



LUPIN HEALTHCARE LIMITED

AUDITED ACCOUNTS

FOR THE YEAR ENDED

MARCH 31, 2020

**Kalpataru Inspire, 3rd Floor, Off Western Express Highway, Santacruz
(East) | Mumbai 400055**

LUPIN HEALTHCARE LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

	Note	As at 31.03.2020 ₹	As at 31.03.2019 ₹
ASSETS			
Non-Current Assets			
(a) Financial Assets			
(i) Non -Current Investments	2	26,880,637	24,782,954
(b) Non-Current Tax Assets (Net)		91,815	-
		26,972,452	24,782,954
Current Assets			
(a) Financial Assets			
(i) Investments	3	58,312,757	-
(ii) Cash and Cash Equivalents	4	572,992	11,577
(iii) Other Financial Assets	5	-	58,597,941
		58,885,749	58,609,518
TOTAL		85,858,201	83,392,472
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	26,166,770	26,166,770
(b) Other Equity	7	58,690,737	57,103,115
		84,857,507	83,269,885
Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		968,705	-
		968,705	-
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	8	-	-
- Total outstanding dues of other than Micro Enterprises	8	31,989	64,322
(b) Current Tax Liabilities (net)		-	58,265
		31,989	122,587
TOTAL		85,858,201	83,392,472

See accompanying notes forming part of financial statement

In terms of our report attached

For Arora & Arora

Chartered Accountants

Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Healthcare Limited**

Girish Arora

Partner

Membership No. 41019

Nilesh Deshbandhu Gupta

Director

DIN: 01734642

Sunil Makharia

Director

DIN: 00064399

Place : Mumbai

Dated : 20.05.2020

Place : Mumbai

Dated : 20.05.2020

Place : Mumbai

Dated : 20.05.2020

LUPIN HEALTHCARE LIMITED

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

		For The Current Year Ended 31.03.2020	For The Previous Year Ended 31.03.2019
	Note	₹	₹
INCOME:			
Other Income	9	2,687,358	2,100,946
Total Income		2,687,358	2,100,946
EXPENSES:			
Finance Costs	10	1,600	27,861
Other Expenses	11	59,799	52,936
Total Expenses		61,399	80,797
Profit before Tax		2,625,959	2,020,149
Tax Expense:			
Current Tax (Net)		69,632	598,070
Deferred Tax		968,705	-
Profit for the year		1,587,622	1,422,079
Other Comprehensive Income			
(A)(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
(B)(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax	Total	-	-
Total Comprehensive Income for the year		1,587,622	1,422,079
Earnings per equity share:			
Basic and Diluted	15	0.61	0.54
Face Value of Equity Share (in INR)		10	10

See accompanying notes forming part of financial statement

In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Healthcare Limited**

Girish Arora
Partner
Membership No. 41019

Nilesh Deshbandhu Gupta
Director
DIN: 01734642

Sunil Makharia
Director
DIN: 00064399

Place : Mumbai
Dated : 20.05.2020

Place : Mumbai
Dated : 20.05.2020

Place : Mumbai
Dated : 20.05.2020

LUPIN HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**(a) Equity share capital**

	No. of Shares	Amount ₹
Balance at April 1, 2018	2,616,677	26,166,770
Changes in equity share capital during 2018-19	-	-
Balance at March 31, 2019	2,616,677	26,166,770
Changes in equity share capital during 2019-20	-	-
Balance at March 31, 2020	2,616,677	26,166,770

(b) Other equity

Particulars	Reserves & Surplus		Total
	Securities Premium Account	Retained earnings	
Balance at March 31, 2018	55,500,930	180,106	55,681,036
Profit for the year	-	1,422,079	1,422,079
Other comprehensive income for the year	-	-	-
Balance at March 31, 2019	55,500,930	1,602,185	57,103,115
Profit for the year	-	1,587,622	1,587,622
Other comprehensive income for the year	-	-	-
Balance at March 31, 2020	55,500,930	3,189,807	58,690,737

a) Securities Premium

Securities premium account comprises of premium on issue of shares.

In terms of our report attached

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors
of Lupin Healthcare Limited**

Girish Arora
Partner
Membership No. 41019

Place : Mumbai
Dated : 20.05.2020

Nilesh Deshbandhu Gupta
Director
DIN: 01734642

Place : Mumbai
Dated : 20.05.2020

Sunil Makharia
Director
DIN: 00064399

Place : Mumbai
Dated : 20.05.2020

LUPIN HEALTHCARE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	For the Current Year ended 31.03.2020 ₹	For the Previous Year ended 31.03.2019 ₹
A. Cash Flow from Operating activities		
Profit before Tax	2,625,959	2,020,149
Adjustments for :		
Unrealised Gain on Mutual Fund Investments (net)	(2,410,439)	(671,029)
Gain on Sale of Investments	(276,919)	(1,429,917)
Operating Loss before Working Capital Changes	(61,399)	(80,797)
Changes in working capital:		
Adjustments for :		
Trade Payables	(32,334)	34,822
Other Financial Assets	58,597,941	562,344
Cash (used in) / generated from Operations	58,504,208	516,369
Direct Taxes paid	219,712	539,805
Net Cash Used in Operating Activities	58,284,496	(23,436)
B. Cash Flow from Investing Activities		
Purchase of Current Investments	(116,000,000)	(22,990,820)
Sale of Current Investments	58,276,919	22,990,829
Net Cash (used in)/generated from Investing Activities	(57,723,081)	9
Net decrease in Cash and Cash equivalents	561,415	(23,427)
Cash and Cash equivalents at the beginning of the year	11,577	35,004
Cash and Cash equivalents at the end of the year	572,992	11,577

Note :

1) The cash flow statement has been prepared under the "indirect method" as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows".

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors
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Girish Arora
Partner
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Nilesh Deshbandhu Gupta
Director
DIN: 01734642

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Place : Mumbai
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LUPIN HEALTHCARE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A. Company Overview:

The Company was incorporated under the Companies Act, 1956, on 17th March, 2011. The Company is a wholly owned Subsidiary of Lupin Limited.

1B. Significant Accounting Policies

i. Basis of preparation of Financial Statements:

The Financial Statement of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

ii. Use of Estimates:

The preparation of the Standalone Financial Statements in conformity with 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 year. The Management believes that the estimates used in preparation of the Standalone 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 recognised in the periods in which the results are known/ materialize.

iii. Property, Plant and Equipment:

Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Amortisation of lease hold land is provided over the lease period.

iv. Financial Instruments

A) Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) Trade receivables.
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B) Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Derecognition

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

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.

v. Revenue Recognition:

Interest income is recognised with reference to the Effective Interest Rate method. Dividend from investments is recognized as revenue when right to receive is established.

vi. Income Tax:

Income Taxes are accounted for in accordance with Indian Accounting Standard 12 on "Income Taxes" (Ind AS 12). Tax expense comprises both current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using applicable tax rates.

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant tax rates. At each Balance Sheet date the Company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

vii. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

viii. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

	As at 31.03.2020 ₹	As at 31.03.2019 ₹
2. NON-CURRENT INVESTMENTS		
Unquoted		
In Mutual Funds		
-ABSL FTP-Series QI-Regular Growth (Number of units as on 31.03.2020 : 2,299,082.000, as on 31.03.2019 : 2,299,082.000)	26,880,637	24,782,954
Total	26,880,637	24,782,954
3. CURRENT INVESTMENTS		
Unquoted		
In Mutual Funds		
- HDFC Ultra Short Term Fund - Regular Growth (Number of units as on 31.03.2020 : 5,203,940.639, as on 31.03.2019 : nil)	58,312,757	-
Total	58,312,757	-
4. CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents (as per Ind AS-7 "Statements of Cashflows")		
Bank Balances		
Others Bank Balance - In Current Account	572,992	11,577
Total	572,992	11,577
5. OTHER FINANCIAL ASSETS		
Other Receivable (Receivable from Holding Company)	-	58,597,941
Total	-	58,597,941

6 EQUITY SHARE CAPITAL

Particulars	As at 31.3.2020		As at 31.3.2019	
	Number of shares	₹	Number of shares	₹
Authorised				
Equity Shares of ₹ 10 each	3,000,000	30,000,000	3,000,000	30,000,000
Preference Shares of ₹ 10 each	9,000,000	90,000,000	9,000,000	90,000,000
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid (All the above shares are held by Lupin Limited, the Holding Company and its nominees)	2,616,677	26,166,770	2,616,677	26,166,770
Total	2,616,677	26,166,770	2,616,677	26,166,770

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31.3.2020		As at 31.3.2019	
	Number of shares	₹	Number of shares	₹
Equity Shares outstanding at the beginning of the year	2,616,677	26,166,770	2,616,677	26,166,770
Equity Shares Issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	2,616,677	26,166,770	2,616,677	26,166,770

c) Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs. 10 per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the company, the shareholders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

d) More than 5% shareholding in the Company by each shareholder

Name of Shareholder	As at 31.3.2020		As at 31.3.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lupin Limited & its nominees	2,616,677	100	2,616,677	100

	As at 31.03.2020 ₹	As at 31.03.2019 ₹
7. OTHER EQUITY		
Securities Premium Account		
Balance as per last Balance Sheet	55,500,930	55,500,930
Add : Additions during the year	-	-
Balance as at the year end	<u>55,500,930</u>	<u>55,500,930</u>
Surplus		
Balance as per last Balance Sheet	1,602,185	180,106
Add : Profit for the year	<u>1,587,622</u>	<u>1,422,079</u>
Balance as at the year end	3,189,807	1,602,185
Total	<u>58,690,737</u>	<u>57,103,115</u>
8. TRADE PAYABLES		
- Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises	-	-
- Total outstanding dues of Others	31,989	64,322
Total	<u>31,989</u>	<u>64,322</u>

	For The Current Year Ended 31.03.2020 ₹	For The Previous Year Ended 31.03.2019 ₹
9. OTHER INCOME		
Unrealised Gain on Mutual Fund Investments (net)	2,410,439	671,029
Gain on sale of Mutual Fund Investments	276,919	1,429,917
Total	<u>2,687,358</u>	<u>2,100,946</u>
10. FINANCE COST		
Interest on Income Tax (Includes interest cost of ₹ 1,600 for FY 18-19 in current year and ₹22,539 for FY-17-18 in previous year)	1,600	27,861
	<u>1,600</u>	<u>27,861</u>
11. OTHER EXPENSES		
Rates and Taxes	5,400	5,500
Legal and Professional Fees	24,899	17,936
Audit Fees	29,500	29,500
Total	<u>59,799</u>	<u>52,936</u>

12. Considering the definitions of reportable business segment and reportable geographical segment contained in Indian Accounting Standard 108 (Ind AS 108) "Operating Segments", the management is of the opinion that there is only one reportable business and geographical segment, the results of which are disclosed in the financial statements.

13. **Income taxes:**

a) **Tax expenses recognized in profit and loss :**

	2019-20	2018-19
Current Tax expense	69,695	394,100
Less: Tax expenses / (benefit) of prior year	(63)	203,970
	69,632	598,070
Deferred tax liability	968,705	-
Total tax expense	1,038,337	598,070

b) **Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:**

	2019-20	2018-19
Profit before tax	2,625,959	2,020,149
Tax using the Company's domestic tax rate (March 31, 2020: 25.17%, March 31, 2019: 26.00%)	660,902	525,239
Tax effect of:		
Deferred tax asset not recognised on Minimum alternative tax credit	-	41,069
Disallowance of Expenses	15,453	21,070
Impact of prior year Deferred tax liability	410,040	(193,278)
Difference in Tax Rate (Statutory tax rate vis-a-vis tax rate on long term capital gains)	(47,995)	-
Total tax expense (excluding prior year tax benefit / expense) as per P&L A/c	1,038,400	394,100

c) **Movement in deferred tax balances:**

Particulars	Net balance as on 1 April 2019	Recognised in Profit & Loss Account	Net balance as on 31 March 2020	Deferred Tax Liability as on March 31, 2020
Unrealised Gain on long term investment	-	(889,990)	(889,990)	(889,990)
Unrealised Gain on short term investment	-	(78,715)	(78,715)	(78,715)
Total	-	(968,705)	(968,705)	(968,705)

14. **Auditors Remuneration:**

	2019-20 (₹)	2018-19 (₹)
Payments to Auditors	29,500	29,500

15. **Basic and Diluted earnings per share is calculated as under:**

	2019-20	2018-19
Net Profit / (Loss) after tax attributable to Equity Shareholders (₹)	1,587,622	1,422,079
Weighted average number of equity shares outstanding during the year	2,616,677	2,616,677
Earnings per share - Basic and Diluted (₹)	0.61	0.54

16. **Related party Disclosures:**

- a) Name of Related parties and description of relationship:

Category I : Company whose control exist:

- Lupin Limited (Holding Company)

Category II : Key management personnel:

- Dr. Kamal K. Sharma (Director)
- Mr. Nilesh Deshbandhu Gupta (Director)
- Mr. Sunil Makharia (Director)
- Mr. K.R. Gupta (Director) (up to 10th August 2018)
- Mr. R.K. Khaitan (Director) (up to 10th August 2018)

Related party Transactions:

Sr No.	Description and Nature of transactions	Holding Company (₹)	
		2019-20	2018-19
1.	Paid by Lupin Limited on Company behalf and reimbursed to them	NIL	2500
2	Paid by Lupin Limited on Company behalf	329,211	562,344
3	Repayment of receivable by Lupin Limited	5,82,68,730	NIL

- b) Balance due from / to related parties:

Sr. No.	Description and Nature of transactions	Holding Company (₹)	
		As at 31 March 2020	As at 31 March 2019
	Other Financial Assets		
1.	Receivables from Lupin Limited	NIL	58,597,941

Related Party relationship is as identified by the Company and relied upon by the Auditors.

- 17.** In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.
- 18.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes 1 to 18

For Arora & Arora
Chartered Accountants
Registration No. 100544W

**For and on behalf of the Board of Directors of
Lupin Healthcare Limited**

Girish Arora
Partner
Membership No. 41019
Place : Mumbai
Dated: 20.05.2020

Nilesh Deshbandhu Gupta
Director
DIN: 01734642
Place : Mumbai
Dated: 20.05.2020

Sunil Makharia
Director
DIN: 00064399
Place : Mumbai
Dated : 20.05.2020