Key Products/ services that the Company manufactures/ provides (as in balance sheet)	Three key therapeutic areas in which the company operates are Anti-diabetics, Cardiac, nutritional supplements
Total Number of locations where business activity is undertaken by the Company –International or national	Our sales depots are widely located within the country. Up till now we have consciously chosen to focus on doing business at national level. No. of location: 24
Markets served by the Company (Local/ State/ national/ international)	National

SECTION B : FINANCIAL DETAILS OF THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Paid-up Capital	₹ 135,780,653/- As on 31st March, 2020
Total Turnover	Please refer to the financials section
Total profit after tax	Please refer to the financials section
Total spending on CSR	Refer CSR Report
List of activities in which CSR has been spent	Preventive medical screening at public places; screening activities to alleviate the ailments of senior citizens; animal welfare, education

SECTION C : OTHER DETAILS

DISCLOSURE	INFORMATION/ REFERENCE
Subsidiaries of the Company	<p>The Company has five subsidiaries as on 31st March, 2020:</p> <ol style="list-style-type: none"> 1. Eris Therapeutics Private Limited 2. Aprica Healthcare Private Limited 3. Kinedex Healthcare Private Limited 4. UTH Healthcare Limited 5. Eris Healthcare Private Limited
Participation of subsidiaries in the Business Responsibility Initiatives	The Company impresses upon its subsidiaries to follow policies and practices to the extent applicable to it.
Participation of other entities (with which the Company does business) in the Business Responsibility Initiatives	Importance of doing business in a responsible and legally compliant manner is emphasized while dealing with all business partners.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

PART-1

(a) Details of Director/Directors responsible for BR:

DIN	Name	Designation
01255388	Inderjeet Singh Negi	Wholtime Director
01250925	Amit Indubhushan Bakshi	Managing Director
01301025	Himanshu Jayantbhai Shah*	Wholtime Director
00190619	Kirit Nanubhai Shelat	Independent Director
00641110	Vijaya Sampath	Independent Director
08122641	Prashant Gupta	Independent Director

* resign w.e.f 31.05.2020

(b) Details of BR Head:

Name: Inderjeet Singh Negi

DIN: 01255388

Designation: Wholtime Director

Telephone number: 079 3045 1000

E-mail id: Complianceofficer@erislifesciences.com

PART-2

Principle wise (as per National Voluntary Guidelines) BR Policy(ies)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders? ^{Note1}	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? ^{Note2}	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies are formulated at functional level and recommended to Board or its applicable committee for information and/or approval as the case may be. Signed copies thereof are issued on an 'as needed' basis by the MD or other KMPs.								
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online? ^{Note3}	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formally communicated to all relevant internal and external stakeholders? ^{Note4}	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

¹ The Policies have been formulated in consultation with the applicable stakeholders.

² The policies are based on and are in compliance with the applicable regulatory requirements.

³ The Policies of the Company are available on the website of the Company <http://eris.co.in/policies/> and the internal policies are available on the intranet of the Company.

⁴ The Policies have been communicated to the internal / external stakeholders depending upon their applicability to them.

Principle Wise Policy index:

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Conduct Policy for Directors, Senior Management Personnel, Eris Code of Conduct Policy, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Anti Bribery Policy, Policy And Procedure For Inquiry In Case Of Leak Or Suspected Leak Of Unpublished Price Sensitive Information	Eris Code of Conduct Policy	Code of Conduct Policy for Directors, Senior Management Personnel, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Eris Code of Conduct Policy, Internal Policies of HR (Loan Policy, Maternity Leave Policy, etc.)	CSR Policy	Whistle Blower Policy, Prevention of Sexual Harassment Policy, CSR Policy	CSR Policy	Anti Bribery Policy	CSR Policy	Eris Code of Conduct Policy

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task						Not Applicable			
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

PART-3 Governance related to BR

(a) Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –

The Board of Directors, its Committees, and KMP's assess the BR implications of every company action on a continuing basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.eris.co.in

SECTION E : PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1

Does the policy relating to ethics, bribery and corruption cover only the company? No, it extends to all subsidiaries.
Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

How many stakeholder complaints have been received in the past financial year Nil
and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

PRINCIPLE 2

List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. All the products and processes of the company are designed with due sensitivity to social and environmental concerns and risks.

For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? The stated parameters in our case cannot be quantified with certainty.

Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? The company accords preference to local procurements. The rate of replenishment of resources are always borne in mind while sourcing all inputs.

Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? Procurement of services from local providers belonging to the communities surrounding our places of work is always encouraged. Similarly the provider pool is kept wide and new / emerging providers are accorded preference. This preferential treatment in itself generates assurance about continuing business opportunities and encourages entrepreneurship at small/ medium level.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). This aspect is regulated by applicable Bio-medical waste management.

PRINCIPLE 3

Please indicate the Total number of employees ~3430

Please indicate the Total number of employees hired on temporary/contractual/casual basis -175

Please indicate the Number of permanent women employees -100

Please indicate the Number of permanent employees with disabilities 0

Do you have an employee association that is recognized by management. No

What percentage of your permanent employees is members of this recognized employee association? 0

Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. 0

What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

(a) Permanent Employees -22

(b) Permanent Women Employees -5.25

(c) Casual/Temporary/Contractual Employees NA

(d) Employees with Disabilities NA

PRINCIPLE 4

Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The north-eastern states have by far remained desolate and unconnected from the developments in the rest of the country. The choice of setting up a manufacturing plant in Guwahati was guided, to a large extent, by the desire to bring about improvement in the socio-economic condition of the region.

PRINCIPLE 5

Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The policies of company are applicable to the group.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

PRINCIPLE 6

Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The said policies extend to the whole group.
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	Company endeavors to remain compliant with the letter and spirit of all environmental laws.
Does the company identify and assess potential environmental risks?	Yes
Does the company have any project related to Clean Development Mechanism?	Not applicable for the year under review.
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.	The operations of the Company being not very energy intensive, the point is not applicable to the company for the year under review.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

PRINCIPLE 7

Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Gujarat Chamber of Commerce & Industry Indian Drug Manufacturers' Association
Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Not yet.

PRINCIPLE 8

Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The choice of location of the company's manufacturing unit in the north eastern state was based to a large extent on this principle.
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	A mix of both.
Have you done any impact assessment of your initiative?	Increase in employment opportunities
What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer CSR Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Please refer CSR Report.

PRINCIPLE 9

What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	N.A. Claims / information in respect of pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
Did your company carry out any consumer survey/ consumer satisfaction trends?	There are specialised agencies which perform this activity. Your company avails their services

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of ERIS LIFESCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matter	Auditor's Response
1.	Carrying value of investments in subsidiaries Refer note 3 to the Standalone Financial Statements. Investments in subsidiaries of Rs. 2428.24 million are accounted for at cost less impairment, if any, in the Standalone Balance Sheet as at 31 March 2020. Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss. Significant Management judgement is required in the area of impairment testing, particularly in assessing: (1) whether an event has occurred that may indicate that the investment values may not be recoverable; (2) whether the carrying value of investments can be supported by the recoverable amount, being the higher of fair value less costs to sell or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; (3) the appropriateness of key assumptions to be applied in valuation including whether appropriate revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discounting rates applied to these forecasted future cash flows. Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company. In view of the foregoing, valuation and allocation of investments in subsidiaries has been identified as a Key Audit Matter.	Principal audit procedures performed: Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's assumption whether any indicators of impairment existed by reviewing financial and other available information / data, if any, of the subsidiaries as at 31 March 2020. For those investments where indicators of impairment existed, we have examined management's judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discounting rates applied to these forecasted future cash flows and retrospective review of the projections.

2.	Carrying values of acquired intangibles assets	Principal audit procedures performed:
	<p>Refer note 2(b) to the Standalone Financial Statements.</p> <p>As at 31 March 2020, the Company had Rs. 4967.72 million of carrying value of acquired intangibles.</p> <p>Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company.</p> <p>In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.</p>	<p>Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for.</p> <p>Our substantive testing procedures included evaluation of appropriateness of management's judgement whether any indicators of impairment existed.</p> <p>For those intangibles where indicators of impairment existed, we have examined management's judgement in the area of impairment testing by considering and evaluating valuation of recently acquired intangibles, cash flow projections, the reasonableness of key assumptions including revenue growth rates, profit margin and perpetual growth rates used to estimate future cash flows and discounting rates applied to these forecasted future cash flows and retrospective review of the projections.</p>
3.	Existence and condition of inventory of raw and packing materials, work in progress, finished goods (manufactured and traded)	We performed the following audit procedures to audit the existence and condition of inventories as at the year-end, since we were not directly able to physically observe the physical stock verification:
	<p>[Refer to Note 7 to the standalone financial statements]</p> <p>The Company has its inventory located at factory, central warehouse, another warehouse and third party locations.</p> <p>The Company's management conducts physical verification of inventories during the year at reasonable intervals, however, on account of the COVID-19 related lockdown restrictions, management was unable to perform planned year end physical verification of inventories at factory and central warehouse. The verification at the factory and a central warehouse was carried out subsequent to the year end.</p> <p>Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll forward/roll back procedures for inventories which were physically verified prior/subsequent to year end respectively, obtaining confirmations from third parties to determine the quantities of the inventory at the balance sheet date.</p> <p>Further due to COVID-19 related lockdown an independent firm of chartered accountants have under our direction and supervision participated in the physical verification of inventory that was carried out by the management subsequent to the year end and we also participated in the same through virtual medium.</p> <p>In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.</p>	<p>Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any.</p> <p>For stocks at third parties locations, we obtained direct confirmations, and tallied with stock quantities at year-end. Also, we read the third party agreements to understand the obligations of the third party with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company.</p>

		<p>As the Auditors of the Company, we issued written communication to independent firm of chartered accountants for audit procedures to be performed. In accordance with such communication, as reported by them, they observed the physical verification of inventories carried out by the Management at the factory and a central warehouse subsequent to year-end and we participated through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory. On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any.</p> <p>For cases where inventory verification was carried out by the management before the year end, we have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales, stock transfer records and results of cyclical count performed by the Management through the year.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, Report in Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama

(Partner)

(Membership No. 107723)

(UDIN: 20107723AAAAGZ3135)

Mumbai, June 26, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria

for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama

(Partner)

(Membership No. 107723)

(UDIN: 20107723AAAAGZ3135)

Mumbai, June 26, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the title deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) The loans are repayable on demand and payment of interest has been stipulated and interest payments have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations give to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) Details of Income Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in millions)	Amount Unpaid (Rs. in millions)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax(Appeal), Ahmedabad	2016-2017	0.08	0.08

There are no dues of Goods and Service Tax and Customs Duty which have not been deposited as on March 31, 2020 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama

(Partner)

(Membership No. 107723)

(UDIN: 20107723AAAAGZ3135)

Mumbai, June 26, 2020

STANDALONE BALANCE SHEET

as at March 31, 2020

(₹. In Million)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS :			
(1) Non current assets			
(a) Property, Plant and Equipment	2(a)	789.01	538.33
(b) Right-of-use asset	2(a)	51.24	-
(c) Capital Work in progress	2(a)	-	7.48
(d) Goodwill	2(b)	166.60	166.60
(e) Other Intangible assets	2(b)	4,999.55	4,133.54
(f) Intangible assets under development	2(b)	43.73	19.82
(g) Financial assets			
Investments	3	2,460.28	2,743.63
Other financial asset	5	82.37	76.18
(h) Income tax assets (net)	4(d)	34.47	67.13
(i) Deferred tax assets (net)	4(f)	1,641.65	1,377.76
(j) Other non-current assets	6	66.41	75.51
Total Non current assets		10,335.31	9,205.98
(2) Current assets			
(a) Inventories	7	654.60	747.03
(b) Financial assets			
Investments	3	742.74	3,061.05
Trade receivables	8	1,408.22	758.98
Cash and cash equivalents	9(a)	649.31	64.64
Other bank balances	9(b)	0.19	0.07
Loans	10	18.70	20.38
Other financial asset	5	99.50	112.61
(c) Other current assets	6	922.71	733.04
Total Current assets		4,495.97	5,497.80
TOTAL- ASSETS		14,831.28	14,703.78

(₹. In Million)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
II. EQUITY AND LIABILITIES :			
(1) Equity			
(a) Share capital	11	135.78	137.52
(b) Other Equity	12	12,861.23	11,422.55
Total Equity		12,997.01	11,560.07
(2) Non Current Liabilities			
(a) Financial Liabilities			
Lease Liabilities	14	48.54	-
Other financial liabilities	14	18.93	18.32
(b) Long-term provisions	15	241.32	164.73
(c) Other non-current liabilities	16	31.07	54.21
Total Non Current Liabilities		339.86	237.26
(3) Current liabilities			
(a) Financial Liabilities			
Trade payables	17		
A) Due to Micro and Small Enterprises		32.39	9.61
B) Due to other than Micro and Small Enterprises		866.88	739.67
Lease Liabilities	14	56.94	-
Other financial liabilities	14	14.90	1,760.39
(b) Short-term provisions	15	297.58	192.22
(c) Other current liabilities	16	172.30	190.03
(d) Income tax liabilities (net)	4(e)	53.42	14.53
Total Current Liabilities		1,494.41	2,906.45
Total Liabilities		1,834.27	3,143.71
TOTAL- EQUITY AND LIABILITIES		14,831.28	14,703.78

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 26, 2020

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
REVENUE:			
Revenue from operations	18		
Sale of products		10,037.60	8,811.28
Other operating income		164.71	154.11
Total Revenue from Operations		10,202.31	8,965.39
Other income	19	147.28	324.99
Total Revenue (I)		10,349.59	9,290.38
EXPENSES:			
(a) Cost of materials consumed	20	768.81	581.88
(b) Purchases of stock-in-trade		700.02	875.61
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	174.72	(133.99)
(d) Employee benefits expense	22	1,917.32	1,667.66
(e) Other expenses	23	3,085.44	2,637.64
Total (II)		6,646.31	5,628.80
Profit before interest, tax, depreciation and amortisation (I - II)		3,703.28	3,661.58
Finance costs	24	18.54	227.93
Depreciation and amortisation expense	2	448.82	315.89
Profit before tax		3,235.92	3,117.76
Tax expenses :	4		
(a) Current tax		574.92	688.67
(b) Deferred tax		(251.74)	(424.72)
Total tax expense		323.18	263.95
Profit for the year		2,912.74	2,853.81
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(18.00)	(1.52)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		6.29	0.53
		(11.71)	(0.99)

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Total Comprehensive Income for the year		2,901.03	2,852.82
Earnings per equity share of face value ₹ 1 each			
Basic (₹)		21.23	20.75
Diluted (₹)	25	21.21	20.74

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 26, 2020

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2020

(₹. In Million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	3,235.92	3,117.76
Adjustments for:		
Depreciation and amortisation expense	448.82	315.89
Loss / (Profit) on property plant and equipment sold/written off	5.03	2.34
Finance costs	18.54	227.93
Dividend income	(0.03)	(0.12)
Claims receivable	-	(10.04)
Interest income	(14.28)	(21.56)
Provision for doubtful debt	18.78	2.20
Deferred Capital Subsidy	(15.03)	(19.06)
Net gain on sale of investments	(91.67)	(17.11)
Net (gain) / loss on investments carried at fair value through profit or loss	7.58	(251.26)
Gain From Termination Of Lease Ind As 116	(0.75)	-
Share based payment expense	16.61	16.52
Operating profit before working capital changes	3,629.52	3,363.49
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(668.02)	(156.22)
Inventories	92.43	(171.83)
Other asset	(194.89)	(244.05)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions		
Trade Payables	150.07	(41.10)
Financial Liabilities	(3.00)	(13.62)
Provisions	163.95	45.16
Other Liabilities	(14.75)	79.87
Cash generated from operations	3,155.31	2,861.70
Net income tax paid	(503.37)	(698.60)
Net cash flow from operating activities (A)	2,651.94	2,163.10

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2020

	(₹. In Million)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including other intangible assets)	(1,487.21)	(374.15)
Proceeds from sale of property plant and equipment	41.41	10.78
Receipt of capital subsidy	-	76.49
Consideration paid towards investment in subsidiary	(213.73)	(107.22)
Investments in mutual funds	(378.38)	(345.42)
Proceeds from redemption of mutual funds and Shares	3,172.85	782.30
Investments in Bonds of subsidiaries	-	(425.00)
Proceeds from redemption of investments in Bonds of subsidiaries	120.00	-
Loan given to Subsidiaries	(10.00)	-
Loan repaid by Subsidiaries	-	395.92
Loan to Others (given)/ repayment received	11.68	(12.59)
Bank balances not considered as cash and cash equivalents-Placed	(0.12)	-
Dividend income	0.03	0.12
Interest income	11.42	19.60
Net cash flow from investing activities (B)	1,267.95	20.83
C. Cash flow from financing activities		
Repayment of borrowings	(1,750.00)	(2,000.00)
Finance costs	(15.17)	(216.29)
Lease payment	(83.49)	-
Buy back of shares	(1,000.00)	-
Buy back expense	(16.77)	-
Shares issued on exercise of employees stock options	-	8.92
Dividend and dividend distribution tax paid	(469.79)	-
Net cash used in financing activities (C)	(3,335.22)	(2,207.37)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	584.67	(23.44)
Cash and cash equivalents at the beginning of the year	64.64	88.08
Cash and cash equivalents at end of the year {Refer note- 9(a)}	649.31	64.64

Notes:

- (i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2020

(ii) Cash and Cash Equivalents {Refer note-9(a)}

Cash on hand	0.27	0.19
Balance with banks		
In Current Account	637.10	18.74
Cheque in hand	11.94	45.71
Cash and Cash Equivalents as per Cash flow statement	649.31	64.64

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Manoj H. Dama

Partner

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director

DIN: 01250925

Inderjeet Singh Negi

Whole Time Director

DIN: 01255388

Place: Mumbai

Date: June 26, 2020

Sachin Shah

Chief Financial Officer

Place: Ahmedabad

Date: June 26, 2020

Milind Talegaonkar

Company Secretary

Membership No-A26493

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity Share Capital						(₹. In Million)
Particulars (refer note-11)						Amount
As at 1st April, 2018						137.50
Change in Equity Share Capital (Pursuant to exercise of employees stock options)						0.02
As at March 31, 2019						137.52
Change in Equity Share Capital (Pursuant to buy back of shares) (Refer note 11.6)						(1.74)
As at March 31, 2020						135.78
B. Other Equity						(₹. In Million)
Particulars (refer note-12)	Retained Earnings	General Reserve	Securities Premium	Share based payment reserve	Capital redemption reserve	Total Other Equity
As at 1st April, 2018	8,537.29	7.00	-	-	-	8,544.29
Add: Profit for the year	2,853.81	-	-	-	-	2,853.81
Add: Other comprehensive Income for the year	(0.99)	-	-	-	-	(0.99)
Add: Pursuant to exercise of employees stock option	-	-	13.49	-	-	13.49
Add: Share based payments to employees of the company	-	-	-	16.52	-	16.52
Less: Exercise of employees stock options	-	-	-	(4.57)	-	(4.57)
As at March 31, 2019	11,390.11	7.00	13.49	11.95	-	11,422.55
Add: Profit for the year	2,912.74	-	-	-	-	2,912.74
Less: Buy Back expense	(10.91)	-	-	-	-	(10.91)
Less: Buy Back of equity shares (Refer note 11.6)	(979.51)	(7.00)	(13.49)	-	-	(1,000.00)
Add: Transfer to capital redemption reserve on buy back of equity shares	-	-	-	-	1.74	1.74
Add: Other comprehensive Income for the year	(11.71)	-	-	-	-	(11.71)
Add: Share based payments to employees of the company	-	-	-	16.61	-	16.61
Less: Payment of Dividend	(389.69)	-	-	-	-	(389.69)
Less: Payment of Dividend distribution tax	(80.10)	-	-	-	-	(80.10)
As at March 31, 2020	12,830.93	-	-	28.56	1.74	12,861.23

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 26, 2020

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

Corporate Information: Eris Lifesciences Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 8th Floor, Commerce House- IV, Prahladnagar, Ahmedabad - 380015, Gujarat, India. The Company is engaged in the manufacture and marketing of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

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 Company 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 - Hierarchy includes financial instruments measured using quoted prices.

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.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and

liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of estimates:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.3)
- Useful lives of property, plant and equipment (refer note 1.4)
- Useful lives of intangible assets (refer note 1.5)
- Impairment of asset (refer note 1.8)
- Valuation of inventories (refer note 1.9)
- Employee benefits (refer note 1.13)
- Valuation of deferred tax assets (refer note 1.14)
- Provisions & contingent liabilities (refer note 1.15)
- Impact of COVID on Business and Financial statements (refer note 26)

1.3 Revenue recognition:

- a. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.
- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
 - i) Dividend income is recognized when the right to receive dividend is established.
 - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
 - iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.4 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

1.5 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, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.6 Business combinations and Goodwill

1.6.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

1.6.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. 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 Company'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.

1.7 Financial Instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

- i. Debt instruments at amortised cost- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset gives 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.

- ii. Equity investments - The company measures equity investments other than investments in subsidiaries at FVTPL in accordance with the requirements of IND AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds - All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per IND AS 27.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised 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 or loss.

Offsetting of financial instruments

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

1.8 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment.

If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.9 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST], labour and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.10 Cash and cash equivalents:

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

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the company's cash management.

1.11 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.12 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the profit or loss attributable to the owners of the company by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.13 Employee Benefits:**(A) Defined contribution plan:**

The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

(i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

(ii) The Company also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.14 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.15 Provisions, Contingent Liabilities and Contingent Assets:**Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the company, or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.16 Leases:

During the financial year 2018-19, Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor were recognised as operating leases. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases. Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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 costs

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 written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer Note 34)

1.17 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.18 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset

1.19 Perpetual bond:

The company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

1.20 Share-based payment transactions:

Employees Stock Options Plans (ESOP): Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. 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, in accordance with IND AS 102 Share based payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electric Installation	Right of use asset (Refer note 34)	Total
Gross carrying amount:									
As at March 31, 2018	31.03	190.14	196.08	67.91	365.00	24.31	3.11	-	877.58
Additions during the Year	-	-	4.92	56.22	158.24	45.29	0.24	-	264.91
Deductions during the Year	-	-	-	1.33	76.84	3.11	-	-	81.28
As at March 31, 2019	31.03	190.14	201.00	122.80	446.40	66.49	3.35	-	1,061.21
Additions during the Year	-	135.83	154.68	15.34	100.01	73.95	32.77	179.80	692.38
Deductions during the Year	8.05	-	-	0.36	213.44	-	-	2.87	224.72
As at March 31, 2020	22.98	325.97	355.68	137.78	332.97	140.44	36.12	176.93	1,528.87
Accumulated depreciation:									
As at March 31, 2018	-	32.88	62.86	30.23	234.45	10.93	1.38	-	372.73
Depreciation for the Year	-	19.71	34.37	19.30	132.28	12.20	0.45	-	218.31
Deductions during the Year	-	-	-	0.81	65.41	1.94	-	-	68.16
As at March 31, 2019	-	52.59	97.23	48.72	301.32	21.19	1.83	-	522.88
Depreciation for the Year	-	18.50	35.65	26.79	91.25	40.23	4.21	127.39	344.02
Deductions during the Year	-	-	-	0.25	176.33	-	-	1.70	178.28
As at March 31, 2020	-	71.09	132.88	75.26	216.24	61.42	6.04	125.69	688.62
Net carrying amount									
As at March 31, 2019	31.03	137.55	103.77	74.08	145.08	45.30	1.52	-	538.33
As at March 31, 2020	22.98	254.88	222.80	62.52	116.73	79.02	30.08	51.24	840.25
Capital work in progress									
As at March 31, 2019	-	6.74	0.74	-	-	-	-	-	7.48
As at March 31, 2020	-	-	-	-	-	-	-	-	-

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at March 31, 2018	166.60	4,220.89	50.00	14.25	4,285.14
Additions during the Year	-	0.01	-	5.09	5.10
Deductions during the year	-	-	-	-	-
As at March 31, 2019	166.60	4,220.90	50.00	19.34	4,290.24
Additions during the year	-	960.20	-	10.61	970.81
Deductions during the Year	-	-	-	-	-
As at March 31, 2020	166.60	5,181.10	50.00	29.95	5,261.05
Accumulated Amortisation:					
As at March 31, 2018	-	38.08	16.44	4.60	59.12
Amortisation for the Year	-	84.55	10.00	3.03	97.58
As at March 31, 2019	-	122.63	26.44	7.63	156.70
Amortisation for the Year	-	90.75	10.02	4.03	104.80
As at March 31, 2020	-	213.38	36.46	11.66	261.50
Net carrying amount					
As at March 31, 2019	166.60	4,098.27	23.56	11.71	4,133.54
As at March 31, 2020	166.60	4,967.72	13.54	18.29	4,999.55
Intangible assets under development					
As at March 31, 2019	-	-	-	19.82	19.82
As at March 31, 2020	-	-	-	43.73	43.73

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

2. The Company tests goodwill on an annual basis or based on an indicator. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

- Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.
- Discount rate applied to projected cash flow is 12%.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹ 166.60 millions generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 3: Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At cost				
In equity instruments of subsidiaries (unquoted) (fully paid up)				
Equity shares of ₹10 each held in Eris Therapeutics Private Limited	10,000	1.06	10,000	1.06
Less: Impairment in value of investments		(1.06)		(1.06)
Equity shares of ₹10 each held in Aprica Healthcare Private Limited	10,000	0.10	10,000	0.10
Equity shares of ₹10 each held in Kinedex Healthcare Private Limited	1,82,504	1,094.64	1,49,997	880.91
Equity shares of ₹10 each held in UTH Healthcare Limited	71,42,857	128.50	71,42,857	128.50
Equity shares of ₹10 each held in Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	43,33,331	900.00	43,33,331	900.00
In Unsecured Perpetual Securities of subsidiaries (Refer note 3.2 below)				
Perpetual securities of 10 each held in Aprica Healthcare Private Limited	10,00,000	10.00	80,00,000	80.00
Perpetual securities of 10 each held in Kinedex Healthcare Private Limited	45,00,000	45.00	95,00,000	95.00
Perpetual securities of 10 each held in UTH Healthcare Limited	2,50,00,000	250.00	2,50,00,000	250.00
(II) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
Franklin India Credit Risk Fund-Direct-Growth	-	-	1,75,37,091	361.19
Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond	1,000	1.11	1,000	1.10
Indian Railway Finance Corporation Bond	1,000	1.19	1,000	1.09
Housing and Urban Development Corporation Bond	1,000	1.12	1,000	1.09
Investment in Equity Instruments				
HCL Technologies Private Limited (Quoted)	-	-	14,745	16.03
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588	28.62	3,81,588	28.62
Total (I)+(II)		2,460.28		2,743.63
Aggregate carrying value of quoted investments		3.42		19.31
Aggregate market value of quoted investments		3.42		19.31
Aggregate carrying value of unquoted investments		2,456.86		2,724.32

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
Aditya Birla Sun Life short term opportunities fund -Growth-Direct	-	-	23,52,597	75.43
Franklin India Credit Risk Fund-Growth	-	-	1,64,51,486	322.10
Franklin India Income Opportunity Fund-Direct-Growth	-	-	4,08,91,891	958.37
Franklin India Short Term Income Plan-Direct Growth	-	-	1,33,907	560.86
Kotak Medium Term Fund-Growth(Regular Plan)	-	-	2,78,96,191	426.36
Sundaram Money Fund Direct Plan Bonus (Bonus Units)	-	-	12,89,414	18.19
Franklin India Credit Risk Fund-Direct-Growth	1,75,37,091	347.31	-	-
SBI Overnight Fund	1,00,963	328.51	-	-
SBI Liquid Fund Direct Growth	-	-	51,331	150.33
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	-	-	30,743	140.25
ICICI Prudential Liquid Fund -Direct Plan-Growth	-	-	6,78,785	187.63
Kotak Mutual Fund Bond (Short Term) Direct Growth	16,68,356	66.92		
Axis Liquid fund -Direct Growth	-	-	1,06,839	221.53
Total		742.74		3,061.05

3.1 Details of pledged securities:

Include ₹414.23 million (31-03-2019 - ₹725.75 million) marked under lien against overdraft facilities availed by the company (Refer note 13 for details of Charge/ pledge on above assets.).

3.2 Details of perpetual securities:

In the previous year, the company has invested in unsecured subordinated perpetual securities issued by Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited and UTH Healthcare Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 4 : Income Taxes

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	574.92	688.67
Deferred tax:		
Deferred tax (benefit) for current year	(251.74)	(424.72)
	323.18	263.95
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains on defined benefit plans	(6.29)	(0.53)
	(6.29)	(0.53)
(c) Reconciliation of tax expense :		
Profit before income taxes	3,235.92	3,117.76
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,130.76	1,089.47
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	58.61	27.19
Effect of income exempt from taxation	(1.10)	(0.89)
Tax incentives	(824.63)	(760.20)
Adjustment of current tax of prior period	0.15	1.51
Others (net)	(46.90)	(93.66)
Adjusted income tax expense	316.89	263.42
Effective Tax Rate	9.79%	8.45%

(d) Income Tax Assets:

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	67.13	68.24
Less: Prior period adjustment	(0.20)	1.51
Add: Tax paid in advance, net of provisions/(Refund) during the year	(32.86)	0.40
Closing Balance	34.47	67.13

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	14.53	25.57
Add: Prior period adjustment	0.35	-
Add: Current tax payable for the year	574.77	687.16
Less: Taxes paid	(536.23)	(698.20)
Closing Balance	53.42	14.53

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(f) Deferred tax relates to:		
Deferred tax assets		
Property, plant and equipments (including ROU net of lease liability)	140.63	94.08
Minimum Alternate Tax credit entitlement	2,197.76	1,817.98
Employee benefits	66.55	42.17
Other	1.26	8.55
	2,406.20	1,962.78
Deferred tax liabilities		
Intangible assets	758.97	503.47
Fair Valuation of Investment	5.58	81.55
	764.55	585.02
Total	1,641.65	1,377.76

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to :							
At April 1, 2018	69.85	1,109.86	29.73	(209.87)	(55.59)	8.53	952.51
Charged/(Credited)							
- To Profit or Loss	(24.23)	(708.12)	(11.91)	293.60	25.96	(0.02)	(424.72)
- To other comprehensive Income	-	-	(0.53)	-	-	-	(0.53)
At March 31, 2019	94.08	1,817.98	42.17	(503.47)	(81.55)	8.55	1,377.76
Charged/(Credited)							
- To Profit or Loss	(27.60)	(373.92)	(18.09)	255.50	(75.97)	(11.66)	(251.74)
- To Other equity	-	(5.86)	-	-	-	-	(5.86)
- To other comprehensive Income	-	-	(6.29)	-	-	-	(6.29)
At March 31, 2020	121.68	2,197.76	66.55	(758.97)	(5.58)	20.21	1,641.65

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Security deposits	23.80	17.36
Receivable on sale of Investment in subsidiary	4.98	9.78
Other receivables	53.59	49.04
	82.37	76.18
Current		
Insurance claim receivable	1.04	0.75
Interest accrued	0.10	0.14
Security deposits	29.44	29.20
Receivable on sale of Investment in subsidiary	6.00	6.00
Other receivables	62.92	76.52
	99.50	112.61
Total	181.87	188.79

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital Advances	43.82	57.64
Other Advances	22.59	17.87
	66.41	75.51
Current		
Prepaid expenses	42.33	69.15
Balances with government authorities		
GST /Cenvat credit receivable	384.26	380.27
Others	1.83	6.47
Advances to supplier	489.07	271.80
Advances to employees	5.22	5.35
	922.71	733.04
Total	989.12	808.55

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material and Packing Material {including goods-in-transit ₹19.13 (31-03-2019 - ₹ 25.17)}	300.47	217.48
Work-in-progress	32.77	19.71
Finished goods	195.85	179.52
Stock-in-trade {including goods-in-transit ₹3.02 (31-03-2019- ₹ 24.66)}	122.64	326.75
Stores, spares & consumables	2.87	3.57
Total	654.60	747.03

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Considered good	-	-
Unsecured Considered good	1,408.22	758.98
Trade Receivables which have significant increase in Credit Risk	20.18	2.20
Trade Receivables-credit impaired	-	-
	1,428.40	761.18
Less: Allowance for doubtful debt (expected credit loss)	20.18	2.20
Total	1,408.22	758.98

Movements in allowance for doubtful trade receivables

Opening Balance	2.20	-
Add : Provision during the year	18.75	2.20
Less : Utilisation during the year	(0.77)	-
Closing Balance	20.18	2.20

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Cash and cash equivalents		
Cash on hand	0.27	0.19
Balances with banks in current accounts*	637.10	18.74
Cheque in hand	11.94	45.71
	649.31	64.64
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department	0.19	0.07
Total	649.50	64.71

*Includes Unclaimed Dividend of ₹ 0.96 million (Previous year Nil).

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Loans Receivables considered good - Secured		
Loans Receivables considered good - Unsecured		
To subsidiaries (Refer note 30)	10.01	-
To others	8.69	20.38
Loans Receivables from others which have significant increase in Credit Risk	5.82	3.28
Loans Receivables - credit impaired	-	-
	24.52	23.66
Less: Allowance for doubtful loan to others	(5.82)	(3.28)
Total	18.70	20.38

Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
Total	300.00	300.00
Issued, Subscribed and Fully Paid-up :		
13,57,80,653 (Previous year 13,75,19,783) Equity Shares of ₹1 each fully paid up	135.78	137.52
Total	135.78	137.52

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2018	13,75,00,000	137.50
Shares issued on exercise of employees stock options:	19,783	0.02
Shares outstanding at March 31, 2019	13,75,19,783	137.52
Buy Back during the year : (Refer note 11.6)	(17,39,130)	(1.74)
Shares outstanding at March 31, 2020	13,57,80,653	135.78

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

11.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity shares					
Bonus shares issued during the year	-	-	-	13,61,25,000	-

11.3 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,46,98,423	40.28	5,45,13,423	39.64
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.55	1,58,54,000	11.53
3. Bhikhalal Chimanlal Shah	88,92,430	6.55	1,06,76,864	7.76
4. Emerald Investments Limited	74,75,780	5.51	-	-

11.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.5 Share options granted under the Company's employee share option plan:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

11.6 Buyback of equity shares:

As on January 22, 2020, the Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

11.7 Dividend:

The Board of Directors of the Company has declared and paid an interim dividend of ₹2.87/- (at the rate of 287 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2019-20 at its meeting held on March 11, 2020.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 12: Other Equity

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	12,830.93	11,390.11
General Reserve	-	7.00
Securities Premium	-	13.49
Share based payment reserve	28.56	11.95
Capital redemption reserve	1.74	-
Total	12,861.23	11,422.55

Nature and purpose of reserves:

Retained Earnings:

Retained Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

General reserve:

General Reserve is created out of profits of the Company. The reserve arises on transfer of portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013. This reserve is utilised against buy back.

Securities premium:

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. Securities premium is utilised against buy back.

Share based payment reserve:

The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Capital redemption reserve:

The Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

Interim Dividend:

The Board of Directors of the Company has declared and paid an interim dividend of ₹ 2.87/- (at the rate of 287 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2019-20 at its meeting held on 11th March, 2020.

Note 13 Borrowings

(₹. In Million)

Particulars	Maturity	Terms of repayment	As at March 31, 2020	As at March 31, 2019
Non-Current				
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	-	1,759.15
			-	1,759.15
Amount of current maturities of long term debt disclosed under the head " Other Financial Liabilities" (refer Note-14)			-	(1,759.15)
Total			-	-

Term Loans from bank referred above to the extent of :

- Term Loan of ₹ Nil (previous year ₹ 1,759.15 million) are secured by way of :
 - Exclusive charge on the entire current assets of the company, both present and future.
 - Exclusive charge on entire immovable property of the Company at Guwahati being the land and building.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(iii) Exclusive charge on movable fixed assets of Guwahati Plant of the Company, both present and future.

(iv) Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.

2. Term loan from bank was fully repaid on April 04, 2019.

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Trade deposits	18.93	18.32
Lease Liability	48.54	-
	67.47	18.32
Current		
Current maturities of long-term debt (refer Note-13)	-	1,759.15
Book overdraft *	8.41	0.38
Dividend Payable	0.96	-
Lease Liability	56.94	-
Payable towards purchase of fixed assets	5.53	0.86
	71.84	1,760.39
Total	139.31	1,778.71

* Mutual funds are marked as lien against OD Limit (Refer note 3).

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	52.94	49.25
Provision for sales returns (Refer note below)	188.38	115.48
	241.32	164.73
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	29.04	18.45
Gratuity	79.90	41.02
Provision for sales returns (Refer note below)	188.64	132.75
	297.58	192.22
Total	538.90	356.95

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Provision for sales returns:

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Provision	248.23	224.38
Add : Provision during the year	198.41	181.69
Less : Utilisation during the year	69.62	157.84
Closing Provision	377.02	248.23
Long Term	188.38	115.48
Short Term	188.64	132.75
Total	377.02	248.23

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred Lease rent payment	-	11.09
Deferred Capital Subsidy Non current*	31.07	43.12
	31.07	54.21
Current		
Statutory liabilities	153.07	165.43
Advances from customers	7.90	10.29
Deferred Capital Subsidy Current*	11.33	14.31
	172.30	190.03
Total	203.37	244.24

* Capital subsidy represents Central Capital Investment Subsidy received during the previous year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to micro and small enterprises (refer note- 36)	32.39	9.61
Due to others	866.88	739.67
Total	899.27	749.28

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Sale of products (Refer note 38)	10,037.60	8,811.28
Other operating income		
GST refund	153.96	145.21
Others	10.75	8.90
	164.71	154.11
Total	10,202.31	8,965.39

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest income	14.28	21.56
Dividend income	0.03	0.12
Net gain on sale of investments	91.67	17.11
Net (loss) / gain on investments carried at fair value through profit or loss	(7.58)	251.26
Claims receivable (Refer note 19.1)	-	10.04
Deferred Capital Subsidy (Refer note 19.2)	15.03	19.06
Miscellaneous income	33.85	5.84
Total	147.28	324.99

Note 19.1 Claims receivable

During the previous year, an arbitration award has been passed in favour of the Company directing the supplier to pay a sum of ₹ 10.04 million to the Company. Since the award has been awarded in favour of the Company, the same has been accounted for in the books of account. The counterclaim of supplier for an equal amount adjudicated in the same Arbitral proceedings was declined in the award. Till date, the supplier has not specifically challenged the award of arbitration in favour of Eris though it has challenged the decline of its counterclaim. The Company shall therefore file execution proceedings for the purpose of giving effect to the award passed in its favour.

Note 19.2 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the previous year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 20: Cost of material consumed

	(₹. In Million)	
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Raw materials and packing materials		
Opening stock	217.48	181.05
Add: Purchases during the year	851.80	618.31
Less: Closing stock	(300.47)	(217.48)
Total	768.81	581.88

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

	(₹. In Million)	
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Inventories at the beginning of the year		
Stock-in-trade	326.75	228.73
Finished goods	179.52	149.80
Work-in-progress	19.71	13.46
	525.98	391.99
Inventories at the end of the year		
Stock-in-trade	122.64	326.75
Finished goods	195.85	179.52
Work-in-progress	32.77	19.71
	351.26	525.98
Net (Increase) / decrease in Stock	174.72	(133.99)

Note 22: Employee benefits expenses

	(₹. In Million)	
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, wages and bonus	1,727.05	1,473.26
Contribution to provident and other funds	108.71	89.27
Share based payments to employees	16.61	16.52
Staff welfare expenses	64.95	88.61
Total	1,917.32	1,667.66

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 23: Other Expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Power and fuel	45.43	33.39
Consumption of stores and spares (Indigenous)	72.05	14.46
Labour and security	19.14	14.47
Testing charges	6.29	7.73
Rent (Refer note 34)	77.25	172.51
Research & Development Expense	41.96	41.12
Freight and forwarding	148.17	141.79
Commission	153.48	141.33
Advertising, publicity and awareness	382.06	350.24
Repairs and maintenance	34.17	34.03
Selling and distribution	852.94	618.14
Travelling and conveyance	763.19	694.95
Communication	9.79	10.54
Legal and professional	278.74	252.71
Rates and taxes	58.41	54.89
Insurance	7.77	6.53
Payments to auditors (Refer note below)	3.83	3.71
Royalty Expense	6.85	3.12
Corporate social responsibility expenditure (Refer note 32)	54.83	16.83
Loss on property plant and equipment sold/written off	37.12	3.22
Donations	0.25	2.10
Bank charges	1.13	1.09
Provision for doubtful debt	18.78	2.20
Miscellaneous	11.81	16.54
Total	3,085.44	2,637.64

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Statutory Audit fee	2.50	2.50
Reimbursement of expenses	0.02	0.09
Certification fees and other services	1.31	1.12
Grand Total	3.83	3.71
Certification fees and other services charged, debited to other than profit or loss	0.75	-
Grand Total	4.58	3.71

Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest on borrowings	0.90	215.31
Interest on financial liabilities at amortised cost	4.58	12.62
Interest on Lease Liability	13.06	-
Total	18.54	227.93

Note 25: Earnings per share

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net profit after tax for the year (₹ in million)	2,912.74	2,853.81
Weighted average number of equity shares outstanding for basic earning per share	13,71,87,163	13,75,19,783
Add : Dilutive share -Employees stock options outstanding	1,15,728	1,23,374
Weighted average number of equity shares outstanding for diluted earning per share	13,73,02,891	13,76,43,157
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	21.23	20.75
Diluted earnings per share (in ₹)	21.21	20.73

Note 26:

The Company continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Group's financial statements for the year ended March 31, 2020.

Note 27: ACQUISITION OF INVESTMENT IN A SUBSIDIARY

The Company on November 06, 2018 has further acquired 6.71% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 107.21 million. The Company has acquired remaining 17.81% shareholding on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹58.51 million (Previous Year ₹50.62 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme. The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation.

The Company recognized ₹8.89 million (Previous year ₹8.79 million) for ESIC contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹22.09 million (Previous Year ₹13.15 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date. The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at March 31, 2020:

(₹. In Million)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	95.76	80.33
Current Service Cost	16.91	15.54
Transfer in/(out) obligation	3.16	0.68
Past Service Cost	-	-
On Account of acquisition	-	-
Interest Cost	5.92	5.13
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	4.68	(2.51)
- Due to change in Demographic Assumptions	3.14	-
- Due to experience adjustments	8.38	5.26
Benefits paid	(10.46)	(8.67)
Obligations at the end of the year	127.49	95.76

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)		
Particulars	As at March 31, 2020	As at March 31, 2019
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	54.75	56.53
Interest Income	3.60	3.96
Return on plan assets excluding interest income	(1.80)	1.23
Employer Contributions	1.50	1.53
Benefits paid	(10.46)	(8.50)
Fair Value of plan assets at the end of the year	47.59	54.75

(₹. In Million)		
Particulars	As at March 31, 2020	As at March 31, 2019
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	127.49	95.76
Less : Fair value of plan assets	(47.59)	(54.75)
Funded status (deficit)	79.90	41.01
Net liability recognised in the financial statement	79.90	41.01

(₹. In Million)		
Particulars	As at March 31, 2020	As at March 31, 2019
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	16.91	15.54
Interest Cost Net	2.32	1.17
Expense charged to the statement of profit and loss	19.23	16.71
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	1.80	(1.23)
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	4.68	(2.51)
- Due to change in Demographic Assumptions	3.14	-
- Due to experience adjustments	8.38	5.26
Expense charged to other comprehensive income	18.00	1.52

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Assumptions:		
Discount rate	5.45%	7.10%
Estimated rate of return on plan assets	5.45%	7.10%
Annual increase in salary costs	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	126.03	93.99
Decrease of 0.5% in discount rate	129.00	97.64
Increase of 0.5% in salary escalation rate	128.89	97.38
Decrease of 0.5% in salary escalation rate	126.12	94.15
Expected future Cash outflows towards the plan are as follows :		
Year 1	40.03	24.93
Year 2	28.30	18.89
Year 3	20.51	14.88
Year 4	15.65	11.08
Year 5	11.04	9.59
Year 6 to 10	21.26	24.11
Investment details of plan assets:		
Particulars	As at March 31, 2020	As at March 31, 2019
Insurer managed funds with Life Insurance Corporation of India	82%	87%
Bank Balance with Eris lifesciences limited employees group gratuity trust	18%	13%

Notes:

- The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
- The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
- Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
- The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
- The expected contribution to be made by company for gratuity during financial year ending March 31, 2021 is ₹79.90 million (previous year ₹41.02 million).

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(₹. In Million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	1,408.22	1,408.22	758.98	758.98
Cash and cash equivalents	649.31	649.31	64.64	64.64
Other bank balances	0.19	0.19	0.07	0.07
Loans	18.70	18.70	20.38	20.38
Other Financial Asset	181.87	181.87	188.79	188.79
Fair value through profit or loss :				
Investment in mutual funds	742.74	742.74	3,422.24	3,422.24
Investment in tax free bonds	3.42	3.42	3.28	3.28
Investment in equity instruments (other than investment in subsidiaries)	28.62	28.62	44.65	44.65
Total	3,033.07	3,033.07	4,503.03	4,503.03
Financial Liabilities :				
Amortised cost :				
Trade payables	899.27	899.27	749.28	749.28
Other financial liabilities	33.83	33.83	1,778.71	1,778.71
Lease Liability	105.48	105.48	-	-
Total	1,038.58	1,038.58	2,527.99	2,527.99

(ii) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	742.74	-	-	742.74
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.42	-	-	3.42
Total	746.16	-	28.62	774.78
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	746.16	-	28.62	774.78

(₹. In Million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,422.24	-	-	3,422.24
Equity instruments	16.03	-	28.62	44.65
Tax free bonds	3.28	-	-	3.28
Total	3,441.55	-	28.62	3,470.17
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	3,441.55	-	28.62	3,470.17

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds:

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments:

Fair value of Equity investments traded in an active market are determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of a valuer.

(iii) Financial risk management:

The Company's activities are exposed to variety of financial risks. These risks include market risk, 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 is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 746.16 million and ₹3,425.52 million as at March 31, 2020 and March 31, 2019 respectively.

The Company borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to NIL and ₹ 1746.55 million as at March 31, 2020 and March 31, 2019 respectively.

For the year ended March 31, 2020, every 50 basis increase in interest rates would decrease the company profit by approximate ₹ Nil (Previous year : ₹ 14.08 million). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 3033.07 million and ₹ 4503.03 million as at March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

	(₹. In Million)		
As at March 31, 2020	Less than 1 year	1-3 years	More than 3 years
Borrowings	-	-	-
Trade payables	899.27	-	-
Other financial liabilities	14.90	-	18.93
Lease Liability	63.12	32.45	24.27
	977.29	32.45	43.20

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)

As at March 31, 2019	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,762.60	-	-
Trade payables	749.28	-	-
Other financial liabilities	1.24	-	18.32
	2,513.12	-	18.32

(iv) 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.

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Subsidiaries	
		Eris Therapeutics Private Limited
		Aprica Healthcare Private Limited
		Kinedex Healthcare Private Limited
		UTH Healthcare Limited
		Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)
2	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
3	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
4	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Subsidiaries		Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(A) Nature of transactions										
Net Loans and Advances Received Back	-	395.93	-	-	-	-	-	-	-	395.93
Investment in / (Redemption of) Perpetual bond	(120.00)	425.00	-	-	-	-	-	-	(120.00)	425.00
Loans and Advances Given	10.00	-	-	-	-	-	-	-	10.00	-
Sales of Finished goods	80.56	-	-	-	-	-	-	-	80.56	-
Sales of Stock-in-trade	2.31	3.78	-	-	-	-	-	-	2.31	3.78
Purchases of Stock-in-trade	46.67	8.05	-	-	-	-	-	-	46.67	8.05
Royalty Income	6.09	4.87	-	-	-	-	-	-	6.09	4.87
Interest Income	0.02	11.98	-	-	-	-	-	-	0.02	11.98
Royalty Expense	6.84	3.12	-	-	-	-	-	-	6.84	3.12
Reimbursement of expense incurred	3.16	1.69	-	-	-	-	-	-	3.16	1.69
Remuneration	-	-	86.70	85.67	-	-	-	-	86.70	85.67
Sitting fees	-	-	2.85	2.53	-	-	-	-	2.85	2.53
Stock Options exercised	-	-	-	1.08	-	-	-	-	-	1.08
Salary expense	-	-	-	-	4.24	3.86	-	-	4.24	3.86
Contribution to Post-employment benefit plan	-	-	-	-	-	-	38.88	17.22	38.88	17.22
(B) Balances at the end of the year	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19
Perpetual bond	305.00	425.00	-	-	-	-	-	-	305.00	425.00
Trade Receivable	26.02	-	-	-	-	-	-	-	26.02	-
Advance from Customer	-	3.96	-	-	-	-	-	-	-	3.96
Trade payable	3.09	2.69	4.03	4.26	0.28	0.21	-	-	7.40	7.16
Loans and advances Given	10.01	-	-	-	-	-	-	-	10.01	-

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Transaction with Subsidiaries		
	Aprica Healthcare Private Limited		
	Net Loans and Advances Received Back	-	64.14
	Investment in / (Redemption of) Perpetual bond	(70.00)	80.00
	Sales of Finished goods	80.56	-
	Royalty Income	5.63	4.58
	Interest Income	-	2.08
	Reimbursement of expense incurred	-	0.03
	Kinedex Healthcare Private Limited		
	Purchases of Stock-in-trade	46.62	0.03
	Sales of Stock-in-trade	-	3.53
	Net Loans and Advances Received Back	-	92.56
	Investment in / (Redemption of) Perpetual bond	(50.00)	95.00
	Royalty Expense	3.33	-
	Royalty Income	-	0.29
	Interest Income	-	2.93
	Reimbursement of expense incurred	3.16	1.66
	UTH Healthcare Limited		
	Purchases of Stock-in-trade	0.05	8.02
	Sales of Stock-in-trade	-	0.24
	Investment in Perpetual bond	-	250.00
	Loans and Advances Given	10.00	-
	Net Loans and Advances Received Back	-	239.22
	Royalty expense	1.26	1.38
	Interest Income	0.02	6.96
	Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)		
	Royalty expense	2.25	1.74
	Sales of Stock-in-trade	2.31	-
	Royalty income	0.46	-
2	Key Management Personnel compensation		
	Remuneration *	86.70	85.67
	Sitting fees	2.85	2.53
	Stock Options exercised	-	1.08

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹. In Million)			
Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
3	Close family member of Key Management Personnel compensation		
	Salary expense	4.24	3.86
4	Other Related parties		
	Contribution to Post-employment benefit plan	38.88	17.22

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

D) Balances with related parties at end of the year:

(₹. In Million)			
Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Aprica Healthcare Private Limited		
	Perpetual bond	10.00	80.00
	Trade Receivable	23.37	-
	Advance from Customer	-	3.96
2	Kinedex Healthcare Private Limited		
	Perpetual bond	45.00	95.00
	Trade payable	-	0.90
	Trade Receivable	2.65	-
3	UTH Healthcare Limited		
	Loans and advances Given	10.01	-
	Perpetual bond	250.00	250.00
	Trade payable	0.20	0.01
4	Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)		
	Trade Payable	2.89	1.78
5	Key Management Personnel compensation		
	Trade Payable	4.03	4.26
6	Close family member of Key Management Personnel compensation		
	Trade Payable	0.28	0.21

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 31: Loans to group Companies

Disclosures pursuant to Regulation 34(3) read with Para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹. In Million)

Name of the Subsidiary	Amount outstanding as at		Maximum balance during the year	
	March 31, 2020	March 31, 2019	2019-20	2018-19
Aprica Healthcare Private Limited	-	-	-	87.64
Kinedex Healthcare Private Limited	-	-	-	123.56
UTH Healthcare Limited	10.01	-	10.01	251.94

Note:

- a) The loanees did not hold any shares in the Share capital of the Company.
- b) All loans given are for the purposes of the business.
- c) During the previous year loan was received back from subsidiaries and investment in unsecured perpetual bond of subsidiaries was done.

Note 32: Corporate Social Responsibility (CSR) expenditure

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Gross amount required to be spent by the company as per section 135 of the act	59.28	46.55
(b) Gross amount spent by the company during the year*	59.53	34.70

* Expenditure relating to CSR included in advance is ₹4.70 million during current year and ₹17.87 million during previous year.

Note 33: Contingent Liability

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	155.72	146.82
Notices regarding Income-tax matters	0.80	-
Others	1.55	6.10

Note: The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier years. Management does not expect any cash outflow from this matter.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 34: Lease rent IND AS 116

Effective from April 01, 2019, the Company has adopted Ind AS 116 “Leases” and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method. Accordingly, comparatives for previous period / year have not been retrospectively adjusted. The adoption of standard has resulted into creation of right of use lease asset by ₹ 179.80 million and lease liability by ₹ 190.89 million as at April 1, 2019. Also, the following effects have been given.

(₹. In Million)

Changes [Increase/(decrease)]	For Year ended March 31, 2020
Depreciation and Amortisation	127.39
Finance costs on lease liability	13.06
Lease rent cost	(96.54)
Profit after tax	(28.57)
Cash Flow From Operating Activities	96.54
Cash Flow From Financing Activities	(96.54)

Note 35: ESOP

The Company has introduced ‘Eris Lifesciences Employee Stock Option Plan 2017’ (“ESOP 2017”/ “Plan”) through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 49,886 and 34,921 options have lapsed till March 31, 2020 and March 31, 2019 respectively.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2019-20 is ₹16.61 million and for financial year 2018-19 is ₹ 16.53 million.

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	3,36,895	451.04	3,68,318	451.04
Granted during the year	-	-	-	-
Vested during the year	71,169	451.04	73,664	451.04
Exercised during the year	-	451.04	19,783	451.04
Lapsed during the year	14,965	451.04	11,640	451.04
Options outstanding at the end of the year	3,21,930	451.04	3,36,895	451.04
Options available for grant	23,281	-	23,281	-
Options exercisable at the end of year	1,17,401	-	52,218	-

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for the year ended March 31, 2020

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.04
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value(₹)	268.77

Note 36: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2020. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars	March 31, 2020	March 31, 2019
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due remaining unpaid	32.39	9.61
Interest amount due remaining unpaid	-	0.08
b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.08
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	-	-

Note 37: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

Note 38: Revenue from operations

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Company.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note 39: Subsequent Event

On June 02, 2020, a new company, Eris Pharmaceuticals Private Limited has been incorporated as subsidiary of Eris Healthcare Private Limited (subsidiary of Eris Lifesciences Limited). Eris Healthcare Private Limited is having 76% shareholding in Eris Pharmaceuticals Private Limited. Eris Pharmaceuticals Private Limited will be engaged in manufacture of healthcare & OTC Products.

Note 40: Regrouping

Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director

DIN: 01250925

Inderjeet Singh Negi

Whole Time Director

DIN: 01255388

Sachin Shah

Chief Financial Officer

Place: Ahmedabad

Date: June 26, 2020

Milind Talegaonkar

Company Secretary

Membership No-A26493

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of ERIS LIFESCIENCES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ERIS LIFESCIENCES LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Carrying values of acquired intangible assets Refer note 2(b) to the Consolidated Financial Statements. As at 31 March 2020, the Group had Rs. 6909.11 million of carrying value of acquired intangibles. Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss. For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Group operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.	Principal audit procedures performed: 1. Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of Parent company's management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's estimate and judgement whether any indicators of impairment existed. For those intangibles where indicators of impairment existed, we have examined management's judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, profit margin and perpetual growth rates used to estimate future cash flows and discounting rates applied to these forecasted future cash flows and retrospective review of the projections. 2. The Component auditors have reported to us that they have also performed above procedures.

	Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group. In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.	
2.	Carrying value of Goodwill	Principal audit procedures performed:
	<p>Refer to note 2(b) to the consolidated financial statements.</p> <p>As at 31 March 2020, the Group's carrying value of goodwill is Rs. 934.74 million.</p> <p>In accordance with Ind AS, goodwill needs to be tested for impairment at every reporting period. Recoverability of the carrying value of goodwill is predicated upon appropriate attribution of goodwill to a cash generating unit or group of cash generating units (CGU) and determination of recoverable amount of the underlying CGUs.</p> <p>Significant Management judgement is required in the area of impairment testing, particularly in assessing whether the carrying value of the CGU including the goodwill can be supported by the recoverable amount. Recoverability of the carrying values of goodwill is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, net profit margin, perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group.</p> <p>In view of the foregoing, valuation and allocation of goodwill has been identified as a Key Audit Matter.</p>	<p>Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's basis for allocation of goodwill to CGUs and determination of recoverable amounts to measure the impairment provision, if any, that needs to be accounted for.</p> <p>As part of our substantive testing procedures, we have examined management's judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discounting rates applied to these forecasted future cash flows and retrospective review of the projections.</p>
3.	Existence and condition of inventory of raw and packing materials, work in progress, finished goods (manufactured and traded) [Refer to Note 7 to the consolidated financial statements]	Principal audit procedures performed:
	<p>The Group has its inventory located at factory, central warehouse, another warehouse and third party locations.</p> <p>The Group's management conducts physical verification of inventories during the year at reasonable intervals, however, on account of the COVID-19 related lockdown restrictions, management was unable to perform planned year end physical verification of inventories at factory and central warehouse. The verification at the factory and a central warehouse was carried out subsequent to the year end and at other locations, prior to year end.</p> <p>Management has carried out other procedures to validate the existence and conditions of its inventory as at the year end, such as roll forward/roll back procedures for inventories which were physically verified prior/subsequent to year end respectively and obtaining confirmations from third parties to determine the quantities of the inventory at the balance sheet date.</p> <p>Further due to COVID-19 related lockdown an independent firm of chartered accountants have under our direction and supervision participated in the physical verification of inventory that was carried out by the management subsequent to the year end and we also participated in the same through virtual medium.</p>	<p>1. We performed the following audit procedures to audit the existence and condition of inventories of Parent company as at the year-end, since we were not directly able to physically observe the physical stock verification:</p> <p>(a) Understood and evaluated the management's internal controls process to establish the existence and condition of inventories, such as, the process of periodic physical verification carried out by the Management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any.</p> <p>(b) For stocks at third parties locations, we obtained direct confirmations, and tallied with stock quantities at year-end. Also, we read the third party agreements to understand the obligations of the third party with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company.</p>

<p>In view of the foregoing, obtaining sufficient appropriate audit evidence regarding existence and condition of inventories as at the balance sheet date is identified as a key audit matter.</p>	<p>(c) As the Auditors of the Company, we issued written communication to independent firm of chartered accountants for audit procedures to be performed. In accordance with such communication, as reported by them, they observed the physical verification of inventories carried out by the Management at the factory and a central warehouse subsequent to year-end and</p> <p>(i) we participated through virtual mediums, to verify the compliance with the standard operating procedures issued by the Management for physical verification of inventory to determine existence and condition of inventory.</p> <p>(ii) On a sample basis, performed roll back procedures (by inspecting documentation relating to subsequent sales supported by acknowledged lorry receipts, purchases, stock transfers, production records, as applicable) from the inventory quantities physically verified by the Management subsequent to the year end to arrive at the quantities at the balance sheet date. Compared such quantities at the balance sheet date based on such roll back with the quantities as per the inventory records and obtained explanations for differences, if any.</p> <p>(d) For cases where inventory verification was carried out by the management before the year end, we have performed alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales, stock transfer records and results of cyclical count performed by the Management through the year.</p> <p>2. In respect of the existence of inventories at two subsidiary companies where the physical verification of Inventories were done subsequent to the year end, the Component auditors have reported to us that they have performed the alternate audit procedures to test the existence and conditions of inventories as at the year-end as stated in paragraph 1(a), 1(c)(i) and 1(c)(ii) above and alternate procedures to audit the existence and condition of inventory, which includes inspection of supporting documentation relating to purchases, sales, stock transfer records and results of cyclical count performed by the Management through the year.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, Report in Annual Report but does not include the consolidated financial statements, standalone 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, compare with the financial statements of subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Parent, as aforesaid.

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

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

Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

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

Other Matters

We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of Rs. 987.51 Millions as at March 31, 2020, total revenues of Rs. 690.63 Million and net cash inflows amounting to Rs. 13.41 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the parent is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - 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:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama

(Partner)

(Membership No. 107723)

(UDIN: 20107723AAAAHA8627)

Mumbai, June 26, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Eris Lifesciences Limited (hereinafter referred to as “Parent”) and its subsidiary companies, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 of the subsidiary companies, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 (five) subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

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

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama

(Partner)

(Membership No. 107723)

(UDIN: 20107723AAAAHA8627)

Mumbai, June 26, 2020

CONSOLIDATED BALANCE SHEET

for the year ended March 31, 2020

(₹. In Million)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS :			
(1) Non current assets			
(a) Property, Plant and Equipment	2(a)	812.51	553.23
(b) Right-of-use asset	2(a)	60.28	-
(c) Capital Work in progress	2(a)	-	7.48
(d) Goodwill	2(b)	934.74	935.87
(e) Other Intangible assets	2(b)	6,940.96	6,116.26
(f) Intangible assets under development	2(b)	43.73	19.82
(g) Financial assets			
Investments	3	32.04	409.12
Other financial asset	5	83.12	76.87
(h) Income tax assets (net)	4(d)	39.48	76.73
(i) Deferred tax assets (net)	4(f)	1,709.11	1,447.94
(j) Other non-current assets	6	70.91	75.51
Total Non current assets		10,726.88	9,718.83
(2) Current assets			
(a) Inventories	7	694.75	826.53
(b) Financial assets			
Investments	3	747.81	3,149.42
Trade receivables	8	1,568.84	839.76
Cash and cash equivalents	9(a)	673.07	75.00
Other bank balances	9(b)	0.19	0.07
Loans	10	9.35	21.25
Other financial asset	5	116.11	129.47
(c) Income tax assets (net)	4(d)	-	1.26
(d) Other current assets	6	986.05	775.03
Total Current assets		4,796.17	5,817.79
TOTAL - ASSETS		15,523.05	15,536.62
II. EQUITY AND LIABILITIES :			
(1) Equity			
(a) Share capital	11	135.78	137.52
(b) Other Equity	12	12,827.56	11,367.66
Equity attributable to the owners of the company		12,963.34	11,505.18
Non-controlling Interest		-	183.11
Total Equity		12,963.34	11,688.30

(₹. In Million)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(2) Non Current Liabilities			
(a) Financial Liabilities			
Long term Borrowings	13	-	2.93
Lease Liabilities	14	61.44	-
Other financial liabilities	14	54.38	23.51
(b) Long-term provisions	15	259.77	193.86
(c) Other non-current liabilities	16	31.07	55.71
(d) Deferred tax liabilities (net)	4(f)	506.15	516.95
Total Non Current Liabilities		912.81	792.96
(3) Current liabilities			
(a) Financial Liabilities			
Trade payables	17		
A) Due to Micro and Small Enterprises		33.08	9.61
B) Due to other than Micro and Small Enterprises		967.43	831.64
Lease Liabilities	14	59.99	-
Other financial liabilities	14	16.20	1,763.84
(b) Short-term provisions	15	301.97	210.29
(c) Other current liabilities	16	198.25	221.88
(d) Income tax liabilities (net)	4(e)	69.98	18.11
Total Current Liabilities		1,646.90	3,055.37
Total Liabilities		2,559.71	3,848.33
TOTAL - EQUITY AND LIABILITIES		15,523.05	15,536.62

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 26, 2020

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
REVENUE:			
Revenue from operations	18		
Sale of products		10,581.83	9,672.02
Other operating income		158.76	149.59
Total Revenue from Operations		10,740.59	9,821.61
Other income	19	153.96	316.94
Total Revenue (I)		10,894.55	10,138.55
EXPENSES:			
(a) Cost of materials consumed	20	768.81	581.88
(b) Purchases of stock-in-trade		732.43	1,089.32
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	214.07	(134.22)
(d) Employee benefits expense	22	2,056.93	1,906.59
(e) Other expenses	23	3,284.61	2,928.91
Total (II)		7,056.85	6,372.48
Profit before interest, tax, depreciation and amortisation (I - II)		3,837.70	3,766.07
Finance costs	24	21.62	228.95
Depreciation and amortisation expense	2	502.58	363.54
Profit before tax		3,313.50	3,173.58
Tax expenses :	4		
(a) Current tax		606.96	710.71
(b) Deferred tax		(258.53)	(448.60)
Total tax expense		348.43	262.11
Profit for the year		2,965.07	2,911.47
Attributable to :			
- Owners of the company		2,964.97	2,907.96
- Non controlling interest		0.10	3.51

Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Re-measurement gains / (losses) on defined benefit plans	(18.63)	(1.71)
Income tax relating to items that will not be reclassified to profit or loss		
Re-measurement gains / (losses) on defined benefit plans	6.45	0.58
	(12.18)	(1.13)
Total Comprehensive Income for the year		
	2,952.89	2,910.34
Attributable to :		
- Owners of the company	2,952.79	2,906.83
- Non controlling interest	0.10	3.51
Earnings per equity share of face value ₹ 1 each		
Basic (₹)	21.61	21.15
Diluted (₹)	25	21.59
		21.13

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 26, 2020

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2020

(₹. In Million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	3,313.50	3,173.58
Adjustments for :		
Depreciation and amortisation expense	502.58	363.54
Loss / (Profit) on property plant and equipment sold/written off	0.87	3.14
Finance costs	21.62	228.95
Dividend income	(0.03)	(0.12)
Claims receivable	-	(10.04)
Interest income	(16.06)	(10.96)
Net gain on sale of investments	(92.40)	(17.49)
Net (gain) / loss on investments carried at fair value through profit or loss	6.18	(251.91)
Provision for doubtful debt	18.78	2.44
Deferred capital subsidy	(15.03)	(19.06)
Gain From Termination of Lease Ind As 116	(0.75)	-
Share based payment expense	16.61	16.52
Operating profit before working capital changes	3,755.87	3,478.59
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(747.86)	(175.54)
Inventories	131.78	(172.05)
Other asset	(215.90)	(239.88)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions		
Trade Payables	159.34	(66.58)
Other liabilities	(20.64)	91.78
Provisions	138.96	43.82
Other Financial Liabilities	27.26	(13.93)
Cash generated from operations	3,228.81	2,946.21
Net income tax paid	(517.71)	(716.25)
Net cash flow from operating activities (A)	2,711.10	2,229.96

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2020

		(₹. In Million)
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets)	(1,512.82)	(380.02)
Proceeds from sale of property plant and equipment	54.67	10.90
Consideration paid towards investment in subsidiary	(213.73)	(107.22)
Receipt of capital subsidy	-	76.49
Investments in mutual funds	(380.88)	(447.67)
Proceeds from redemption of mutual funds and Shares	3,260.79	797.30
Loan to Others (given)/ repayment received	11.90	(9.41)
Bank balances not considered as cash and cash equivalents-Placed	(0.12)	-
Dividend income	0.03	0.12
Interest income	13.04	9.00
Net cash flow from / (used in) investing activities (B)	1,232.88	(50.51)
C. Cash flow from financing activities		
Repayment of borrowings	(1,755.08)	(2,002.14)
Buy back expense	(16.77)	-
Buy back of shares	(1,000.00)	-
Finance costs	(18.25)	(217.31)
Dividend and dividend distribution tax paid	(469.79)	-
Lease payment	(86.02)	-
Shares issued on exercise of employees stock options	-	8.92
Net cash used in financing activities (C)	(3,345.91)	(2,210.53)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	598.07	(31.08)
Cash and cash equivalents at the beginning of the year	75.00	106.08
Cash and cash equivalents at end of the year {Refer note- 9(a)}	673.07	75.00

Notes:

- (i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2020

(ii) Cash and Cash Equivalents {Refer note-9(a)}

Cash on hand	0.69	0.57
Balance with banks		
In Current Account	660.44	28.72
Cheque in hand	11.94	45.71
Cash and Cash Equivalents as per Cash flow statement	673.07	75.00

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 26, 2020

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity Share Capital		(₹. In Million)
Particulars (refer note-11)		Amount
As at April 1, 2018		137.50
Change in Equity Share Capital (Pursuant to exercise of employees stock options)		0.02
As at March 31, 2019		137.52
Change in Equity Share Capital (Pursuant to buyback of shares) (Refer note 11.6)		(1.74)
As at March 31, 2020		135.78

B. Other Equity		(₹. In Million)				
Particulars (refer note-12)	Retained Earnings	General Reserve	Securities Premium	Share based payment reserve	Capital redemption reserve	Total Other Equity
As at April 1, 2018	8,468.57	7.00	-	-	-	8,475.57
Add: Profit for the year	2,907.96	-	-	-	-	2,907.96
Add: Pursuant to exercise of employees stock options	-	-	13.49	-	-	13.49
Add: Other comprehensive Income for the year	(1.13)	-	-	-	-	(1.13)
Add: Share based payments to employees of the Parent company	-	-	-	16.52	-	16.52
Less: Exercise of employees stock options	-	-	-	(4.57)	-	(4.57)
Less: Acquisition of Minority stake {Refer note 27}	(40.18)	-	-	-	-	(40.18)
As at March 31, 2019	11,335.22	7.00	13.49	11.95	-	11,367.66
Add: Profit for the year	2,964.97	-	-	-	-	2,964.97
Add: Other comprehensive Income for the year	(12.18)	-	-	-	-	(12.18)
Less: Buy Back expense	(10.91)	-	-	-	-	(10.91)
Less: Buy Back of equity shares {Refer note 11.6}	(979.51)	(7.00)	(13.49)	-	-	(1,000.00)
Add: Transfer to capital redemption reserve on buy back of equity shares	-	-	-	-	1.74	1.74
Add: Share based payments to employees of the Parent company	-	-	-	16.59	-	16.59
Less: Payment of Dividend {Refer note 11.7}	(389.69)	-	-	-	-	(389.69)
Less: Payment of Dividend Distribution Tax	(80.10)	-	-	-	-	(80.10)
Less: Acquisition of Minority stake {Refer note 27}	(30.52)	-	-	-	-	(30.52)
As at March 31, 2020	12,797.28	-	-	28.54	1.74	12,827.56

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 26, 2020

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

CORPORATE INFORMATION:

Eris Lifesciences Limited ("Parent Company") and its subsidiaries (together referred to as "the group") is engaged in the manufacture and marketing of pharmaceutical products. The Parent Company has a manufacturing plant located in Guwahati, Assam. The Parent Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

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 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 - Hierarchy includes financial instruments measured using quoted prices.

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.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred

tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Basis of consolidation:

The Group consolidates all entities which it controls. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.3 Use of estimates:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.4)
- Useful lives of property, plant and equipment (refer note 1.5)
- Useful lives of intangible assets (refer note 1.6)
- Impairment of asset (refer note 1.9)
- Valuation of inventories (refer note 1.10)
- Employee benefits (refer note 1.14)
- Valuation of deferred tax assets (refer note 1.15)
- Provisions & contingent liabilities (refer note 1.16)
- Impact of COVID on Business and Financial statements (refer note 26)

1.4 Revenue recognition:

- a. Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the

point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
 - i) Dividend income is recognized when the right to receive dividend is established.
 - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
 - iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists

1.5 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and main tenance support, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

1.6 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, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period

in which the expenditure is incurred.

Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.7 Business combinations and Goodwill

1.7.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

1.7.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. 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 Company'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.

1.8 Financial Instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

i. Debt instruments at amortised cost-A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset gives 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.

ii. Equity investments – The Group measures its equity instruments other than investment in subsidiaries at fair value through profit and loss (FVTPL) in accordance with the requirements of Ind AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per Ind AS 27.

De-recognition of financial assets

A financial asset is primarily de-recognised 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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition 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 or loss.

Offsetting of financial instruments

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

1.9 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.10 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST credit availed], labour and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.11 Cash and cash equivalents:

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

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

1.12 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit or loss attributable to the equity holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits, bonus shares and buy back, as appropriate.

1.14 Employee Benefits:

(A) Defined contribution plan:

The Group's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

- (i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.
- (ii) The Group also provides benefit of compensated absences to its employees which are in the nature of long -term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Group recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.15 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.16 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.17 Leases:

During the financial year 2018-19, Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest

with the lessor are recognised as operating leases. Operating lease payments were recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

Effective from April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

At inception of a contract, the Group 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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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 costs 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 written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer note 32)

1.18 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.19 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and

are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

1.20 Share-based payment transactions:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. 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, in accordance with IND AS 102 Share based payment, based on the Parent company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Group has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the period. The Group measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Perpetual bond:

The Parent company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Parent Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electric Installation	Right of use asset (Refer note 32)	Total
Gross carrying amount:									
As at 1st April, 2018	31.03	194.14	196.08	81.47	379.60	30.56	3.11	-	915.99
Additions during the Year	-	-	4.92	56.22	159.11	45.29	0.24	-	265.78
Deductions during the year	-	-	-	1.33	79.90	3.32	-	-	84.55
As at March 31, 2019	31.03	194.14	201.00	136.36	458.81	72.53	3.35	-	1,097.22
Additions during the Year	-	135.84	159.30	17.90	101.72	86.07	32.77	196.78	730.38
Deductions during the year	8.05	3.98	-	13.93	215.01	-	-	2.87	243.84
As at March 31, 2020	22.98	326.00	360.30	140.33	345.52	158.60	36.12	193.91	1,583.76
Accumulated depreciation:									
As at April 01, 2018	-	33.23	62.86	36.24	244.05	12.11	1.38	-	389.87
Depreciation for the Year	-	19.92	34.37	21.22	135.18	13.49	0.45	-	224.63
Deductions during the Year	-	-	-	0.85	67.60	2.06	-	-	70.51
As at March 31, 2019	-	53.15	97.23	56.61	311.63	23.54	1.83	-	543.99
Depreciation for the Year	-	18.66	35.72	27.98	92.61	41.97	4.21	135.33	356.48
Deductions during the Year	-	0.71	-	9.25	177.84	-	-	1.70	189.50
As at March 31, 2020	-	71.10	132.95	75.34	226.40	65.51	6.04	133.63	710.97
Net carrying amount									
As at March 31, 2019	31.03	140.99	103.77	79.75	147.18	48.99	1.52	-	553.23
As at March 31, 2020	22.98	254.90	227.35	64.99	119.12	93.09	30.08	60.28	872.79
Capital work in progress									
As at March 31, 2019	-	6.74	0.74	-	-	-	-	-	7.48
As at March 31, 2020	-	-	-	-	-	-	-	-	-

Note:

1. Refer note 13 for details of charge/ pledge on above assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at April 1, 2018	934.74	6,280.19	50.00	14.26	6,344.45
Additions during the year	1.13	0.01	-	5.09	5.10
Deductions during the year	-	-	-	-	-
As at March 31, 2019	935.87	6,280.20	50.00	19.35	6,349.55
Additions during the year	-	960.20	-	10.61	970.81
Deductions during the year	1.13	-	-	-	-
As at March 31, 2020	934.74	7,240.40	50.00	29.96	7,320.36
Accumulated depreciation:					
As at April 1, 2018	-	73.35	16.44	4.59	94.38
Amortisation for the year	-	125.88	10.00	3.03	138.91
Deductions during the year	-	-	-	-	-
As at March 31, 2019	-	199.23	26.44	7.62	233.29
Amortisation for the year	-	132.06	10.02	4.03	146.11
Deductions during the year	-	-	-	-	-
As at March 31, 2020	-	331.29	36.46	11.65	379.40
Net carrying amount					
As at March 31, 2019	935.87	6,080.97	23.56	11.73	6,116.26
As at March 31, 2020	934.74	6,909.11	13.54	18.31	6,940.96
Intangible assets under development					
As at March 31, 2019	-	-	-	19.82	19.82
As at March 31, 2020	-	-	-	43.73	43.73

Note:

- Refer note 13 for details of Charge/ pledge on above assets.
- The Group tests goodwill on an annual basis or based on an indicator. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

- Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.
- Discount rate applied to projected cash flow is 12%.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹ 934.74 millions (Previous year ₹ 935.87 million) generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 3: Investments

(₹. In Million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted)(Refer note 3.1 below)				
Franklin India Credit Risk Fund-Direct-Growth	-	-	1,75,37,091	361.19
Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond	1,000.00	1.11	1,000	1.10
Indian Railway Finance Corporation Bond	1,000.00	1.19	1,000	1.09
Housing and Urban Development Corporation Bond	1,000.00	1.12	1,000	1.09
Investment in Equity Instruments				
HCL Technologies Private Limited (Quoted)	-	-	14,745	16.03
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588.00	28.62	3,81,588	28.62
Total		32.04		409.12
Aggregate carrying value of quoted investments		3.42		19.31
Aggregate market value of quoted investments		3.42		19.31
Aggregate carrying value of unquoted investments		28.62		389.81
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual funds (unquoted)(Refer note 3.1 below)				
Aditya Birla Sun Life short term opportunities fund -Growth-Direct	-	-	23,52,597	75.43
Franklin India Credit Risk Fund-Growth	-	-	1,64,51,486	322.10
Franklin India Income Opportunity Fund-Direct-Growth	-	-	4,08,91,891	958.37
Franklin India Short Term Income Plan-Direct Growth	-	-	1,33,907	560.86
Kotak Medium Term Fund-Growth(Regular Plan)	-	-	2,78,96,191	426.36
Sundaram Money Fund Direct Plan Bonus (Bonus Units)	-	-	12,89,414	18.19
SBI Liquid Fund Direct Growth	-	-	51,331	150.33
Franklin India Credit Risk Fund-Direct-Growth	1,75,37,091	347.31	-	-
SBI Overnight Fund	1,00,963	328.51	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Particulars	(₹. In Million)			
	As at March 31, 2020		As at March 31, 2019	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	-	-	30,743	140.25
ICICI Prudential Liquid Fund -Direct Plan-Growth	-	-	6,78,785	187.63
Axis Liquid fund -Direct Growth	2,296	5.05	1,49,449	309.88
Kotak Mutual Fund Bond (Short Term) Direct Growth	16,68,356	66.92	-	-
(II) At Amortised Cost				
Investment in NSC (unquoted)	-	0.02	-	0.02
Total		747.81		3,149.42

3.1 Details of pledged securities:

Include ₹414.23 million (31-03-2019 -₹725.75 million) marked under lien against overdraft facilities availed by the Parent company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 4 : Income Taxes

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	606.96	710.71
Deferred tax:		
Deferred tax (benefit) / expense for current year	(258.53)	(448.60)
	348.43	262.11
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(6.45)	(0.58)
	(6.45)	(0.58)
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	3,313.50	3,173.58
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,157.87	1,108.98
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	57.97	27.32
Effect of income exempt from taxation	(1.10)	(0.89)
Tax incentives	(823.41)	(760.20)
Deferred tax recognised in profit and loss account at effective rate	-	(26.33)
Effect of income tax balance due to change in income tax rate	-	6.58
Adjustment of current tax of prior period	3.04	1.10
Others (net)	(52.39)	(95.03)
Adjusted income tax expense	341.98	261.53
Group's weighted average tax rate	10.32%	8.24%

(d) Income Tax Assets:

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	77.99	79.18
Less: Income tax refund	(3.73)	-
Less: Prior period adjustment	(2.69)	(1.36)
Add: Tax paid in advance, net of provisions / (Refund) during the year	(32.09)	0.17
Closing Balance	39.48	77.99
Classified as:		
Non Current	39.48	76.73
Current	-	1.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	18.11	25.57
Add: Prior period adjustment	0.35	-
Add: Current tax payable for the year	606.33	709.64
Less: Taxes paid	(554.81)	(717.10)
Closing Balance	69.98	18.11

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(f) Deferred tax relates to:		
Deferred tax assets		
Property, plant and equipment (including ROU net of lease liability)	143.16	95.53
Minimum Alternate Tax credit entitlement	2,208.74	1,832.04
Carry forward tax losses and accumulated depreciation	65.12	58.44
Employee benefits	67.81	45.67
Other	2.99	9.05
	2,487.82	2,040.73
Deferred tax liabilities		
Intangible Assets	1,279.26	1,028.05
Fair Valuation of Investment	5.60	81.69
	1,284.86	1,109.74
Total	1,202.96	930.99

The deferred tax liabilities / assets are off-set, where the Group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

(₹. In Million)

Deferred tax assets	1,709.11	1,447.94
Deferred tax liabilities	506.15	516.95
Net Deferred Tax	1,202.96	930.99

The Group is virtually certain that future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Carry Forward Losses and accumulated depreciation	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to :								
At April 01, 2018	71.75	1,118.31	47.05	32.41	(739.99)	(55.59)	9.03	482.97
Charged/(Credited)								
- To Profit or Loss	(23.78)	(713.73)	(11.39)	(13.84)	288.06	26.10	(0.02)	(448.60)
- To other comprehensive Income	-	-	-	0.58	-	-	-	0.58
At March 31, 2019	95.53	1,832.04	58.44	45.67	(1,028.05)	(81.69)	9.05	930.99
Charged/(Credited)								
- To Profit or Loss	(25.81)	(370.84)	(6.68)	(15.69)	251.21	(76.09)	(14.63)	(258.53)
- To Goodwill	(1.13)	-	-	-	-	-	-	(1.13)
- To Other equity	-	(5.86)	-	-	-	-	-	(5.86)
- To other comprehensive Income	-	-	-	(6.45)	-	-	-	(6.45)
At March 31, 2020	122.47	2,208.74	65.12	67.81	(1,279.26)	(5.60)	23.68	1,202.96

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Security deposits	24.55	18.05
Receivable on sale of Investment in subsidiary	4.98	9.78
Other receivables	53.59	49.04
	83.12	76.87
Current		
Insurance claim receivable	1.04	0.75
Interest accrued	0.10	0.14
Security deposits	29.47	29.58
Receivable on sale of Investment in subsidiary	6.00	6.00
Other receivables	79.50	93.00
	116.11	129.47
	199.23	206.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Capital Advances	48.32	57.64
Other Advances	22.59	17.87
	70.91	75.51
Current		
Prepaid expenses	59.98	69.83
Balances with government authorities		
GST / Cenvat credit receivable	404.25	405.85
Others	1.83	6.47
Advance to supplier	512.62	285.03
Advances to employees	7.37	7.85
	986.05	775.03
Total	1,056.96	850.54

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material and Packing Material {including goods-in-transit ₹ 19.13 (31-03-2019- ₹ 25.17)}	300.47	217.48
Work-in-progress	32.77	19.71
Finished goods	195.85	179.52
Stock-in-trade {including goods-in-transit ₹ 5.05 (31-03-2019- ₹ 25.34)}	162.79	406.26
Stores, spares & consumables	2.87	3.56
Total	694.75	826.53

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Considered good	-	-
Unsecured Considered good	1,568.84	839.76
Considered doubtful	20.18	2.20
Trade Receivables-credit impaired	-	-
	1,589.02	841.96
Less: Allowance for doubtful debt (expected credit loss)	20.18	2.20
Total	1,568.84	839.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Movements in allowance for doubtful trade receivables

Opening Balance	2.20	-
Add : Provision during the year	18.75	2.20
Less : Utilisation during the year	(0.77)	-
Closing Balance	20.18	2.20

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Cash and cash equivalents		
Cash on hand	0.69	0.57
Balances with banks in current accounts*	660.44	28.72
Cheque in hand	11.94	45.71
	673.07	75.00
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department	0.19	0.07
Total	673.26	75.07

*Includes Unclaimed Dividend of ₹ 0.96 million (Previous year Nil).

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	9.35	21.25
Loans Receivables which have significant increase in Credit Risk	5.82	3.28
Loans Receivables - credit impaired	-	-
	15.17	24.53
Less: Allowance for doubtful loan	(5.82)	(3.28)
Total	9.35	21.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
Total	300.00	300.00
Issued, Subscribed and Fully Paid-up :		
13,57,80,653 (Previous year 13,75,19,783) Equity Shares of ₹1 each, fully paid up	135.78	137.52
Total	135.78	137.52

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2018	13,75,00,000	137.50
Add : Shares issued on exercise of Employee Stock Options	19,783	0.02
Shares outstanding at March 31, 2019	13,75,19,783	137.52
Less : Buy back of shares	(17,39,130)	(1.74)
Shares outstanding at March 31, 2020	13,57,80,653	135.78

11.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity shares					
Bonus shares issued during the year	-	-	-	13,61,25,000	-

11.3 Details of shareholders holding more than 5 % equity shares in the Parent company as at the end of the year

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,46,98,423	40.28	5,45,13,423	39.64
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.55	1,58,54,000	11.53
3. Bhikhalal Chimanlal Shah	88,92,430	6.55	1,06,76,864	7.76
4. Emerald Investments Limited	74,75,780	5.51	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

11.4 Terms / Rights attached to the equity shares:

The Parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Parent Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

11.5 Share options granted under the Parent Company's employee share option plan:

The Parent Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

11.6 Buyback of equity shares:

As on January 22, 2020, the Parent Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹ 575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

11.7 Dividend:

The Board of Directors of the Parent Company has declared and paid an interim dividend of ₹ 2.87/- (at the rate of 287 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2019-20 at its meeting held on March 11, 2020.

Note 12: Other Equity

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	12,797.28	11,335.22
General Reserve	-	7.00
Securities Premium	-	13.49
Share based payment reserve	28.54	11.95
Capital redemption reserve	1.74	
Total	12,827.56	11,367.66

Nature and purpose of reserves:

Retained Earnings:

Retained Earnings are the profits that the group has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

General reserve:

General Reserve is created out of profits of the Parent company. The reserve arises on transfer of portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013. This reserve is utilised against buy back.

Securities premium:

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. Securities premium is utilised against buy back.

Share based payment reserve:

The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Capital redemption reserve:

The Parent Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 13 Borrowings

(₹. In Million)

Particulars	Maturity	Terms of repayment	As at March 31, 2020	As at March 31, 2019
Non-Current				
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	-	1,759.15
Secured Loan from bank (Refer note 2 below)	Feb 2021 to Nov 2021		-	5.08
			-	1,764.23
Amount of current maturities of long term debt disclosed under the head "Other Financial Liabilities" (refer Note-14)			-	(1,761.30)
Total			-	2.93

Term Loans from bank referred above to the extent of :

- Term Loan of ₹ Nil (previous year ₹ 1,759.15 Million) are secured by way of :
 - Exclusive charge on the entire current assets of the Parent company, both present and future.
 - Exclusive charge on entire immovable property of the Parent Company at Guwahati being the land and building.
 - Exclusive charge on movable fixed assets of Guwahati Plant of the Parent Company, both present and future.
 - Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.
 - Term loan from bank was fully repaid during the current financial year
- Secured Loan from bank were secured against vehicle which was fully repaid during the current financial year

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current		
Trade deposits	54.38	23.51
Lease liability	61.44	
	115.82	23.51
Current		
Trade deposits	1.30	1.30
Current maturities of long-term debt (refer Note-13)	-	1,761.30
Book overdraft*	8.41	0.38
Dividend Payable	0.96	-
Payable towards purchase of fixed assets	5.53	0.86
Lease liability	59.99	
	76.19	1,763.84
Total	192.01	1,787.35

* Mutual funds are marked as lien against OD Limit (Refer note 3).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	52.94	49.25
Gratuity	4.27	2.11
Provision for sales returns (Refer note below)	202.56	142.50
	259.77	193.86
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	29.04	21.74
Gratuity	80.74	49.04
Provision for sales returns (Refer note below)	192.19	139.51
	301.97	210.29
Total	561.74	404.15

Provision for sales returns:

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Provision	282.01	261.24
Add : Provision during the year	210.00	199.71
Less : Utilisation during the year	97.26	178.94
Closing Provision	394.75	282.01
Long Term	202.56	142.50
Short Term	192.19	139.51
Total	394.75	282.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred Lease rent payment	-	12.59
Deferred Capital Subsidy Non current*	31.07	43.12
	31.07	55.71
Current		
Statutory liabilities	162.08	181.41
Advances from customers	24.84	26.16
Deferred Capital Subsidy Current*	11.33	14.31
	198.25	221.88
Total	229.32	277.59

* Capital subsidy represents Central Capital Investment Subsidy received during the previous year under the North East Industrial & Investment Promotion Policy (NEIIPP)

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to micro and small enterprises (refer note-34)	33.08	9.61
Due to others	967.43	831.64
Total	1,000.51	841.25

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Sale of products (Refer note 38)	10,581.83	9,672.02
Other operating income		
GST refund	153.96	145.21
Others	4.80	4.38
	158.76	149.59
Total	10,740.59	9,821.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest income	16.06	10.96
Dividend income	0.03	0.12
Net gain on sale of investments	92.40	17.49
Net gain on investments carried at fair value through profit or loss	(6.18)	251.91
Claims receivable (Refer note 19.1)	-	10.04
Deferred Capital Subsidy (Refer note 19.2)	15.03	19.06
Miscellaneous income	36.62	7.36
Total	153.96	316.94

Note 19.1 Claims receivable

During the previous year, an arbitration award has been passed in favour of the Parent Company directing the supplier to pay a sum of ₹ 10.04 million to the Parent Company. Since the award has been awarded in favour of the Parent Company, the same has been accounted for in the books of account. The counterclaim of the supplier for an equal amount adjudicated in the same Arbitral proceedings was declined in the award. Till date, the supplier has not specifically challenged the award of arbitration in favour of Eris though it has challenged the decline of its counterclaim. The Parent Company shall therefore file execution proceedings for the purpose of giving effect to the award passed in its favour.

Note 19.2 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the previous year under the North East Industrial & Investment Promotion Policy (NEIIPP)

Note 20: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Raw materials and packing materials		
Opening stock	217.48	181.05
Add: Purchases during the year	851.80	618.31
Less: Closing stock	(300.47)	(217.48)
Total	768.81	581.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Inventories at the beginning of the year		
Stock-in-trade	406.25	308.01
Finished goods	179.52	149.80
Work-in-progress	19.71	13.46
	605.48	471.27
Inventories at the end of the year		
Stock-in-trade	162.79	406.26
Finished goods	195.85	179.52
Work-in-progress	32.77	19.71
	391.41	605.49
Net (Increase) / decrease in stocks	214.07	(134.22)

Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, wages and bonus	1,860.26	1,693.15
Contribution to provident and other funds	108.87	103.33
Share based payments to employees	16.61	16.52
Staff welfare expenses	71.19	93.59
Total	2,056.93	1,906.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 23: Other expenses

	(₹. In Million)	
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Power and fuel	46.16	34.52
Consumption of stores and spares (Indigenous)	72.05	14.46
Labour and security	19.14	14.47
Testing charges	6.43	8.07
Rent (Refer note 32)	77.53	179.36
Research & Development Expense	41.96	41.12
Freight and forwarding	155.51	149.89
Commission	172.56	163.01
Advertising, publicity and awareness	388.42	367.01
Repairs and maintenance	37.35	39.18
Selling and distribution	919.36	668.33
Travelling and conveyance	805.45	824.46
Communication	10.18	11.33
Legal and professional	330.18	295.35
Rates and taxes	65.34	63.13
Insurance	8.31	7.32
Payments to auditors (Refer note below)	4.24	3.71
Loss on property plant and equipment sold/written off	37.36	3.22
Corporate social responsibility expenditure	54.83	16.83
Donations	0.25	2.50
Bank charges	1.35	1.65
Provision for doubtful debt	18.78	2.20
Miscellaneous	11.87	17.79
Total	3,284.61	2,928.91

	(₹. In Million)	
Payment to auditors (Excluding GST)	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Statutory Audit fee	2.91	2.50
Reimbursement of expenses	0.02	0.09
Certification fees and other services	1.31	1.12
Grand Total	4.24	3.71
Certification fees and other services charged, debited to other than profit or loss	0.75	-
Grand Total	4.99	3.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 24: Finance cost

(₹. In Million)		
Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest on borrowings	1.74	216.33
Interest on financial liabilities at amortised cost	4.58	12.62
Interest on Lease liability	14.66	-
Interest on Payment of Taxes	0.64	-
Total	21.62	228.95

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net profit after tax for the year (₹ in million)	2,964.97	2,907.96
Weighted average number of equity shares outstanding for basic earning per share	13,71,87,163	13,75,19,783
Add : Dilutive share -Employees stock options outstanding	1,15,728	1,23,374
Weighted average number of equity shares outstanding for diluted earning per share	13,73,02,891	13,76,43,157
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	21.61	21.15
Diluted earnings per share (in ₹)	21.59	21.13

Note 26:

The Group continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Group's financial statements for the year ended March 31, 2020.

Note 27: ACQUISITION OF INVESTMENT IN A SUBSIDIARY

The Parent Company on November 06, 2018 has further acquired 6.71% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 107.21 million. The Parent Company has acquired remaining 17.81% shareholding on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Group makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 63.05 million (Previous Year ₹59.38 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme.

The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹ 9.16 million (Previous year ₹10.16 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of Profit and Loss amounting to ₹26.37 million (Previous Year ₹13.15 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The Parent Company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date. The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Group's financial statements as at March 31, 2020:

	(₹. In Million)	
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Obligations at beginning of the year	105.85	88.09
Current Service Cost	18.31	17.96
Transfer in/(out) obligation	-	-
Past Service Cost	(4.03)	-
On Account of acquisition	-	-
Interest Cost	6.07	5.69
Actuarial (gain)/loss on obligation	-	-
- Due to change in Financial Assumptions	4.39	(2.53)
- Due to change in Demographic Assumptions	3.14	-
- Due to experience adjustments	9.32	5.46
Benefits paid	(10.46)	(8.82)
Obligations at the end of the year	132.59	105.85
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	54.74	56.52
Interest Income	3.60	3.96
Expected returns on plan assets	(1.80)	1.23
Employer Contributions	1.50	1.53
Benefits paid	(10.46)	(8.50)
Fair Value of plan assets at the end of the year	47.58	54.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	132.59	105.85
Less : Fair value of plan assets	(47.58)	(54.74)
Funded status (deficit)	85.01	51.11
Net liability recognised in the financial statement	85.01	51.11
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	14.28	17.96
Interest Cost	2.47	1.73
Expense charged to the statement of profit and loss	16.75	19.69
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	1.80	(1.23)
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	4.39	(2.53)
- Due to change in Demographic Assumptions	3.14	-
- Due to experience adjustments	9.32	5.46
Expense charged to other comprehensive income	18.65	1.70
Assumptions:		
Discount rate	5.45% to 6.25%	6.90% to 7.70%
Estimated rate of return on plan assets	5.45% to 6.25%	6.90% to 7.70%
Annual increase in salary costs	5% to 6%	6% to 7%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	134.50	103.74
Decrease of 0.5% in discount rate	137.93	108.19
Increase of 0.5% in salary escalation rate	137.29	107.86
Decrease of 0.5% in salary escalation rate	137.11	103.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Expected future Cash outflows towards the plan are as follows :		
Year 1	40.04	25.18
Year 2	29.49	19.18
Year 3	21.40	15.86
Year 4	16.32	11.96
Year 5	11.57	10.36
Year 6 to 10	22.56	28.04

Investment details of plan assets:

Particulars	March 31, 2020 %	March 31, 2019 %
Insurer managed funds with Life Insurance Corporation of India	82%	87%
Bank Balance with Eris lifesciences limited employees group gratuity trust	18%	13%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by Group for gratuity during financial year ending March 31, 2021 is ₹ 80.10 million (previous year ₹ 44.27 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(₹. In Million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	1,568.84	1,568.84	839.76	839.76
Cash and cash equivalents	673.07	673.07	75.00	75.00
Other bank balances	0.19	0.19	0.07	0.07
Loans	9.35	9.35	21.25	21.25
Other Financial Asset	199.23	199.23	206.34	206.34
Fair value through profit or loss :				
Investment in mutual funds	747.81	747.81	3,510.59	3,510.59
Investment in equity instruments (other than investment in subsidiaries)	28.62	28.62	44.65	44.65
Investment in tax free bonds	3.42	3.42	3.28	3.28
Total	3,230.53	3,230.53	4,700.94	4,700.94
Financial Liabilities :				
Amortised cost :				
Borrowings	-	-	2.93	2.93
Trade payables	1,000.51	1,000.51	841.25	841.25
Lease Liabilities	121.43	121.43	-	-
Other financial liabilities	70.58	70.58	1,787.35	1,787.35
Total	1,192.52	1,192.52	2,631.53	2,631.53

(ii) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(₹. In Million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	747.81	-	-	747.81
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.42	-	-	3.42
Total	751.23	-	28.62	779.85
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	751.23	-	28.62	779.85

(₹. In Million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,510.59	-	-	3,510.59
Equity instruments	16.03	-	28.62	44.65
Tax free bonds	3.28	-	-	3.28
Total	3,529.90	-	28.62	3,558.52
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	3,529.90	-	28.62	3,558.52

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds:

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments:

Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

(iii) Financial risk management:

The Group activities are exposed to variety of financial risks. These risks include market risk , credit risks and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group 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 is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

namely interest rate risk, currency risk and other price risk such as equity price risk. Group is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Group invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments.

Investments in mutual funds and tax free bonds amounts to ₹ 751.23 million and ₹ 3,513.87 million as at March 31, 2020 and March 31, 2019 respectively.

The Group's borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to NIL and ₹ 1,764.23 million as at March 31, 2020 and March 31, 2019 respectively.

For the year ended March 31, 2020, every 50 basis increase in interest rates would decrease the Group profit by NIL (Previous year : ₹ 14.08 million). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Group receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 3,230.53 million and ₹ 4,700.94 million as at March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Group generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

(₹. In Million)

As at March 31, 2020	Less than 1 year	1-3 years	More than 3 years
Borrowings	-	-	-
Trade payables	1,000.51	-	-
Lease Liabilities	67.50	39.34	33.09
Other financial liabilities	16.20	-	54.38
	1,084.21	39.34	87.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

(₹. In Million)

As at March 31, 2019	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,764.75	2.93	-
Trade payables	841.25	-	-
Lease Liabilities	-	-	-
Other financial liabilities	2.54	-	23.51
	2,608.54	2.93	23.51

(iv) Capital management

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

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
2	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
3	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
(A) Nature of transactions	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration	86.70	85.67	-	-	-	-	86.70	85.67
Sitting fees	2.85	2.53	-	-	-	-	2.85	2.53
Stock Options exercised	-	1.08	-	-	-	-	-	1.08
Salary expense	-	-	4.24	3.86	-	-	4.24	3.86
Contribution to Post-employment benefit plan	-	-	-	-	38.88	17.22	38.88	17.22
(B) Balances at the end of the year	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19	As at 2019-20	As at 2018-19
Trade Payable	4.03	4.26	0.28	0.21	-	-	4.31	4.47

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Key Management Personnel compensation		
	Remuneration *	86.70	85.67
	Sitting fees	2.85	2.53
	Stock Options exercised	-	1.08
2	Close family member of Key Management Personnel compensation		
	Salary expense	4.24	3.86
3	Other Related parties		
	Contribution to Post-employment benefit plan	38.88	17.22

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

D) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Key Management Personnel compensation		
	Trade Payable	4.03	4.26
2	Close family member of Key Management Personnel compensation		
	Trade Payable	0.28	0.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Note 31: Contingent Liability:

(₹. In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	155.72	146.82
Notices regarding Income-tax matters and from sales tax department	13.68	12.88
Others	1.55	6.10

Note: The Parent Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier year. Management does not expect any cash outflow from this matter.

Note 32: Leases Rent Ind AS 116:

Effective from April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method. Accordingly, comparatives for previous period / year have not been retrospectively adjusted. The adoption of standard has resulted into creation of right of use lease asset by ₹ 196.78 million and lease liability by ₹ 209.37 million as at April 1, 2019. Also, the following effects have been given.

(₹. In Million)

Changes [Increase/(decrease)]	For Year ended March 31, 2020
Depreciation and Amortisation	135.33
Finance costs on lease liability	14.66
Lease rent cost	(100.67)
Profit after tax	(32.40)
Cash Flow From Operating Activities	100.67
Cash Flow From Financing Activities	(100.67)

Note 33: ESOP

The Parent Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017" / "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 49,886 options have lapsed till March 31, 2020

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method is ₹ 16.61 million (Previous year ₹ 16.52 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Employee stock options details as on the balance sheet date are as follows:

(₹. In Million)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	3,36,895	451.04	3,68,318	451.04
Granted during the year	-	-	-	-
Vested during the year	71,169	451.04	73,664	451.04
Exercised during the year	-	451.04	19,783	451.04
Lapsed during the year	14,965	451.04	11,640	451.04
Options outstanding at the end of the year	3,21,930	451.04	3,36,895	451.04
Options available for grant	23,281	-	23,281	-
Options exercisable at the end of the year	1,17,401	-	52,218	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.00
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

Note 34: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2020. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by auditors.

Particulars	March 31, 2020	March 31, 2019
a. The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due remaining unpaid	33.08	9.61
Interest amount due remaining unpaid	-	0.08
b. The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

c.	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.08
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note 35: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group chief operating decision maker is the managing director and the group has only one reportable business segment i.e. 'pharmaceuticals'.

Note 36: Regrouping

Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

Note 37: Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Details of entities consolidated

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2020	Proportion of Ownership Interest as on March 31, 2019
Eris Therapeutics Private Limited	Subsidiary	India	100.00%	100.00%
Aprica Healthcare Private Limited	Subsidiary	India	100.00%	100.00%
Kinedex Healthcare Private Limited	Subsidiary	India	100.00%	82.19%
UTH Healthcare Limited	Subsidiary	India	100.00%	100.00%
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	Subsidiary	India	100.00%	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2020)	Share in Profit or (Loss) 2019-20	Share in Other Comprehensive Income (OCI) 2019-20	Share in Total Comprehensive Income (TCI) 2019-20
	As % of consolidated net Assets	As % of consolidated profit or loss	As % of consolidated OCI	As % of consolidated TCI
	₹. In Million	₹. In Million	₹. In Million	₹. In Million
Parent				
Eris Lifesciences Limited	100.3%	98.2%	96.1%	98.2%
	12,997.01	2912.74	(11.71)	2,901.03
Subsidiaries				
Eris Therapeutics Private Limited	0.0%	0.0%	0.0%	0.0%
	0.84	(0.01)	-	(0.01)
Aprica Healthcare Private Limited	1.0%	2.7%	3.9%	2.7%
	126.59	78.83	(0.47)	78.36
Kinedex Healthcare Private Limited	0.4%	0.4%	0.0%	0.4%
	50.25	11.53	-	11.53
UTH Healthcare Limited	0.1%	-0.1%	0.0%	-0.1%
	14.47	(2.71)	-	(2.71)
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	4.1%	-0.3%	0.0%	-0.3%
	536.85	(7.84)	-	(7.84)
Non controlling Interest in subsidiaries	0.0%	0.0%	0.0%	0.0%
	-	0.10	-	0.10
Intercompany Elimination and Consolidation Adjustments	-5.9%	-0.9%	0.0%	-0.9%
	(762.67)	(27.57)	-	(27.57)
Total	100.0%	100.0%	100.0%	100.0%
	12,963.34	2,965.07	(12.18)	2,952.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2020

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities(As at 31-03-2019)	Share in Profit or (Loss) 2018-19	Share in Other Comprehensive Income (OCI)2018-19	Share in Total Comprehensive Income (TCI) 2018-19
	As % of consolidated net Assets	As % of consolidated profit or loss	As % of consolidated OCI	As % of consolidated TCI
	₹. In Million	₹. In Million	₹. In Million	₹. In Million
Parent				
Eris Lifesciences Limited	98.9%	98.1%	87.6%	98.1%
	11,560.07	2,853.81	(0.99)	2,852.82
Subsidiaries				
Eris Therapeutics Private Limited	0.0%	0.0%	0.0%	0.0%
	0.85	(0.01)	-	(0.01)
Aprica Healthcare Private Limited	1.0%	2.3%	36.3%	2.3%
	118.23	66.01	(0.41)	65.60
Kinedex Healthcare Private Limited	0.8%	0.5%	-23.9%	0.5%
	88.62	13.48	0.27	13.75
UTH Healthcare Limited	0.1%	0.5%	0.0%	0.5%
	17.18	15.92	-	15.92
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	4.7%	-0.4%	0.0%	-0.4%
	544.69	(12.42)	-	(12.42)
Non controlling Interest in subsidiaries	1.6%	-0.1%	0.0%	-0.1%
	183.11	(3.51)	-	(3.51)
Intercompany Elimination and Consolidation Adjustments	-7.1%	-0.9%	0.0%	-0.9%
	(824.45)	(25.32)	-	(25.32)
Total	100.0%	100.0%	100.0%	100.0%
	11,688.30	2,907.95	(1.13)	2,906.82

Note 38: Revenue from operations

Effective from April 01, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Group.

Note 39: Subsequent Event

On June 02, 2020, a new company, Eris Pharmaceuticals Private Limited has been incorporated as subsidiary of Eris Healthcare Private Limited (subsidiary of Eris Lifesciences Limited). Eris Healthcare Private Limited is having 76% shareholding in Eris Pharmaceuticals Private Limited. Eris Pharmaceuticals Private Limited will be engaged in manufacture of healthcare & OTC Products.

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director
DIN: 01250925

Inderjeet Singh Negi

Whole Time Director
DIN: 01255388

Sachin Shah

Chief Financial Officer
Place: Ahmedabad
Date: June 26, 2020

Milind Talegaonkar

Company Secretary
Membership No-A26493

Eris

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road,
Ahmedabad – 380015

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in

Tel: +91 79 3045 1000 Fax: +91 79 3017 9404

CIN: L24232GJ2007PLC049867

NOTICE

NOTICE IS HEREBY given that the fourteenth Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Tuesday, September 29, 2020, at 11:00 A.M., through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including audited consolidated financial statements of the Company for the financial year ended on March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderjeet Singh Negi, (DIN: 01255388) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution

“RESOLVED THAT subject to the provisions of Section 148 and the other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the fourteenth AGM to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2020-21.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

4. To appoint Mr. Kaushal Kamlesh Shah as a Director of the Company and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution

“RESOLVED THAT in accordance with the provisions of Section 152 read with other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Kaushal Kamlesh Shah (DIN: 01229038), who was appointed as an additional director by the Board of Directors of the company w.e.f. 4th August 2020 in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting and in respect of whom the recommendation from Nomination and Remuneration committee of the Company under Section 160 of the Act has been received, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

5. To appoint Mr. Kaushal Kamlesh Shah as a Whole-time Director of the Company and in this regard, to pass with or without modification(s) the following resolution as a Special Resolution

“RESOLVED THAT pursuant to provisions of the Section 2(51), 203, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule V to the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the members be and is hereby accorded to the appointment of Mr. Kaushal Kamlesh Shah (DIN: 01229038), as a Whole-time Director (designated as Executive Director) of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from 1st October, 2020, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

By order of the Board of Directors

Date: August 04, 2020
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 3

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the re-appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2020-2021, at a remuneration of Rs. 1,70,000/-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

The Board recommends this Resolution for your approval.

Item No. 4 & 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mr. Kaushal Kamlesh Shah (DIN: 01229038) as an Additional Director of the Company with effect from August 04, 2020. Pursuant to Section 161(1) of the Act, Mr. Kaushal Kamlesh Shah holds office up to the date of this meeting.

Mr. Kaushal Kamlesh Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as a Whole-time Director and has given his consent to act as a director.

Further, Pursuant the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 4th August, 2020 had appointed Mr. Kaushal Kamlesh Shah as Whole-time Director of the Company for a period of five years w.e.f. 1st October, 2020. Details of Mr. Kaushal Kamlesh Shah are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. Mr. Kaushal Kamlesh Shah drew a remuneration of Rs. 7.4 million in the Financial Year 2019-20 in his capacity as the Head of Manufacturing and distribution.

The Board seeks the consent of the Members of the Company, for the appointment of Mr. Kaushal Kamlesh Shah as a Whole Time Director (designated as Executive Director) for a period of five years at the remuneration set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	26,25,000
Conveyance allowance	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	10,50,000
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	1,26,000
Other allowances	21,28,536
Bonus	8,400
Leave travel allowance	15,00,000
Total Remuneration (per annum)	75,03,336

The remuneration structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 during the term of appointment of Mr. Kaushal Kamlesh Shah.

Considering the rich experience of Mr. Kaushal Kamlesh Shah, the Nomination & Remuneration Committee along with the Board recommends his appointment as Whole-time Director of the Company.

Mr. Kaushal Kamlesh Shah is interested in the resolution set out at Item Nos. 4 & 5 of the Notice with regard to his appointment. Relatives of Mr. Kaushal Kamlesh Shah are deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item Nos. 4 & 5 of the Notice.

Accordingly, consent of the members is sought by way of an Ordinary and a Special Resolutions respectively as set out in Item Nos. 4 & 5 of the Notice. The Board recommends these Resolutions for your approval.

By order of the Board of Directors

Date: August 04, 2020
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Notes:

1. In view of the massive outbreak of COVID-19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities and Exchange Board of India (hereinafter collectively referred to as 'Circulars'), the fourteenth AGM of the Company will be held through VC / OAVM. The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 8th Floor, Commerce House- IV, Prahladhagar, 100 ft road Ahmedabad GJ 380015.
3. The Company has engaged the services of Link Intime India Private Limited, who are also Registrar and Transfer Agent of the Company, as the authorized agency for conducting the e-AGM, providing remote e-voting and e-voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
4. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item No. 3 to 5 of the Notice, is annexed hereto. All documents referred to in the accompanying Notice and the Registers under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, September 22, 2020.
7. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <https://eris.co.in/>, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The information required to be given for the Director(s) seeking appointment/ reappointment at the AGM as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 issued by the Institute of Company Secretary of India and notified by the Ministry of Corporate Affairs forms part of the Notice.
10. Notice of the fourteenth Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes.
11. Members who have not registered their e-mail address with the Company may temporary register the same with the Company's Registrar and Share Transfer Agent i.e. M/s Link Intime India Private Limited at https://linkintime.co.in/EmailReg/Email_Register.html on their website <https://linkintime.co.in/> in the Investor Services tab by providing details such as Name, DP ID, Client ID, PAN, Mobile number, email address and also upload the image of share certificate in PDF or JPEG format (upto 1MB). Members holding the Company's shares in dematerialized form are requested to register/ update their e-mail address with their Depository Participant(s) directly.
12. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits) Regulations, 2014 will be available electronically for inspection at the Annual General Meeting.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
14. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.
15. At the tenth AGM held on October 25, 2016 the members approved appointment of M/s Deloitte Haskin & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Fifteenth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the AGM.
16. The Board of Directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
17. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.eris.co.in and on the website of RTA and will be displayed on the Notice Board of the Company at

its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.

18. Voting through electronic means

- a) The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Link Intime India Private Limited (RTA) to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].
- b) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
- c) The Notice will be displayed on the website of the Company www.eris.co.in and on the website of RTA <https://instavote.linkintime.co.in/>.
- d) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- e) The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach RTA for issuance of the USER ID and Password for exercising their right to vote by electronic means.
- f) The remote e-voting period will commence at 9:00 a.m.(IST) on Saturday, September 26, 2020 and will end at 5:00 p.m. (IST) on Monday, September 28, 2020. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, September 22, 2020 may cast their vote by remote e-voting. The e-voting module shall be disabled by RTA for voting thereafter.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details:
 - A. **User ID:** Enter your User ID
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide Event No + Folio Number registered with the Company**
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
 - Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
 - Shareholders/ members holding shares in **physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above**
- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘**No**’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- ▶ Select the “**Company**” and “**Event Date**” and register with your following details:
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on : complianceofficer@erislifesciences.com
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

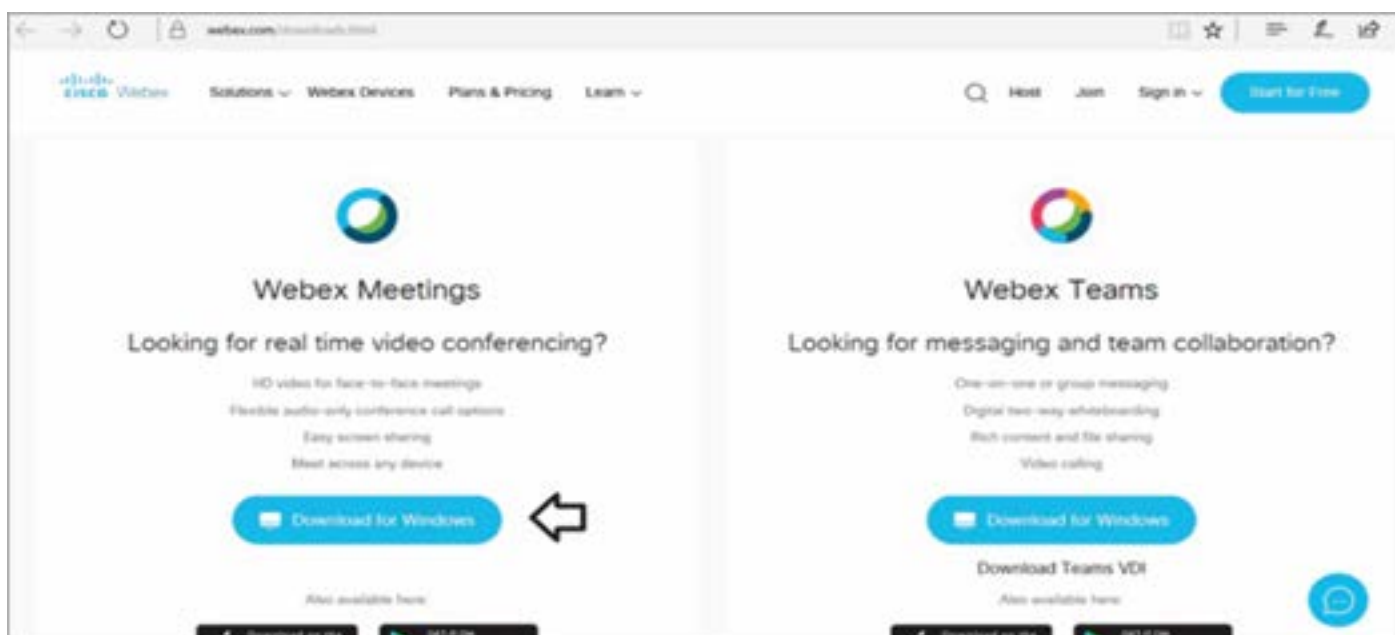
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

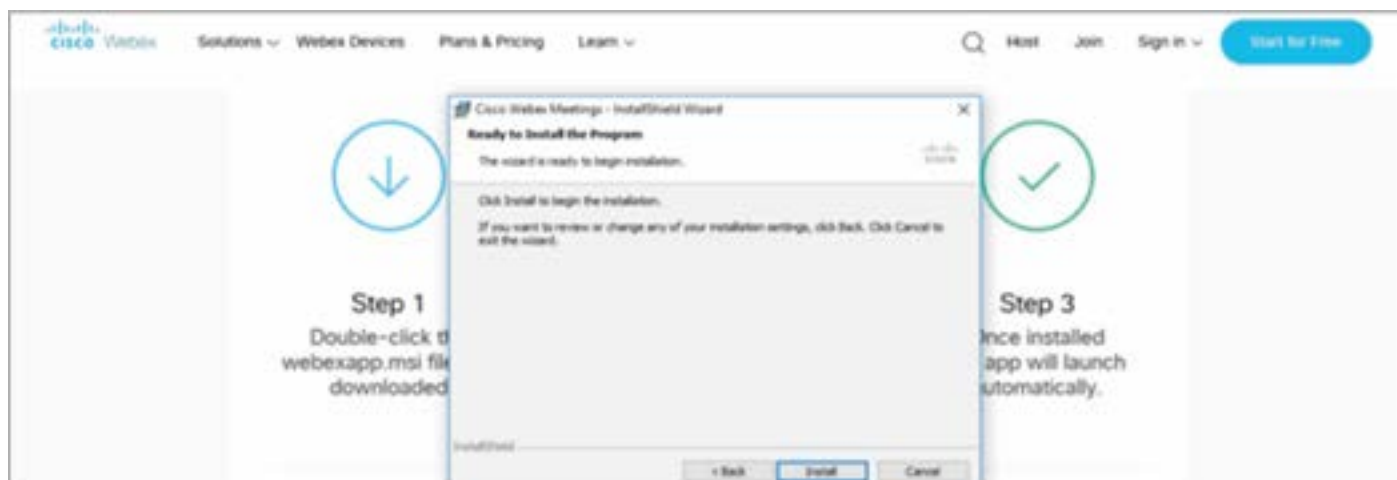
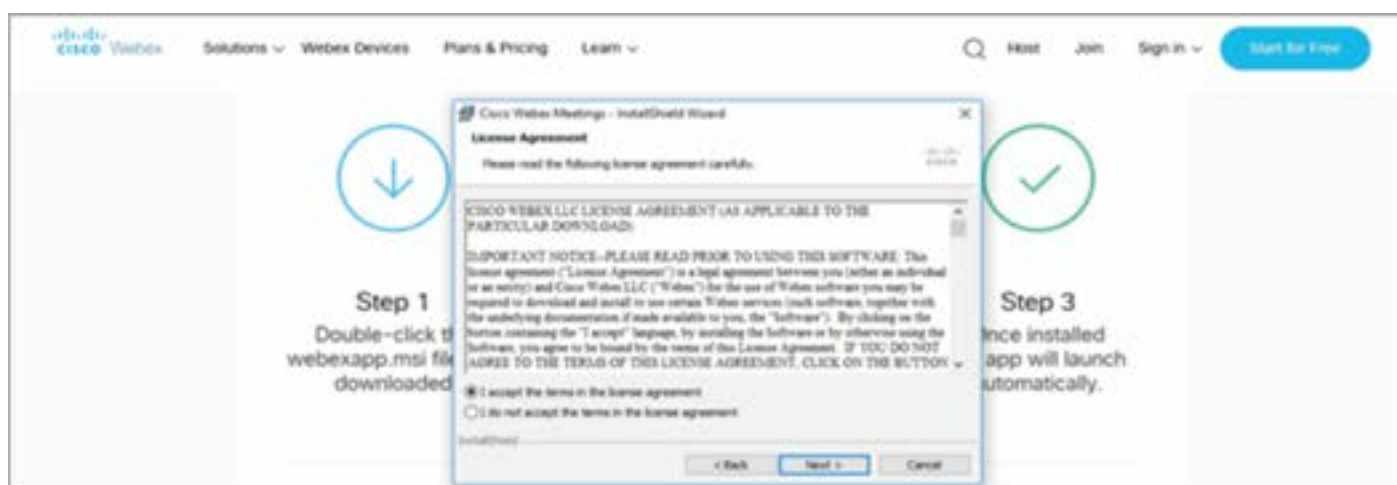
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

GUIDELINES TO ATTEND THE AGM PROCEEDINGS OF LINK INTIME INDIA PVT. LTD.: INSTAMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

The screenshot shows the Cisco Webex Event Information page. On the left, there are fields for Event status, Date and time, Duration, and Description. On the right, there is a 'Join Event Now' button. Below this button, a message states: 'You cannot join the event now because it has not started.' Below this message, there are input fields for First name, Last name, Email address, and Event password. A red arrow points to the First name field with the text 'Maintain your first name, Last name and email address'. Below the input fields, there is a 'Join Now' button. Another red arrow points to this button. At the bottom, there is a link to 'Join by Browser' and a note for hosts to 'Start your event'.

By order of the Board of Directors

Date: August 04, 2020
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

ANNEXURE TO THE NOTICE

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as under:

Name of the Director	Mr. Inderjeet Singh Negi	Mr. Kaushal Kamlesh Shah
Age	49 Years	41 Years
DIN	01255388	01229038
Date of Birth	22/06/1971	12/07/1979
Nationality	Indian	Indian
Date of Appointment on the Board	27/01/2007	04/08/2020
Brief resume (including Qualification) and nature of expertise in functional areas	<p>He holds a bachelor's degree in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal).</p> <p>He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.</p>	<p>He is the head of manufacturing and distribution at our Company. He holds a bachelor's degree in commerce from the Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies. He has more than 13 years experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector. Mr. Kaushal Kamlesh Shah has been associated with our Company since 2007 as one the directors on the Board. He resigned from the Board on January 5, 2017. Mr. Kaushal Kamlesh Shah currently is a director on the board of our Subsidiaries, Eris Therapeutics Private Limited, Kinedex Healthcare Private Limited, UTH Healthcare Limited, Aprica Healthcare Limited and Eris Healthcare Private Limited.</p>
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None	None
Directorships held in other Listed Companies as on March 31, 2020 (Other than Eris Lifesciences Limited)	None	None
Memberships / Chairmanships of Committees (Audit and Stakeholder) in Listed Companies & public limited companies (other than Eris Lifesciences Limited and Section 8 Companies) as on March 31, 2020	None	None
Number of shares held in the Company as on March 31, 2020	59,39,833	44,68,833
Number of Board Meeting attended	6	NA



www.eris.co.in

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