

Notes to standalone financial statements for the year ended March 31, 2018

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

d. Intangible assets

i. Goodwill

- a) Goodwill arising on amalgamation in accordance with court scheme.

Goodwill arising on amalgamation of Advanta Limited has been recognised in accordance with court scheme. Said goodwill has been amortised in accordance with the court scheme for which Company has estimated useful life of 10 years. (Refer note 45)

- b) Goodwill other than mentioned above

- Goodwill is initially measured at cost, being the excess of the aggregate fair value of the consideration transferred over the net of fair value of identifiable assets acquired and liability assumed.
- Subsequent measurement is at cost less any accumulated impairment losses.
- Goodwill is not amortised and is tested for impairment annually.

ii. Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is as follows

Intangible Assets	Useful Life (years)	Amortisation method used
Product Acquisitions	Fifteen years	Amortised on straight-line basis from the month of additions to match their future economic benefits
Germ plasm	Ten to fifteen years	Amortised on straight-line basis
Other Intangible assets	Five years	Amortised on straight-line basis

e. Borrowing costs

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

f. Foreign Currency

Transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or expenses in the year in which they arise.