28th

ANNUAL REPORT

2018-2019

LINCOLN PARENTERAL LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Anand A. Patel	-	Whole-Time Director
Mr Ishwarlal D. Patel	-	Director
Mrs. Hansaben A. Patel	-	Director
Mr Bhagirath T. Patel	-	Director [upto August 14, 2018]
Mr Mahesh M. Patel	-	Independent Director
Mr Naresh P. Suthar	-	Independent Director

COMPANY SECRETARY

Bhavik P. Parikh

AUDIT COMMITTEE

Mr Mahesh M. Patel	-	Chairman
Mr Naresh P. Suthar	-	Member
Mr Anand A. Patel	-	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr Bhagirath T. Patel	-	Member [upto August 14, 2018]
Mr Mahesh M. Patel	-	Member
Mr Naresh P. Suthar	-	Member
Mr Ishwarlal D. Patel	-	Member

AUDITOR

M/S. J. T. SHAH & CO.
Chartered Accountants
[Statutory Auditor]

BANKER

State Bank of India
I.C.I.C.I Bank Ltd.

CORPORATE IDENTITY NUMBER

CIN : U24231GJ1991PLC015674

REGISTERED OFFICE

“LINCOLN HOUSE”, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
Ph. No.: +91-79-4107-8000, Fax: +91-79-4107-8062
Email ID: info@lincolnparenteral.com

PLANT

11, Trimul Estate, At. Khatraj, Ta-Kalol,
District-Gandhinagar, Gujarat.
Ph. No.: +91-2764-665000
Email ID: khatraj@lincolnpharma.com

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

BIGSHARE SERVICES PVT. LTD.

A/802, Samudra complex, Near Klassic Gold,
Girish cold drink, C.G. Road, Ahmedabad, Gujrat - 380009
Tel No.:- +91-79-40024135
Email ID: bssahd@bigshareonline.com

NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the members of **Lincoln Parenteral Limited** will be held on Monday, the 30th day of September, 2019 at 04:00 p.m. at the Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as on March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the Year Ended on that date and the Report of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mrs Hansaben A. Patel [DIN: 00103283], who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESSES:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:-**

   RESOLVED THAT pursuant to provisions of Sections 196, 197, Schedule V and other applicable provisions, of the Companies Act, 2013 (the 'Act') read with 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) read with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for Re-Appointment of Mr Anand A. Patel [DIN: 00103316] as the Whole Time Director of the Company with effect from July 1, 2019, for a period of 3 (Three) years on such terms and conditions as set out in the Explanatory Statement annexed hereto.

   RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr Anand A. Patel, as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Act and as may be amended from time to time.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to revise from time to time during the tenure of the appointment of Mr Ananad A. Patel, the remuneration payable to him subject to overall limits laid down in Section 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

   RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to this resolution.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

   RESOLVED THAT pursuant to provisions of section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the consent of the members be and is hereby accorded to ratify the remuneration decided by the Board of Directors based on the recommendation of the Audit Committee of ₹ 55,000/- (Rupees Fifty Five Thousand Only) p.a. plus out of pocket expense to M/s. Kiran J. Mehta & Co., Cost Accountants [FRN: 000025], Ahmedabad appointed by the Board of Directors to conduct the audit of cost records relating to the products, manufactured by the Company for the Financial Year 2019-2020.

NOTES:

1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

   The Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A person can act as the proxy on behalf of members not exceeding fifty and in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

3) A Route Map showing the Directions to reach the venue of the 28th Annual General Meeting is attached along with the notice as per the requirement of Secretarial Standards-2 on General Meeting.

4) The details of Directors seeking Appointment/Re-appointment at the Annual General Meeting of the Company to be held on September 30, 2019 are furnished as annexure to this Notice.

By Order of the Board
For, **Lincoln Parenteral Limited**

Bhavik Parikh
Company Secretary
Membership No. A40719

Ahmedabad, May 29, 2019
Regd. Office:
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
CIN: U24231GJ1991PLC015674
Tel: +91-79-4107-8000, **Fax:** +91-79-4107-8062
E-Mail ID: info@lincolnparenteral.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 3:

Mr Anand A. Patel is a Commerce Graduate and is having rich and varied experience in the Pharma Industry. Presently, he is mainly responsible for Purchase of Raw-Material and Packing Material as well as the distribution channel of the Company. He handles formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.

During his tenure as the Whole Time Director of the Company he has continuously contributed to a great extent in the growth of the Company. Considering several aspects and on the recommendation from the Nomination and Remuneration committee, the Board of Directors consider it appropriate and advisable to Re-Appoint him as a Whole Time Director for a further period of three years with effect from July 01, 2019 on the below mentioned terms and conditions:

A. SALARY:

Basic Salary not exceeding ₹ 65.00 Lakhs per annum, with an annual increment not exceeding 15% of the last salary drawn. The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.

In addition to (A) above, he shall be entitled to the commission / incentive of upto 1.50% of Net profits of the Company for each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013 (the "Act").

B. PERQUISITES

In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified herein above:

i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

iii. Encashment of leave at the end of the tenure.

C. He will be entitled to all other benefits as applicable to the senior executives of the Company.

D. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

E. He shall be liable to retire by rotation.

In case of absence or inadequacy of profits in any financial year of the Company during his term, he will be entitled to salary, perquisites and other allowances mentioned above as the minimum remuneration, subject to the maximum limits prescribed or amended in future from time to time under the provisions of the Act, Rules thereunder and Schedule thereof as well as under any other statutory provisions as applicable to the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the re-appointment of and payment of remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting by way of resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Mr Anand A. Patel will be of immense value and will be in the interest of the Company. Your Directors therefore recommend the resolution as embodied in the notice to be passed with or without modifications as Special Resolution.

Except Mr Anand A. Patel, being an appointee, Mrs Hansaben A. Patel, Director being relatives, none of the other Directors, Key Managerial personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

Statement containing information required to be given as per item (IV) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

A. General Information:

1. **Nature of Industry:** Pharmaceutical Industry
2. **Date of commencement of Commercial Production:** The commercial operations have already begun by the Company.
3. **In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus:** N.A.
4. **Financial performance based on given indicators::**

[₹ in Lakhs]

Particulars	As on March 31, 2019	As on March 31, 2018
Turnover	5,086.92	7,124.36
Profit before Tax	393.06	313.70
Profit after Tax	203.19	191.21

5. **Foreign investments or collaborations, if any:** N.A.

B. Information about the appointee:

1) **Background Details:** Mr Anand A. Patel is a Commerce Graduate. He is having business experience of about a decade in the Pharma Industry.
2) **Past Remuneration:** Mr Anand A. Patel drew an aggregate remuneration of ₹ 11.12 Lakhs per annum plus perquisites, allowances, commission and bonus during his term.
3) **Recognition and Awards:** Nil.
4) **Job Profile and his Suitability:** Mr Anand A. Patel is the Whole Time Director and responsible for Purchase of Raw and Packing Material. He handles formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
5) **Remuneration proposed:** As mentioned in Explanatory Statement.
6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Considering the size of the Company, the industry benchmarks, experience and the responsibilities shouldered by the appointee, the proposed remuneration payable to him is commensurate with the remuneration paid to similar appointee in other companies.
7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Mr Anand A. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.

C. Other information:

The Company is engaged in the business of manufacturing and trading of Pharmaceuticals Products. The Company commenced its operations in the year 1991, since then the Company has grown leaps and bound.

Company is putting more thrust on product development and expansion of the product base in domestic market and for that purpose it is spending heavily on it and hence the profits of the Company are low.

The Company has taken series of steps under the guidance of the Management for improving and development of the Company. The Company has also taken steps to curtail expenditure, introducing high value added products, aggressive marketing. This would help the Company to further improve its results.

Item No: 4:

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta & Co., Cost Accountants [FRN: 000025], Ahmedabad to conduct the Audit of the Cost Records of the Company for the Financial Year ending on March 31, 2019.

As per the provisions of section 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit Rules) 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, consent of the Members of the Company is sought for passing the resolution for ratification of the remuneration payable to the Cost Auditors and your Directors recommend passing of the proposed resolution.

None of the Directors or Key Managerial Personnel and/or their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board
For, **Lincoln Parenteral Limited**

Bhavik Parikh
Company Secretary
Membership No. A40719

Ahmedabad, May 29, 2019

Regd. Office:
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
CIN: U24231GJ1991PLC015674
Tel: +91-79-4107-8000, **Fax:** +91-79-4107-8062
E-Mail ID: info@lincolnparenteral.com

ANNEXURE TO NOTICE

INFORMATION TO SHAREHOLDERS

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

1	Name of Director	Mrs Hansaben A. Patel	Mr Anand A. Patel
2	DIN	00103283	00103316
3	Date of Birth	May 01, 1955	May 07, 1981
4	Date of Appointment on the Board	February 15, 1995	July 01, 2010
5	Qualifications	B.A.	B.Com
6	Total Remuneration last drawn	Nil	₹ 11.12 Lakhs
7	Nature of Expertise in Specific functional area	Management & Administration	Purchase of Raw materials and packing materials, Formulation of Strategy and Policy decision.
8	Relationship with other Directors, Manager and other Key Managerial Personnel	Mrs Hansaben A. Patel is mother of Mr Anand A. Patel	Mr Anand A. Patel is son of Mrs Hansaben A. Patel
9	Directorship held in other Public Companies	None	None
10	Chairmanship /Membership of Committee in other Companies, if any	None	None
11	Number of Shares held in the Company as on March 31, 2019	None	1 (One)

DIRECTORS' REPORT

To,
The Members,

Your Directors present the 28th Annual Report on the business and operations of **Lincoln Parenteral Limited** together with Audited Financial Statements for the Financial Year Ended on March 31, 2019.

FINANCIAL PERFORMANCE:

A summary of the Company's Standalone Financial Results for the Financial Year 2018-2019 is as under: [₹ in Lakhs]

Particulars	March 31, 2019	March 31, 2018
Revenue from Operations	5,086.92	7,124.36
Other income	21.32	80.90
Profit before Depreciation and Taxation	569.05	484.95
less: Depreciation	175.99	171.25
Profit before Taxation	393.06	313.70
Less: Tax Expenses	189.87	122.50
Profit After Tax for the year	203.19	191.21
Other Comprehensive Income	(1.03)	0.68
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income]	202.15	191.89

STATE OF COMPANY'S AFFAIRS/OPERATIONS:

During the year, the revenue of the Company was ₹ 5,086.92 Lakhs as against ₹ 7,124.36 Lakhs in the previous year. The Profit after Tax has increased to ₹ 203.19 Lakhs as against profit after tax of ₹ 191.21 Lakhs in previous year representing growth rate of 6.27% during the Financial Year 2018-2019.

DIVIDEND AND RESERVES:

In order to conserve the resources, your Directors do not recommend any payment of dividend for the year under review. Further the Company has not transferred any amount to reserves during the year.

SHARE CAPITAL:

The Paid-up Share Capital of the Company as on March 31, 2019 is ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 10/- each fully paid up.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed there under, Mrs Hansaben A. Patel [DIN: 00103283], Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment. The Board recommends her re-appointment.

During the under review, Mr Bhagirath T. Patel, Director of the Company have been resigned from the post of Director on account of pre-occupancy on August 14, 2018.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

PERFORMANCE EVALUATION OF THE BOARD AS WHOLE, COMMITTEE AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Section 134 (3) (p) of the Act and Rules framed thereunder, the Board has evaluated its own performance, the performance of its committees and Individual Directors taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. and the Directors have expressed their satisfaction with the evaluation process and its outcome.

The performance evaluation of the Non-Independent Directors was also carried out by the Independent Directors.

CHANGE(S) IN THE NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business of the Company.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Directors Appointment and Remuneration policy of the Company is provided as under:

Criteria determining the qualifications, positive attributes and independence of a Director and Policy for appointment and removal:

INDEPENDENT DIRECTORS

- **Qualifications of Independent Director:-**

  An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of medical, finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

- **Positive attributes of Independent Directors:-**

  An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

- **Independence of Independent Directors:-**

  An Independent director should meet the requirements of Section 149, Schedule IV of the Companies Act, 2013.

OTHER DIRECTORS AND SENIOR MANAGEMENT

i. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.

ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The said Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy yea₹ Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy yea₹ Moreover any person appointed shall not continue in the Company if the evaluation of his performance is not satisfactory to the said committee.

RATIONALE FOR REMUNERATION FRAMEWORK

i. **Internal Ratios:** The Compensation package for employees at levels lower than Executive Directors should be revised in the form of performance increments, structural improvements and Cost of Living Adjustments at regular intervals. This will lead to a compressing of the compensation differential between the lowest and highest levels of executive management.

ii. **Compliance & Risk Parameters:** In view of company law regulations, the compliance roles of Executive Directors far outweigh that of any other level, and consequently the risk parameters associated with these jobs are of a significantly higher level as compared to the junior levels and accordingly the remuneration should be paid.

a. **Remuneration Pattern:**

Executive Directors

Structure: A summary of the structure set is as mentioned below:

Components	**Item**	**Description**	**Policy**
Base Salary	• Reflects the person's experience, criticality of the role with the Company and the risk factor involved	• Consolidated Salary fixed for each financial year • This component is also used for paying retiral benefits • Paid on a monthly basis	Normally positioned as the highest as compared to the other components.
Short-term incentive	• Based totally on the performance of the Director	• Variable component of the remuneration package • Paid on an annually basis	Determined by the Nomination and Remuneration Committee after year-end based on the evaluation of performance against the pre-determined financial and non- financial metrics
Long-term incentive	• Drive and reward delivery of sustained long-term performance	• Variable long-term remuneration component.	Determined by the Nomination and Remuneration Committee and distributed on the basis of time, level and performance
Retiral Benefits	• Provide for sustained contribution	• Accrues depending on length on service.	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

Key Management Personnel and Senior Management and Other Employees

(1) "Senior Management" shall mean, all the officers / personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO / MD / WTD / Manager and includes the Chief financial officer and Company Secretary of the Company.

(2) The remuneration package of the Key Management and Senior Management and Other Employees comprises of :

(a) **Fixed Remuneration**: This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;

(b) **Annual Allowances**: This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance

(c) **Retirals**: This includes Provident Fund, Gratuity and Superannuation, if any.

Non-Executive Directors

The Remuneration to the non-executive Directors should be determined as per the provisions of the Companies Act, 2013 and related rules framed there under. However the Nomination and Remuneration Committee may from time to time suggest the payment and revision in the same as and when necessary.

b. Remuneration Mix:

The total remuneration package is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that strong performance is incentivized but without encouraging excessive risk taking.

The Board has approved a policy for Directors Appointment and Remuneration in its meeting held during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (3) (c) of the Act:

a) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the directors have 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 on March 31, 2019 and of the Profit of the Company for the year under review;

c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD MEETINGS AND COMMITTEE MEETINGS:

During the year under review, the Board of Directors duly met 6times and the details of attendance of Directors/Members are as follows:

Name of Directors	Date of Board Meeting					Total No. of Meetings attended
	30/05/2018	14/08/2018	14/11/2018	12/02/2018	25/03/2019	
Mr Anand A. Patel	✓	✓	✓	✓	✓	5/5
Mrs Hansaben A. Patel	×	×	×	✓	✓	2/5
Mr Bhagirath T. Patel	✓	✓	N.A.	N.A.	N.A.	2/5
Mr Iswarlal D. Patel	✓	✓	✓	✓	✓	5/5
Mr Mahesh M. Patel	✓	✓	✓	✓	✓	5/5
Mr Naresh P. Suthar	✓	✓	✓	✓	✓	5/5

Name of Members	Date of Audit Committee Meeting					Total No. of Meetings attended
	30/05/2018	14/08/2018	14/11/2018	12/02/2018	25/03/2019	
Mr Mahesh M. Patel	✓	✓	✓	✓	✓	5/5
Mr Naresh P. Suthar	✓	✓	✓	✓	✓	5/5
Mr Anand A. Patel	✓	✓	✓	✓	✓	5/5

Name of Members	Date of Nomination and Remuneration Committee Meeting			Total No. of Meetings attended
	30/05/2018	14/11/2018	25/03/2019	
Mr Bhagirath T. Patel	✓	N.A.	N.A.	1/3
Mr Mahesh M. Patel	✓	✓	✓	3/3
Mr Naresh P. Suthar	✓	✓	✓	3/3
Mr Ishwarlal D. Patel	N.A.	✓	✓	2/3

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Board of Directors of the Company are responsible for ensuring that Internal Financial Controls have been laid down in the Company and such controls are adequate and operating effectively.

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures etc. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your company's operations.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments which have occurred from the end of the financial year till the date of this report affecting the financial position of the Company.

DEPOSITS:

During the year under review, the Company has not accepted deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has not provided any guarantee or provided any security during the year under review. The details of the loans given is as given below. The details of the investments made by the Company is forming part of the financial statement for the financial year 2018-2019.

Sr. No.	Nature of Transaction and Name of Parties	Purpose for which Loan is proposed To be utilized by the Recipient	₹ In Lakhs
Unsecured Loan			
1.	Advent Tradelink Private Limited	For the business of the Borrowers	1,166.07/-

CORPORATE SOCIAL RESPONSIBILITY:

Your Company does not fall under the criteria mentioned in the provision of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the constitution of CSR Committee is not applicable and accordingly the Company is not required to spend any amount in CSR Activity.

INSURANCE:

The properties and assets of the Company are adequately insured.

RISK MANAGEMENT POLICY:

The Board of Directors of the Company has formulated a risk management policy and has a well-defined framework which monitors the risk mitigation plan for the Company. It identifies key risk areas, periodically reviews the risk management plan and ensures its effectiveness. The audit committee is also looking after the area of financial risks and controls.

At present, in the opinion of the Board there is no identification of Risk element that may threaten the existence of the Company.

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013:

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) (Amendment) Rules, 2014, the cost audit records maintained by the Company in respect of drug and pharmaceuticals products of the Company are required to be audited by a Cost Accountant.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy aims the protection of the women employees at work place and providing the safe working environment where women feels secure.

The Company regularly conducts awareness programmes for its employees and the Company has not received any complaint so far in connection with the sexual harassment.

RELATED PARTY TRANSACTIONS:

During the year under review, all transactions entered into with Related Parties as defined under the Companies Act, 2013, during the Financial Year were in the ordinary course of business and on an arm's length basis.

The related party transactions entered into by the Company during the year under review are as reported in Form AOC-2 in **"Annexure-I".**

REPORTING OF FRAUDS:

There have been no instances of fraud reported by the Auditors under Section 143 (12) of the Act and rules framed there under either to the Company or to the Central Government.

AUDITORS:

i. COST AUDITOR:-

Pursuant to provisions of section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, have been appointed to conduct cost audit for the year ending on March 31, 2019.

ii. STATUTORY AUDITORS:-

M/s. J. T. Shah & Co. Chartered Accountants, [FRN: 109616W], were appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of Annual general Meeting held for the financial year ended on 31st March, 208 till the conclusion of Annual General Meeting to be held for the financial year ending on 31st March, 2023. In this regard, the Company has received a certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141of the Companies Act, 2013.

In view of the amended provisions of section 139 by The Companies (Amendment) Act, 2017, the appointment of auditors is not required to be ratified every year at the AGM by the members of the company and hence present statutory auditors of the company will continue to act as statutory auditor till the expiry of their present term.

The Auditors' Report to the members for the year under review does not contain any qualification.

iii. SECRETARIAL AUDITORS:

Pursuant to the Regulation of 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, the Company has appointed Mr Vishwas Sharma, Proprietor of M/s. Vishwas Sharma & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed to this Board's Report (Annexure – II).

AUDIT COMMITTEE:

The Audit Committee of the Company as on March 31, 2019 consists of following Directors as its members:

i. Shri Mahesh M. Patel – Chairman
ii. Shri Anand A. Patel – Member
iii. Shri Naresh P. Suthar – Member

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company dose not have any Subsidiary, Joint venture or Associate Company. Further, the Company is Subsidiary Company of "Lincoln Pharmaceuticals Limited".

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013read with Rule, 8 of The Companies (Accounts) Rules, 2014, is as given below:

(A)	**Conservation of energy-**	
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, the Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. There is no specific investment plan for energy conservation. On account of measures taken, it reduces the energy consumption.

(ii)	the steps taken by the company for utilizing alternate sources of energy;	In addition to various initiatives around energy efficiencies, the Company has also focused on renewable sources of energy. Various steps taken for utilizing alternate sources of energy include installation of energy saving system for lights.
(iii)	the capital investment on energy conservation equipment's.	N.A.
(B)	**Technology absorption-**	
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company has not incurred any Research and development expenditure.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	
	(a) the details of technology imported;	
	(b) the year of import	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	
(iv)	the expenditure incurred on Research and Development	
(C)	**Foreign Exchange Earning and Outgo:**	
(i)	Foreign Exchange Earning	NIL
(ii)	Foreign Exchange Outgo	NIL

INDUSTRIAL RELATIONS:

The Company has maintained cordial relations with the employees of the Company throughout the year. The Directors wishes to place on record sincere appreciation for the services rendered by the employees of the Company during the year.

EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return for the financial year ended under review in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as "**Annexure-III**".

VIGIL MECHANISM:

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower Policy. Through this policy Directors, Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

As on the date of this report, there were no material significant orders passed by the regulators or courts or tribunals impacting the going concern of the Company.

ACKNOWLEDGMENT:

We express our sincere appreciation and thank our valued Customers, Bankers, Business Associates, Financial Institutions and Central / State Government Departments for their continued support and encouragement to the Company. We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on Behalf of the Board
For, Lincoln Parenteral Limited

	Anand A. Patel	**Mahesh M. Patel**
	Whole-Time Director	**Director**
Ahmedabad, May 29, 2019	**DIN: 00103316**	**DIN: 00103239**

ANNEXURE 'I'

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 subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

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

(₹ in Lakhs)

SN	Name of the related party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of contracts/ arrangements /transactions	Salient features of contracts/ arrangements / transactions, including value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
	1	2	3	4	5	6	7
1.	Lincoln Pharmaceuticals Ltd	Holding Company	Purchase of pharmaceutical products	April 01,2018 To March 31,2019	467.82	As Per Note*	NIL
			Sales of Raw materials and pharmaceutical products		4677.11		
2.	Mansi A. Patel	Relative of Director	Availing service	April 01,2018 To March 31,2019	10.69	As Per Note*	NIL

*Above mentioned transactions are done at the arm's length price and at the prevailing market rate. Appropriate approvals, where ever required, have been taken for related party transactions. No amount has been paid as advance.

For and on Behalf of the Board
For, Lincoln Parenteral Limited

Anand A. Patel
Whole-Time Director
DIN: 00103316

Mahesh M. Patel
Director
DIN: 00103239

Ahmedabad, May 29, 2019

ANNEXURE 'II'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,
The Members,
Lincoln Parenteral Limited
Ahmedabad, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LINCOLN PARENTERAL LIMITED** (CIN: U24231GJ1991PLC015674) a subsidiary of Lincoln Pharmaceuticals Limited (hereinafter called "the company", "subsidiary company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. 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 Borrowing.

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.(Not Applicable as the Company is not listed on any recognized stock exchange);

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. (Not Applicable as the Company is not listed on any recognized stock exchange);.

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (Not Applicable as the Company is not listed on any recognized stock exchange);.

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company is not listed on any recognized stock exchange);

      i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable as the Company is not listed on any recognized stock exchange);

      ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

      iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable as the Company is not listed on any recognized stock exchange);

      iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable as the Company is not listed on any recognized stock exchange);

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

a. Pharmacy Act, 1948

b. Drugs and Cosmetics Act, 1940

c. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954

d. Drugs Price Control Order, 2013

e. Food Safety and Standards Act, 2006

f. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

g. The Factories Act,1948

h. The Minimum Wages Act, 1948, and rules made there under

i. Payment of Gratuity Act, 1972

j. Payment of Bonus Act, 1965

I have also examined compliance with the applicable Clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as applicable to subsidiary of listed Company)

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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.

Adequate notice is given to all the 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.

Board takes decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I 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.

I further report that there were no other instances of:

iii. Rights/debentures/sweat equity.

iv. Redemption/buy-back of securities.

v. Merger/ amalgamation etc.

vi. Foreign technical collaborations.

For, Vishwas Sharma and Associates,
Company secretaries,

Vishwas Sharma
Proprietor
ACS: 33017
COP No.:16942

Date: 29/05/2019
Place: Ahmedabad

Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.

Annexure to Secretarial Audit Report

To,
The Members,
Lincoln Parenteral Limited
Ahmedabad, Gujarat.

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

1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.

5) The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Vishwas Sharma and Associates,
Company secretaries,

Vishwas Sharma
Proprietor
ACS: 33017
COP No.:16942

Date: 29/05/2019
Place: Ahmedabad

ANNEXURE 'E'

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

1. REGISTRATION AND OTHER DETAILS:

CIN	U24231GJ1991PLC015674
Registration Date:	May 17, 1991
Name of the Company:	Lincoln Parenteral Limited
Category/Sub-category of the Company:	1. Public Company 2. Company Limited By Share 3. Indian Non-government Company
Registered Office Details:	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060. **Ph. No.:** +91-79-4107-8000 **Email ID:** investor@lincolnpharma.com,.
Whether Listed Company:	No
Name, Address and contact details of RTA, if any:	N.A.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SN	Name and Description of main products	NIC Code of the Product	% to total turnover of the company
1	Pharmaceutical products	2100	100%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN / LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**"Lincoln Pharmaceuticals Limited** "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060."	L24230GJ1995PLC024288	Holding	98.58%	2 (46)

4. 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				No. of Shares held at the end of the year				% Change during the year
	Physical	Demat	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	0	-	0	0.00	6	-	6	0.00	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	98,58,450	-	98,58,450	98.58	98,58,438	-	98,58,438	98.58	(0.00)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	**98,58,450**	**-**	**98,58,450**	**98.58**	**98,58,444**	**-**	**98,58,444**	**98.58**	**(0.00)**
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**98,58,450**	**-**	**98,58,450**	**98.58**	**98,58,444**	**-**	**98,58,444**	**98.58**	**(0.00)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i) IEPF	-	-	-	-	-	-	-	-	-
(ii) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	6	-	6	0.00	0.00
II. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,41,550	-	1,41,550	1.42	1,41,550	-	1,41,550	1.42	-
c) Others	-	-	-	-	-	-	-	-	-
a) NRI	-	-	-	-	-	-	-	-	-
b) Clearing Member	-	-	-	-	-	-	-	-	-
c) HUF	-	-	-	-	-	-	-	-	-
d) Trust	-	-	-	-	-	-	-	-	-
e) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	**1,41,550**	**-**	**1,41,550**	**1.42**	**1,41,556**	**-**	**1,41,556**	**1.42**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,41,550**	**-**	**1,41,550**	**1.42**	**1,41,556**	**-**	**1,41,556**	**1.42**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,00,00,000**	**-**	**1,00,00,000**	**100.00**	**1,00,00,000**	**-**	**1,00,00,000**	**100.00**	**-**

ii. Shareholding of Promoters

SN	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 the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Lincoln Pharmaceuticals Ltd	98,58,450	98.58	-	98,58,438	98.58	-	0.00
2	Mahendrabhai G. Patel	-	-	-	1	0.00	-	0.00
3	Munjal M. Patel	-	-	-	1	0.00	-	0.00
4	Kailashben M. Patel	-	-	-	1	0.00	-	0.00
5	Mansi M. Patel	-	-	-	1	0.00	-	0.00
6	Nidhi M. Patel	-	-	-	1	0.00	-	0.00
7	Anand A. Patel	-	-	-	1	0.00	-	0.00

iii. Change in Promoters' Shareholding

SN	Name of Promoters'	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Mahendrabhai G. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
2	**Munjal M. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
3	**Kailashben M. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
4	**Mansi M. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
5	**Nidhi M. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00

SN	Name of Promoters'	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6	**Anand A. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
7	**Lincoln Pharmaceuticals Limited**				
	At the beginning of the year	98,58,450	98.58	98,58,450	98.58
	Date wise changes during the year				
	May 30, 2018-Sale	(12)	0.00	98,58,438	98.58
	At the End of the year	98,58,438	98.58	98,58,438	98.58

iv. Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

v. Shareholding of Directors and Key Managerial Personnel:

SN	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Anand A. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year				
	May 30, 2018-Purchase	1	0.00	1	0.00
	At the End of the year	1	0.00	1	0.00
2	**Hansaben A. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year	NIL			
	At the End of the year	-	0.00	-	0.00
3	**Ishwarlal D. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year	NIL			
	At the End of the year	-	0.00	-	0.00
4	**Mahesh M. Patel**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year	NIL			
	At the End of the year	-	0.00	-	0.00
	At the End of the year	0	0.00	0	0.00
5	**Naresh P. Suthar**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year	NIL			
	At the End of the year	-	0.00	-	0.00
6	**Bhavik Parikh**				
	At the beginning of the year	-	0.00	-	0.00
	Date wise changes during the year	NIL			
	At the End of the year	-	0.00	-	0.00

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans excluding deposits	Un-Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	528.94	-	-	528.94
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**528.94**	**0.00**	**0.00**	**528.94**
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(528.94)	-	-	(528.94)
Net Change- Addition/ (Reduction)	**(528.94)**	**0.00**	**0.00**	**(528.94)**
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)	**0.00**	**0.00**	**0.00**	**0.00**

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ In Lakhs)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Anand A. Patel - Whole Time Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	10.86	10.86
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act,1961	0.26	0.26
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others specify	-	-
5	Others, please specify	-	-
	Total (A)	**11.12**	**11.12**
	Ceiling as per the Act	Not Exceeding 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013	

B. Remuneration To Other Directors: Not Applicable

C. Remuneration To Key Managerial Personnel Other than MD/Manager/WTD

(₹ In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Bhavik Parikh - Company Secretary**	**CFO**	**Total Amount**
1	Gross salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	-	1.07	-	1.07
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission – as % of profit – others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**-**	**1.07**	**-**	**1.07**

* Salary is for the part of the year.

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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	NONE				
Punishment					
Compounding					
B DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For and on Behalf of the Board
For, Lincoln Parenteral Limited

Anand A. Patel
Whole-Time Director
DIN: 00103316

Mahesh M. Patel
Director
DIN: 00103239

Ahmedabad, May 29, 2019

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Lincoln Parenteral Limited
Ahmedabad

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of **Lincoln Parenteral Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2019** and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

2. 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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 financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

5. Key audit matter identified in our audit is on recoverability assessment of trade receivables as follows:

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Loss on Trade Receivables	
Trade receivables amount to ₹7,43,36,394/- after providing for an impairment based on expected credit loss method of ₹15,18,656/-. The measurement of expected credit loss is based on provision matrix that identifies receivables on number of days remaining outstanding and empirical data on recoverability. This Provision matrix requires to be updated regularly based on the circumstantial evidences which may result in significant variation in measurement from one period to other.	The management's estimations for impairment based on expected credit loss method, our audit procedures included the following: • Obtained a list of receivables • We analysed the aging of receivables; • Identified any receivables with financial difficulty through discussion with management; • We obtained receivables balance confirmations on a sample basis; • Tested subsequent settlement of receivables after the balance sheet date on a sample basis; • In respect of receivables overdue for a period of 90 days or more, we assessed the recoverability through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Information other than the Standalone Financial Statements and Auditors' Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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 identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the 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.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 financial statements.

11. 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 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 of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for our resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A"a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements-Refer Note -44 to the Financial Statement;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

(J. T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 29/05/2019

ANNEXURE “A” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 15 of “**Report on Other Legal and Regulatory Requirements”** of our Report of even date to the Members of **Lincoln Parenteral Limited** for the year ended **31st March, 2019.**

1. In respect of Fixed Assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.

(b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification, physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.

(c) As explained to us, the title deeds of all the immovable properties are held in the name of the Company’s name.

2. In respect of Inventories :

As per the information and explanations given to us, inventories were physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such physical verification.

3. In respect of Loans granted during the year:

As regards the loans , the company has not granted any loans , secured or unsecured during the year under audit, to the companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the companies Act , 2013 and therefore, the clauses (iii) (a) to (c) of the companies (Auditor’s Report) Order, 2016 are not applicable.

4. Loans, Investments and guarantees:

According to the information and explanation given to us, the company had neither given any loan, guarantee or security, nor made any investments during the year. Hence the provisions of section 185 and 186 are not applicable. Therefore clauses (iv) of companies (Auditor’s Report) Order, 2016 is not applicable.

5. Acceptance of Deposits:

During the year, the Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under are not applicable to the Company. Therefore clauses (v) of Companies (Auditor’s Report) Order, 2016 is not applicable.

6. Cost Records:

Pursuant to the rules made by the central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act.

We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues :

(a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, Sales tax,Goods and Service Tax, Custom Duty, Excise Duty, Value Added tax, cess and any other statutory dues with the appropriate authorities applicable to it.

(b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, Sales tax,Goods and Service Tax, Custom Duty, Excise Duty, Value Added tax, cess and any other statutory dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable except income tax of ₹2,85,292/-.

(c) According to the records of the company, there are no dues of income tax, value added tax, wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute except as under:-

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act,1961	Penalty Demand	2013-14	2,13,755/-	Commissioner of Income Tax (Appeals)

8. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks or Government. The Company has no debenture holder borrowing during the year.

9. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.

10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit.

11. In our opinion and according to the information and explanations given to us, the Company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.

12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the Company. Hence, Clause (xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.

13. In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and details thereof are properly disclosed in the financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause (xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.

15. The Company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, hence section 192 of the Companies Act, 2013 is not Applicable, hence clause (xv) of Company's (Auditor's Report) Order, 2016 is not applicable.

16. As the Company is not required to register under section 45-IA of Reserve Bank of India Act, 1934, hence, clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

(J. T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 29/05/2019

ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 16(f) of “**Report on Other Legal and Regulatory Requirements”** of our Report of even date to the Members of **Lincoln Parenteral Limited** for the year ended **31st March, 2019.**

Report on the Internal Financial Controls 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 **Lincoln Parenteral Limited** as of **31st March 2019**, in conjunction with our audit of the standalone 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, J.T. Shah & Co.
Chartered Accountants,
[Firm Regd. No. 109616W]

(J. T. Shah)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 29/05/2019

BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5A	232,295,676	244,022,783
(b) Capital work-in-progress	5B	1,545,814	Nil
(c) Financial Assets			
(i) Investments	6	22,400	22,400
(ii) Loans	7	Nil	9,676,560
(d) Other non-current assets	8	27,896,865	6,779,950
Total Non - Current Assets		261,760,755	260,501,693
2 Current assets			
(a) Inventories	9	67,518,172	89,636,470
(b) Financial Assets			
(i) Investments		Nil	Nil
(ii) Trade receivables	10	74,336,395	125,108,993
(iii) Cash and cash equivalents	11	183,913	182,520
(iv) Other bank balances	12	Nil	40,949,703
(v) Other financial assets	13	Nil	20,596
(c) Other current assets	14	141,007,257	131,263,222
Total Current Assets		283,045,737	387,161,504
Total Assets (1+2)		**544,806,492**	**647,663,197**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	15	100,000,000	100,000,000
(b) Other Equity	16	134,221,827	114,006,511
Total equity		234,221,827	214,006,511
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	Nil	7,942,433
(ii) Other financial liabilities	18	155,759,863	144,892,903
(b) Deferred tax liabilities (Net)	19	24,920,677	13,364,612
Total Non - Current Liabilities		180,680,540	166,199,948
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		Nil	Nil
(ii) Trade payables	20	65,927,520	79,299,330
(iii) Other financial liabilities	21	4,660,580	50,391,333
(b) Other current liabilities	22	58,625,025	131,966,075
(c) Current Tax Liabilities (Net)	23	691,000	5,800,000
Total Current Liabilities		129,904,125	267,456,738
Total Equity and Liabilities (1+2+3)		**544,806,492**	**647,663,197**
Summary of Significant Accounting Policies	4		

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 29/05/2019

For, Lincoln Parenteral Limited

Anand A. Patel (Whole Time Director) (DIN: 00103316)

Mahesh M. Patel (Director) (DIN: 00103239)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 29/05/2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Particulars	Note No.	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
I	Revenue from operations	24	508,691,771	712,435,703
II	Other Income	25	2,131,650	8,089,525
III	**Total Income (I + II)**		**510,823,421**	**720,525,228**
IV	**EXPENSES**			
	(a) Cost of materials consumed	26	331,553,483	301,673,554
	(b) Purchases of stock-in-trade		1,184,325	299,580,143
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	31,686,128	(37,260,117)
	(d) Excise duty		Nil	4,651,397
	(e) Employee benefit expense	28	33,342,355	36,397,450
	(f) Finance costs	29	13,198,164	22,637,500
	(g) Depreciation and amortisation expense	30	17,599,042	17,125,075
	(h) Other expenses	31	42,954,423	44,349,868
	Total Expenses		**471,517,920**	**689,154,870**
V	**Profit before tax (III- IV)**		**39,305,502**	**31,370,358**
VI	**Tax Expense**			
	(a) Current tax	32	7,391,000	7,686,103
	(b) Deferred tax	32	11,595,881	4,563,721
	Total tax expense		**18,986,881**	**12,249,824**
VII	**Profit for the year (V-VI)**		**20,318,621**	**19,120,534**
VIII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	33	(143,121)	101,755
	(ii) Income tax relating to items that will not be reclassified to profit or loss	33	39,816	(33,643)
	Total Other Comprehensive Income		**(103,305)**	**68,112**
IX	**Total comprehensive income for the year (VII+VIII)**		**20,215,316**	**19,188,644**
X	**Basic & Diluted earnings per share of face value of ₹10 each Fully Paid up**			
	(1) Basic	42	2.03	1.91
	(2) Diluted	42	2.03	1.91

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 29/05/2019

For, Lincoln Parenteral Limited

Anand A. Patel (Whole Time Director) (DIN: 00103316)

Mahesh M. Patel (Director) (DIN: 00103239)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 29/05/2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flow from operating activities		
Profit before tax	39,305,502	31,370,358
Adjustments for :		
Depreciation and amortisation expense	17,599,042	17,125,075
Provision for expected credit loss	(848,187)	1,591,921
Finance costs	13,198,164	22,637,500
MTM gain / loss on fair valuation of derivative financial instruments	(416,476)	(887,356)
Interest income	(1,715,174)	(3,881,646)
Operating profit before working capital changes	**67,122,871**	**67,955,852**
Changes in operating assets and liabilities:		
(Increase)/Decrease in inventories	22,118,298	(35,293,142)
(Increase)/Decrease in trade receivables	51,620,786	(20,757,733)
(Increase)/Decrease in other current assets	(821,913)	4,352,792
(Increase)/Decrease in other non current assets	(9,887,156)	Nil
Increase/(Decrease) in trade payable	(13,371,811)	8,613,955
Increase/(Decrease) in other non current financial liabitlies	Nil	Nil
Increase/(Decrease) in other current financial liabitlies	4,104,498	(1,173,428)
Increase/(Decrease) in other current liabitlies	(73,341,050)	35,107,116
Cash flow generated from operations	**47,544,524**	**58,805,412**
Direct taxes Paid (Net)	(8,460,689)	(5,579,838)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**39,083,834**	**53,225,574**
Cash flow from investing activities		
Purchase of property, plant and equipments	(32,587,407)	(6,546,496)
Margin money deposit	40,949,703	20,123,146
Interest received	1,715,174	3,881,646
(Increase)/Decrease in current financial asset- loan	Nil	2,693,556
(Increase)/Decrease in non-current financial assets- loan	9,676,560	(1,652,835)
NET CASH FLOW FROM IN INVESTING ACTIVITIES (B)	**19,754,030**	**18,499,017**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flow from financing activities		
Finance costs	(5,942,089)	(10,446,339)
Repayment of short-term borrowings	Nil	(9,165,711)
Increase/(Decrease) in other Non current financial liabitlies	Nil	Nil
Repayment of long-term borrowings	(52,894,382)	(52,846,978)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(58,836,472)**	**(72,459,028)**
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS (A + B + C)	**1,393**	**(734,437)**
Cash and cash equivalents at the beginning of the year	182,520	916,957
Cash and cash equivalents at the end of the year	**183,913**	**182,520**

Notes:

(i) The above cash flow statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(ii) Components of cash and cash equivalents at each balance sheet date:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	181,772	178,049
Balances with Bank - In Current Account	2,141	4,471
Total Cash and cash equivalents (Refer Note 11)	**183,913**	**182,520**

See accompanying notes forming part of the Financial Statements

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 29/05/2019

For, Lincoln Parenteral Limited

Anand A. Patel (Whole Time Director) (DIN: 00103316)

Mahesh M. Patel (Director) (DIN: 00103239)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 29/05/2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

Equity Share Capital

Particulars	Note No.	Amount ₹
Balance as on 1st April, 2017	15	100,000,000
Changes during the year		Nil
Balance as on 31st March, 2018	15	100,000,000
Changes during the year		Nil
Balance as on 31st March, 2019	**15**	**100,000,000**

Other Equity **Amount in ₹**

Particulars	Note No.	Reserves and Surplus				Capital Reserve	Total
		Retained Earnings			General Reserve		
		Profit and Loss	Other Comprehensive Income	Equity Portion of Financial Instruments			
Balance as at 1st April, 2017	**16**	**28,779,034**	**45,017**	**57,592,792**	**8,250,000**	**151,023**	**94,817,866**
Profit for the year		19,120,534	Nil	Nil	Nil	Nil	19,120,534
Other comprehensive income for the year (net of Tax)		Nil	68,112	Nil	Nil	Nil	68,112
Balance as at 31st March, 2018	**16**	**47,899,568**	**113,129**	**57,592,792**	**8,250,000**	**151,023**	**114,006,511**
Profit for the year		20,318,621	Nil	Nil	Nil	Nil	20,318,621
Other comprehensive income for the year (net of Tax)		Nil	(103,305)	Nil	Nil	Nil	(103,305)
Balance as at 31st March, 2019	**16**	**68,218,188**	**9,824**	**57,592,792**	**8,250,000**	**151,023**	**134,221,827**

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 29/05/2019

For, Lincoln Parenteral Limited

Anand A. Patel (Whole Time Director) (DIN: 00103316)

Mahesh M. Patel (Director) (DIN: 00103239)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 29/05/2019

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate information:

Lincoln Parenteral Limited ("the Company") was incorporated on May 17, 1991 under the provisions of the Companies Act, 1956; having registered office at Ahmedabad, Gujarat, India. It is a subsidiary of Lincoln Pharmaceutical Limited and is mainly in the business of manufacturing and trading of pharmaceutical products. The Company has manufacturing plant located in state of Gujarat.

The financial statements are approved for issue by the Company's Board of Directors on May 29, 2019.

2. Statement of compliance:

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended read with Section 133 of the Companies Act, 2013.

The current financial statements comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the financial statements.

3. Basis of preparation:

The financial statements have been prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following where the fair valuation have been carried out in accordance with the requirements of respective Ind AS:

a. Employee defined benefit plans – Plan assets - Note No. 36

b. Financial Instruments recognied at FVTPL or FVTOCI - Note No. 38

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 2(iii) below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the individual financial statements.

Critical Accounting Estimates and Judgement used in application of Accounting Policies are specified here-in-after:

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes including amount expected to be paid / recovered for uncertain tax positions. (Refer Note No. 23 & 32)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note No. 5)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note No. 8 & 39.1)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note No. 28)

e. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note No. 38)

f. Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

ii) Revenue recognition:

Revenue from Contacts with Customers

Effective 1st April, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard) retrospectively with the cumulative effect of applying this standard recognise at the date initial application. The adoption of this standard did not have any material impact on the financial statements.

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

The revenue towards satisfaction of performance is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligations. The transaction price of goods sold and service rendered is net of variable consideration on account of various discounts offered by the company as part of contract. These variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that amount will not be subject to significant reversal when uncertainty relating to its recognition resolved.

Sale of Product and Services

The company manufactures Pharmaceuticals Products. The company also render job work service. The performance obligation in case of sale of product and services is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customers as may be specified in the contract. The time taken from entering into order and sale is less than 12 months and the normal credit period offered to customers is also less than 12 months. The company offers trade Discount, Quantity Discount, cash Discount, Discount for Shortage or quality issue discount which are factored while determining transaction price. Revenue is recognised such that significant reversal is not highly probable. The reconciliation between the contract price and revenue recognised is given in note 24.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Operating revenue:

Export entitlements are recognized when the right to receive the credits as per the terms of the scheme is established in respect of exports made by the company and when there is no significant uncertainty in receiving the same.

Insurance Claim:

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

iii) Property, Plant & Equipment:

Property, Plant & Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset if and only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at cost less accumulated impairment losses. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost of an item of property, plant and equipment comprises:

- Its purchase price, all costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. Tax credit, if any, are accounted for by reducing the cost of capital goods;
- Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is de recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss account.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Capital Work-in-progress

Capital work in progress is stated at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment. Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss account as and when incurred.

Compensation for impairment:

The Company recognises compensation from third parties for items of property, plant and equipment that were impaired, lost or given up in profit or loss when the compensation becomes receivable.

Derecognition of Property, Plant and Equipment:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss from the derecognition of an item of property, plant and equipment is recognised in the statement of profit and loss account when the item is derecognized.

iv) Depreciation on Property, Plant & Equipment:

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection / overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. The Company review the depreciation method at each financial year-end and if, there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted as a change in accounting estimate on prospective basis.

Depreciation on tangible property, plant and equipment is provided over the useful lives specified under Schedule II to the Companies Act, 2013. No Depreciation has been provided on Free hold land.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Factory Buildings	30
Plant & Machinery	15
Computers	3
Electrical Installation	10
Factory Equipment	15
Vehicle	15
Furniture & Fixtures	10

v) Intangible Assets and Amortization:

The Company identifies an identifiable non-monetary asset without physical substance as an intangible asset. The Company recognises an intangible asset if it is probable that expected future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost unless acquired in a business combination in which case an intangible asset is measured at its fair value on the date of acquisition. The Company identifies research phase and development phase of an internally generated intangible asset. Expenditure incurred on research phase is recognised as an expense in the profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Company is able to demonstrate the technical feasibility of completing the intangible asset, the ability to use the intangible asset and the development expenditure can be measured reliably. The Company subsequently measures all intangible assets at cost less accumulated amortisation less accumulated impairment. An intangible asset is amortised on a straight-line basis over its useful life. A rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use is considered by the management. Amortisation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised. The amortisation charge for each period is recognised in profit or loss unless the charge is a part of the cost of another asset. The amortisation period and method are reviewed at each financial year end. Any change in the period or method is accounted for as a change in accounting estimate prospectively. The Company derecognises an intangible asset on its disposal or when no future economic benefits are expected from its use or disposal and any gain or loss on derecognition is recognised in statement of profit and loss account as gain / loss on derecognition of asset.

vi) Impairment of Non-Financial assets :

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

i) In case of individual asset, at higher of the fair value less cost to sell and value in use and

ii) In case of cash generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

vii) Borrowing Costs:

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings and also the amount outstanding as on the balance sheet date of specific borrowings. Borrowing cost incurred actually on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

Raw Materials, Packing Materials, Stores & Spares and consumables are valued at lower of cost (net of refundable taxes and duties) and net realisable value. The cost of these items of inventory are determined on FIFO basis and comprises of cost of purchase and other incidental costs incurred to bring the inventories to their location and condition. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work-in-progress

Work-in-progress and finished goods are valued at lower of cost and net realisable value. The cost of work-in-progress and finished goods of inventory is determined on weighted average basis. The cost of work-in-progress and finished goods includes cost of coversion and other costs incurred to bring the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and valued at lower of cost and net realisable value.

Stock in Trade

Stock in Trade is valued at lower of cost and net realisable value. Cost is determined on FIFO basis.

ix) Leases:

The Company determines an arrangement as a lease based on the substance of the arrangement after assessing whether the arrangement is dependent on the use of specific asset or assets and whether the arrangement conveys a right to use the asset or assets. The Company classifies all leases into finance and operating leases at the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The Company has applied accounting for lessees for assets taken on lease. The Company has not given assets on lease.

a) Finance lease as lessee

The Company recognises property leased under finance leases at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are discounted at the interest rate implicit in the lease to calculate present value of minimum lease payments. Initial direct costs are added to the amount recognised as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Contingent rents are charged as expenses in the period in which they are incurred.

b) Operating lease as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Where payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised based on the contractual lease payments. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

x) Government Grants and Subsidies:

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A forgiveable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

xi) Financial Instruments:

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

Financial Assets

a. Initial recognition and measurement

At initial recognition, the Company measures a financial asset (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

b. Subsequent measurement

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

i) Financial assets measured at amortised cost;

ii) Financial assets at fair value through profit or loss (FVTPL) and

iii) Financial assets at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

a) The Company's business model for managing the financial assets and

b) The contractual cash flows characteristics of the financial asset.

i) Financial assets measured at amortised cost :

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

a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents etc. are classified for measurement at amortised cost.

ii) Financial assets at fair value through profit or loss (FVTPL):

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

iii) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by collecting both contractual cash flows that gives rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Derecognition

The Company derecognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

d. **Impairment**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables,

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Financial Liabilities

a. **Initial recognition and measurement**

At initial recognition, the Company measures a financial liabilities (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the financial liability.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

b. **Subsequent measurement**

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

i) Financial liabilities measured at amortised cost.

ii) Financial liabilities at fair value through profit or loss.

i) Financial liabilities measured at amortised cost :

All financial liabilities are measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

ii) Financial assets at fair value through profit or loss (FVTPL):

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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. 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.

c. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. 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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and interest rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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 realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

xii) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management."

xiii) Foreign currency Transactions

Functional currency of the Company is Indian rupee. The financial statements have been presented under its functional currency. Any transaction that is denominated in a currency other than the functional currency is regarded as foreign currency transaction. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. In case of consideration received or paid in advance, the exchange rate prevailing on the date of receipt or payment of advance is considered when subsequently the related asset is given up or received to the extent of advance consideration.

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;

2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and

3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange difference arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

xiv) Employee benefits

Short term employee benefits

Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment benefits

a. Defined contribution plans

The Employee and Company make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the covered employees' salary, Provision for the same is made in the year in which service are render by employee.

b. Defined benefit plans

The Liability for Gratuity to employees, which is a defined benefit plan, as at Balance Sheet date determined on the basis of actuarial Valuation based on Projected Unit Credit method is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India and the contribution thereof paid/payable is absorbed in the accounts.

The present value of the defined benefit obligations is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognized immediately in profit or loss as past service cost.

xv) Income Taxes:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current Tax includes provision for income tax computed at the tax rate applicable as per Income Tax Act, 1961. Tax on profit for the period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provision of the relevant tax laws and based on expected outcome of assessments / appeals.The company recognises taxes on distribution of dividend to share holders in retained earning, when dividends are declared.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company restricts recognition of deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability in absence of availability of sufficient future taxable profit which allow the full or part of the assets to be recovered.

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

xvi) Provisions, Contingent Liabilities and Contingent Assets :

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

xvii) Earnings per equity share:

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xviii) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

xix) Goods and Service Tax:

Goods and Service Tax credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

Goods and Service Tax credits so taken are utilized for payment of GST Liability on Sale of on goods . The unutilized GST credit is carried forward in the books.

(xx) Segment reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note no. 40 for segment information presented.

(xxi) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xxii) Standards issued but not yet effective

As on 30th March, 2019, Ministry of Corporate Affairs vide a notification issued amendments to Ind AS which are effective from 1st April, 2019. Given below is given an explanation of significant amendments and their possible impact on the assets, liabilities and results:

a) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

The company is in the process of evaluating the impact of this Standard

b) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the separate financial statements.

c) **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the separate financial statements.

d) **Amendment to Ind AS 19 – plan amendment, curtailment or settlement-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and
- to recognise in profit or loss as part of past service cost or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

e) **Amendment to Ind AS 23 – Consideration of outstanding specific borrowing in capitalisation rate-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that an entity shall exclude from the calculation of capitalisation rate borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Company is in the process of evaluating the impact of this amendment on the separate financial statements.

Note 5A: Property, Plant and Equipment

(Amt. in ₹)

Particulars	Land (Free Hold)	Buildings	Plant & Machinery	Computers	Furniture & Fixtures	Total
Gross Carrying Value as on March 31, 2017	**450,000**	**87,649,607**	**179,100,827**	**16,037**	**3,549,656**	**270,766,127**
Addition during the year	Nil	854,852	4,431,548	Nil	1,727,103	7,013,502
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2018	**450,000**	**88,504,459**	**183,532,375**	**16,037**	**5,276,759**	**277,779,629**
Addition during the year	Nil	Nil	4,908,605	881,502	81,827	5,871,934
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2019	**450,000**	**88,504,459**	**188,440,980**	**897,539**	**5,358,586**	**283,651,563**
Accumulated depreciation as on March 31, 2017	**Nil**	**2,850,042**	**13,415,098**	**1,331**	**365,300**	**16,631,771**
Addition during the year	Nil	2,994,123	13,631,411	1,219	498,322	17,125,075
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil
Accumulated depreciation as on March 31, 2018	**Nil**	**5,844,165**	**27,046,509**	**2,550**	**863,622**	**33,756,846**
Addition during the year	Nil	3,021,305	13,943,627	33,650	600,460	17,599,042
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil
Accumulated depreciation as on March 31, 2019	**Nil**	**8,865,470**	**40,990,136**	**36,200**	**1,464,082**	**51,355,888**
Net Carrying Vaue as on March 31, 2017	**450,000**	**84,799,565**	**165,685,729**	**14,706**	**3,184,356**	**254,134,356**
Net Carrying Value as on March 31, 2018	**450,000**	**82,660,294**	**156,485,865**	**13,487**	**4,413,137**	**244,022,783**
Net Carrying Value as on March 31, 2019	**450,000**	**79,638,989**	**147,450,843**	**861,339**	**3,894,504**	**232,295,675**

Notes:

i. Assets pledged as security:

Refer Note No. 46 for disclosure of assets pledged as security.

iii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2019 - ₹ Nil/- (for the year ended March 31, 2018: ₹ Nil/-).

iii. Contractual obligations:

Refer Note No. 34 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment

Refer Note No. 4(iv) for disclosure of Policies and method used for the depreciation of property, Plant & Equipment.

Note 5B : Capital Work in Progress

Particulars	Amount in ₹
Balance at March 31, 2017	**Nil**
Addition during the year	Nil
Capitalised during the year	Nil
Balance at March 31, 2018	**Nil**
Addition during the year	1,545,814
Capitalised during the year	Nil
Balance at March 31, 2019	**1,545,814**

6 Non Current Investments

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Investment in equity instruments at amortised cost (Unquoted)		
736 (PY.736) Equity shares Nav Nirman Co-Op. Bank of face value ₹ 25 each fully paid up.	18,400	18,400
Investments in government securities at amortised cost (Unquoted)		
National Saving Certificate	4,000	4,000
Total	**22,400**	**22,400**
Aggregate amount of qouted investment - At cost	Nil	Nil
Aggregate amount of unqouted investment - At cost	22,400	22,400

7 Non-Current Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Unsecured and considered good		
Loans to others	Nil	9,676,560
Total	**Nil**	**9,676,560**

8 Other Non-Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Capital Advances	25,791,911	646,685
Advance income tax :		
Advance payment of income tax	12,393,954	6,133,265
Less: Provision for income tax	(10,300,000)	Nil
Advance Income Tax (net)	2,093,954	6,133,265
Other Non Current Assets	11,000	Nil
Total	**27,896,865**	**6,779,950**

9 Inventories

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Raw Materials	21,000,620	18,872,488
Work-in-Process	7,056,734	26,448,133
Finished Stock	10,280,019	22,574,748
Packing Material	29,180,799	21,741,101
Stock in Trade	Nil	Nil
Total	**67,518,172**	**89,636,470**

a) Inventory of Raw Material includes material in transit- as on 31-03-2019 of ₹Nil (as on 31-03-2018 ₹ Nil)

b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2019 ₹ Nil/- (as on 31-03-2018 ₹Nil)

c) The cost of inventories recognised as an expenses includes ₹ Nil (during 2017-18 ₹Nil) in respect of write-down of inventory to net realisable value and has been reduced by ₹ Nil (during 2017-18 : ₹ Nil) in respect of the reversal of such write-down.

d) Inventories pledged as Security with bank for borrowing as on 31-03-2019 of ₹Nil (as on 31-03-2018 ₹ Nil)

10 Trade receivables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade Receivables (Unsecured)		
Trade Receivable Considered Good - Unsecured	9,429,122	24,837,118
Less: Allowance for Expected Credit Loss	23,573	62,093
	9,405,549	**24,775,025**
Trade Receivable Credit Impaired	66,425,928	102,638,718
Less: Allowance for Expected Credit Loss	1,495,083	2,304,750
	64,930,845	**100,333,968**
Total	**74,336,395**	**125,108,993**

Notes:

i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note no.43.

ii. The Company provides an allowance for impairment of doubtful accounts based on financial condition of the customer, aging of the trade receivable and historical experience of collections from customers. The activity in the allowance for impairment of trade receivables is given below:

Allownace Movement for Trade Receivables	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Balance at the beginning of the year	2,366,843	774,922
Add : Allowance made during the year	Nil	1,591,921
Less : Reversal of allowance made during the year	848,187	Nil
Closing Balance	**1,518,656**	**2,366,843**

11 Cash & Cash Equivalents

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Cash on hand	181,772	178,049
Balances with Bank - In Current Account	2,141	4,471
Total	**183,913**	**182,520**

12 Other Bank Balances

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	Nil	39,005,036
Margin Money Deposits	Nil	1,944,667
Total	**Nil**	**40,949,703**

13 Other Current Financial Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	20,596
Total	**Nil**	**20,596**

14 Other Current Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advances for Goods	116,607,110	116,754,722
Prepaid Expenses	441,078	1,588,219
Loans to Employees	75,000	188,544
Gratuity Fund (Refer note no. 39 to financial statement)	422,815	466,991
Balances with Statutory Authorities	23,461,255	12,264,746
Total	**141,007,257**	**131,263,222**

15 Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
[i] Authorised Share Capital:		
1,20,00,000(PY.1,20,00,000) Equity shares of ₹ 10 each	120,000,000	120,000,000
[ii] Issued, Subscribed & Paid-up Capital :		
1,00,00,000(PY.1,00,00,000) Equity shares of ₹ 10 each fully paid	100,000,000	100,000,000
Total	**100,000,000**	**100,000,000**

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:-

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	10,000,000	100,000,000	10,000,000	100,000,000
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	**10,000,000**	**100,000,000**	**10,000,000**	**100,000,000**

(b) The details of shares held by Parent Company and shareholders holding more than 5% shares is set out below.

Particulars		As at March 31, 2019 ₹	As at March 31, 2018 ₹
Lincoln Pharmaceuticals Limited (Parent Company)	Nos.	9,858,438	9,858,450
	%	98.58	98.58

(c) Rights, Preferences and Restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors 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, if any, in proportion to their shareholding.

(d) The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares or disinvestment.

(e) There are no shares issued pursuant to contract(s) without payment being received in cash or by way of bonus shares or equity shares bought back for the period of 5 years immediately preceding the balance sheet date.

16 Other Equity

	Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a)	**General Reserve**		
	Balance as per last financial Statement	8,250,000	8,250,000
	Add : Amount transfer from surplus balance in the statement of profit and loss	Nil	Nil
	Closing Balance	**8,250,000**	**8,250,000**
(b)	**Retained Earnings**		
	Profit and Loss:		
	Balance as per last financial Statement	47,899,568	28,779,034
	Add : Profit for the year	20,318,621	19,120,534
	Less : Prior Period Expense	Nil	Nil
	Add: Items of Profit and Loss recognised directly in retained earnings on account of transition	Nil	Nil
	Net Surplus in the statement of profit and loss (i)	**68,218,188**	**47,899,568**
	Other Comprehensive Income		
	Balance as per last financial Statement	113,129	45,017
	Add: Remeasurement of Defined benefit plans (including deferred tax)	(103,305)	68,112
	Less : Deferred Tax Asset on above	Nil	Nil
	Net Surplus in the statement of other comprehensive income(ii)	**9,824**	**113,129**
	Equity Portion of Financial Instruments:		
	Financial Guarantee from Parent Company	2,973,346	2,973,346
	Interest free Security Deposits from Parent Company	54,619,446	54,619,446
	Total (iii)	**57,592,792**	**57,592,792**
	Total Retained Earnings (i + ii + iii)	**125,820,804**	**105,605,488**
(c)	**Capital Reserve**		
	Balance as per last financial Statement	151,023	151,023
	Add : Amount transfer from surplus balance in the statement of profit and loss	**Nil**	**Nil**
	Closing Balance	**151,023**	**151,023**
	Total (a + b + c)	**134,221,827**	**114,006,511**

General Reserve: General reserve is created from time to time by transfer of profits from retained earnings. It does not include any item which is transferred from other comprehensive income or equity component of financial instruments. General Reserve is created for appropriation purposes.

Retained earnings: Retained earnings can be utilised by the company for distribution to its equity shareholders of the company. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Capital Reserve: Capital reserve can be utilised by the company for issuance of bonus shares.

17 Non-Current Borrowings

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Secured Borrowing		
Term Loan from Bank (Foreign Currency External Commercial Borrowings)	Nil	52,894,382
Less : Current maturities of long-term debt (Note No. 21)	Nil	44,951,949
Total	**Nil**	**7,942,433**

Secured Borrowing:

i. The Company has borrowed secured foreign currency external commercial borrowings (ECB Loan) for Project purpose.

ii. Said ECB loan is secured against following:

a. Hypothecation charges on fixed assets of the company, both present and future,

b. Mortgage of factory land,

c. Pledge of shares: 0.8 million of shares of holidng company "Lincoln Pharmaceuticals Limited" by directors of the company or holding company.

d. Corporate guarantee of holding company.

f. Personal guarantee of two directors of the company as well as three directors of holding company.

18 Other Non Current Financial Liabilites

Particulars	**As at March 31, 2019 ₹**	**As at March 31, 2018 ₹**
Security deposits from holding company (at amorised cost)	155,759,863	144,892,903
Total	**155,759,863**	**144,892,903**

19 Deferred Tax Liabilities (Net)

Particulars	**As at March 31, 2019 ₹**	**As at March 31, 2018 ₹**
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	28,262,517	25,444,541
Total Deferred Tax Liabilities	**28,262,517**	**25,444,541**
Deferred Tax Assets		
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	113,695	(55,879)
Allowance for Expected Credit Loss on Trade Receivables	422,490	782,549
Unused Tax Credit	2,805,656	11,353,259
Unabsorbed depreciation	Nil	Nil
Total Deferred Tax Assets	**3,228,146**	**12,135,808**
Net Deferred Tax Liability	**24,920,677**	**13,364,612**

Note:

i. Movement of deferred tax liability: (Amount in ₹)

Movements in Deferred Tax Liabilities	**Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment**	**Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961**	**Allowance for Expected Credit Loss on Trade Receivables**	**Unused Tax Credit**	**Unabsorbed depreciation**
At April 01, 2017 *	**(24,040,683)**	**(22,236)**	**256,212**	**12,275,673**	**2,763,822**
Charged / (credited):					
to profit or loss	(1,403,858)	Nil	526,337	(922,414)	(2,763,822)
to other comprehensive income	Nil	(33,643)	Nil	Nil	Nil
At March 31, 2018 *	**(25,444,541)**	**(55,879)**	**782,549**	**11,353,259**	**Nil**
Charged/(credited):					
to profit or loss	(2,817,976)	129,758	(360,059)	(8,547,603)	Nil
to other comprehensive income	Nil	39,816	Nil	Nil	Nil
At March 31, 2019*	**(28,262,517)**	**113,695**	**422,490**	**2,805,656**	**Nil**

*** Figures in bracket denotes deferred tax liability.**

20 Trade payables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Payable to Micro and Small Enterprise	9,261,006	Nil
Payable to others	56,666,514	79,299,330
Total	**65,927,520**	**79,299,330**

Notes:

i Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The disclosure in respect of the MSMED Act,2006 has been provided at note no. 43.

21 Other Current Financial Liabilites

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current Maturity of long term borrowings (Refer Note No. 17)	Nil	44,951,949
Interest accrued but not due on borrowings	7,923	4,429,721
Employee Benefits Payable	408,681	240,774
Salary and Wages payable	1,053,753	Nil
Creditors for Property, Plant & Equipment	206,875	231,307
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	437,072
Credit Balance in Bank Current Account	2,983,348	100,510
Total	**4,660,580**	**50,391,333**

22 Other Current Liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Advance received from customers	57,704,906	130,602,072
Other Statutory dues	920,119	1,364,003
Total	**58,625,025**	**131,966,075**

23 Current Tax Liabilities (Net)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision For Income tax	7,391,000	10,300,000
Less: Advance Payment of Income Tax	(6,700,000)	(4,500,000)
Total	**691,000**	**5,800,000**

24 Revenue from operation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Sale of Product		
Finished Goods	465,841,091	684,701,841
Sale of services		
Job Work Charges	40,713,217	27,733,863
Other operating revenue		
Scrap Sale	2,137,464	Nil
Total	**508,691,771**	**712,435,703**

(a) **Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-**

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Gross Revenue	508,691,771	712,435,703
	508,691,771	**712,435,703**
Less: Rebate & Discount etc	Nil	Nil
Revenue recognised from Contract with Customers	**508,691,771**	**712,435,703**

25 Other Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Income From Bank	1,715,174	3,881,646
Gain on Fair Valuation of Derivative contracts	416,476	887,356
Foreign Exchange Gain	Nil	695,968
Miscellaneous income	Nil	2,624,555
Total	**2,131,650**	**8,089,525**

26 Cost of Materials Consumed

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Raw Material		
Inventory at the beginning of the year	18,872,488	24,698,289
Add: Purchase	141,559,946	125,481,844
Less: Inventory at the end of the year	21,000,620	18,872,488
Cost of Consumption of Raw Material	**139,431,814**	**131,307,645**
Packing Material		
Inventory at the beginning of the year	21,741,101	17,882,275
Add: Purchase	199,561,367	174,224,736
Less: Inventory at the end of the year	29,180,799	21,741,101
Cost of Consumption of Raw Material	**192,121,669**	**170,365,910**
Cost of Materials Consumed	**331,553,483**	**301,673,554**

27 Change In Inventories of Finished Goods,Work In Progress And Stock In Trade

Particulars		Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Inventory at the beginning of the year			
Work-in-process		26,448,133	8,296,493
Stock in Trade		Nil	Nil
Finished Stock		22,574,748	3,466,271
	Opening Stock	**49,022,881**	**11,762,764**
Inventory at the end of the year			
Work-in-process		7,056,734	26,448,133
Stock in Trade		Nil	Nil
Finished Stock		10,280,019	22,574,748
	Closing Stock	**17,336,753**	**49,022,881**
Decretion / (Accretion) to Stock		**31,686,128**	**(37,260,117)**

28 Employee Benefit Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Salary, Wages & Bonus Expenses	32,360,559	28,804,125
Contribution to Provident Fund & Other Funds	981,796	1,014,007
Staff welfare Expenses	Nil	6,579,318
Total	**33,342,355**	**36,397,450**

29 Finance Costs

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Interest Paid to Bank	1,083,625	6,134,803
Interest expense on financial liability recognised at amortised cost (as per effective interest rate method)	10,866,960	10,108,807
Interest Paid to Others	9,195	33,111
Other borrowing cost	1,238,384	6,360,779
Total	**13,198,164**	**22,637,500**

30 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Depreciation on Property, Plant & Equipment	17,599,042	17,125,075
Total	**17,599,042**	**17,125,075**

31 Other Expenses

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Power & Fuel	1,357,025	1,471,455
Stores & Spares consumed	4,096,615	3,789,551
Job work Charges	22,285,619	15,772,584
Labour Expenses	(14,350)	1,020
Repairs To:		
Building	857,264	1,300,686
Machinery	6,600,077	3,857,947
Insurance	167,529	199,727
Rates & Taxes	62,333	4,558,601
Stationery, Printing & Communication	152,574	275,875
Traveling & Conveyance Expense	829,314	1,422,528
Legal & Professional Expenses	2,050,056	1,491,028
Freight & Delivery charges	331,593	360,192
Auditor's Remuneration	200,000	200,000
Sales Commission	2,531,193	5,623,046
Donation	22,000	Nil
(Reversal)/Allowance for Expected Credit Loss	(848,187)	1,591,921
MTM Loss on Fair Valuation of Derivative contracts	Nil	Nil
Factory Expenses	1,663,482	2,379,153
Miscellaneous expenses (includes Factory expenses, Telephone expenses and Inspection Fees etc.)	610,285	54,554
Total	**42,954,423**	**44,349,868**

32 Income tax recognised in profit or loss

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current tax:		
In respect of the current year	7,391,000	10,300,000
In respect of the prior year	Nil	(2,613,897)
Sub-Total (i)	**7,391,000**	**7,686,103**
Deferred tax:		
In respect of the current year	11,595,881	4,563,721
Sub-Total (ii)	**11,595,881**	**4,563,721**
Total (i + ii)	**18,986,881**	**12,249,824**

Income tax reconciliation

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Profit before tax	39,305,502	31,370,358
Tax expenses reported during the year	18,986,881	12,249,824
Income tax expenses calculated at Current Year 27.82% (Previous Year :33.063%)	10,934,791	10,371,981
Difference	**8,052,090**	**1,877,843**
Permanent disallowances	3,261,572	3,712,394
Income not taxable under Income tax	(115,864)	(293,387)
Effect of deferred tax balances due to change in income tax rate from 30% to 33.06%	5,060,731	Nil
Adjustment of current tax of prior years	5,472,527	2,613,897
Utilisation of unabsorbed depreciation	Nil	(2,763,822)
Additional MAT Credit recognized	Nil	Nil
Utilisation of MAT Credit	(5,663,240)	(922,378)
Other Items	36,363	(468,861)
Total	**8,052,090**	**1,877,843**

33 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	(143,121)	101,755
(ii) Income tax relating to these items that will not be reclassifed to profit and loss		
Deferred tax impact on actuarial gain / (loss)	39,816	(33,643)
Total	**(103,305)**	**68,112**

34 Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	25,791,911	646,685
Advance paid against such contracts	25,791,911	646,685
Remaining outstanding commitment	**Nil**	**Nil**

35. Contingent Liabilities

Details of contingent liabilities are as under:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Income tax demands disputed in appeal by the Company/Income tax authorities. Against which amount of ₹ Nil (P.Y. ₹ Nil) been deposited by the Company.	213,755	Nil

36. Details of Employee Benefits:

(a) Defined Contribution Plans

The Company offers its employees benefits under defined contribution plans in the form of provident fund. Provident fund cover substantially all regular employees which are on payroll of the company. Both the employees and the Company pay predetermined contributions into the provident fund and approved superannuation fund. The contributions are normally based on a certain proportion of the employee's salary and are recognised in the Statement of Profit and Loss as incurred.

A sum of ₹ 3,15,763/- (March 31, 2018: ₹ 1,58,697/-) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and the amounts recognized in the Balance Sheet for the plan:

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
In Income Statement	172,642	260,452
In Other Comprehensive Income	143,121	(101,755)
Total Expenses Recognized	**315,763**	**158,697**

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Current Service Cost	209,161	269,025
Net Interest Cost	(36,519)	(8,573)
Expenses Recognized in the Statement of Profit and Loss	**172,642**	**260,452**

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Actuarial (gains) / losses		
- change in financial assumptions	23,737	(149,301)
- experience variance	89,916	33,579
Return on plan assets, excluding amount recognized in net interest expense	29,468	13,967
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	Nil	Nil
Components of defined benefit costs recognized in other comprehensive income	**143,121**	**(101,755)**

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation	1,827,181	1,522,742
Fair value of plan assets	(2,249,996)	(1,989,733)
Surplus / (Deficit)	(422,815)	(466,991)
Net Liability / (Asset) recognized in the Balance sheet	**(422,815)**	**(466,991)**

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Present Value of Obligation as at the beginning	1,522,742	1,273,068
Current Service Cost	119,078	269,025
Interest Expense or Cost	209,161	96,371
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	23,737	(149,301)
- experience variance	89,916	33,579
Past Service Cost	Nil	Nil
Benefits Paid	(137,453)	Nil
Present Value of Obligation as at the end of the year	**1,827,181**	**1,522,742**

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fair value of Plan Assets at the beginning of the year	1,989,733	1,386,320
Interest Income	155,597	104,944
Contribution by Employer	150,000	512,436
(Benefit paid from the Fund)	(15,866)	Nil
Return on Plan Assets, Excluding Interest Income	(29,468)	(13,967)
Fair Value of Plan Assets at the end of the year	**2,249,996**	**1,989,733**

C. Actuarial Assumptions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Discount Rate	7.69%	7.82%
Expected rate of salary increase	6.50%	6.50%
Expected Return on Plan Assets	7.69%	7.82%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended March 31, 2019 ₹	**Year Ended March 31, 2018 ₹**
Defined Benefit Obligation (Base)	1,827,181	1,522,742

Particulars	Year Ended March 31, 2019 ₹		Year Ended March 31, 2018 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	202,777	(169,107)	169,347	(141,648)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(172,309)	203,170	(144,493)	169,899
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(18,181)	15,057	(17,858)	14,975

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2019 ₹	**As at March 31, 2018 ₹**
Weighted average duration (based on discounted cash flows)	12	12

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2019 ₹	**As at March 31, 2018 ₹**
1 year	425,813	230,403
2 to 5 years	222,423	304,321
6 to 10 years	478,012	466,568
11 Years and more	4,050,916	3,391,631

F. Characteristics of defined benefit plans and risks associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

a. **Interest Rate Risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b. **Salary Escalation Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c. **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

37. Segment Reporting

The Company's management, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in

Indian Accounting Standard 108 “Operating Segments ” and in the opinion of management the Company is primarily engaged in the business of “Pharmaceutical Products”. All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

Details of entity wide disclosures for this segment are given as below:

Entity-wide disclosures

(i) Bifurecation of Revenue from external customers by each group of products:

Particulars	**Year Ended March 31, 2019 ₹**	**Year Ended March 31, 2018 ₹**
Sale of Products:		
Capsules	Nil	23,928,902
Cream in tubes	906,824	112,896
Dry powder injection	136,357,442	137,721,502
Liquid in bottles	177,096,473	159,006,044
Liquid injection	142,379,749	225,087,222
Tablets	Nil	112,369,907
Others	11,238,066	26,475,368
Total	**467,978,554**	**684,701,841**
Sale of services:		
Job work charges	40,713,217	27,733,863
Total revenue from operations	**508,691,771**	**712,435,703**

(ii) Bifurecation of Net sales to external customers by geographic area on the basis of location of customers:

Particulars	**Year Ended March 31, 2019 ₹**	**Year Ended March 31, 2018 ₹**
India	508,691,771	712,435,703
Outside India	Nil	Nil
Total	**508,691,771**	**712,435,703**

(iii) Bifurecation of total non-current assets of the company by geographical area on the basis of location of the asset:

Particulars	**As at March 31, 2019 ₹**	**As at March 31, 2018 ₹**
India	261,760,755	260,501,693
Outside India	Nil	Nil
Total	**261,760,755**	**260,501,693**

(iv) Details of Customer contributing 10% of or more of total Revenue:

Particulars	**Year Ended March 31, 2019 ₹**	**Year Ended March 31, 2018 ₹**
No. of customers contibuting 10% or more of total revenue (individually)	1	2
Amount of revenue	409,004,034	598,928,585
% of total revenue	80.40	84.07

38 Fair Value Measurements

Financial instrument by category and their fair value (Amount in ₹)

As at March 31, 2019	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Non Current Investments	6	Nil	Nil	22,400	22,400	Nil	Nil	Nil	Nil
Non Current Loans	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trade Receivables	10	Nil	Nil	74,336,395	74,336,395	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	11	Nil	Nil	183,913	183,913	Nil	Nil	Nil	Nil
Other Bank Balances	12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Assets									
Non Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current	13	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Financial Assets		**Nil**	**Nil**	**74,542,708**	**74,542,708**	**Nil**	**Nil**	**Nil**	**Nil**
Financial Liabilities									
Borrowings									
Non Current	17	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	18	Nil	Nil	155,759,863	155,759,863	Nil	Nil	Nil	Nil
Current	21	Nil	Nil	4,660,580	4,660,580	Nil	Nil	Nil	Nil
Trade Payables	20	Nil	Nil	65,927,520	65,927,520	Nil	Nil	Nil	Nil
Total Financial Liabilties		**Nil**	**Nil**	**226,347,963**	**226,347,963**	**Nil**	**Nil**	**Nil**	**Nil**

(Amount in ₹)

As at March 31, 2018	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Non Current Investments	6	Nil	Nil	22,400	22,400	Nil	Nil	Nil	Nil
Non Current Loans	7	Nil	Nil	9,676,560	9,676,560	Nil	Nil	Nil	Nil
Trade Receivables	10	Nil	Nil	125,108,993	125,108,993	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	11	Nil	Nil	182,520	182,520	Nil	Nil	Nil	Nil
Other Bank Balances	12	Nil	Nil	40,949,703	40,949,703	Nil	Nil	Nil	Nil
Other Financial Assets									
Current	13	20,596	Nil	Nil	20,596	Nil	Nil	20,596	20,596
Total Financial Assets		**20,596**	**Nil**	**175,940,176**	**175,960,772**	**Nil**	**Nil**	**20,596**	**20,596**
Financial Liabilities									
Borrowings									
Non Current	17	Nil	Nil	7,942,433	7,942,433	Nil	Nil	Nil	Nil
Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	18	Nil	Nil	144,892,903	144,892,903	Nil	Nil	Nil	Nil
Current	21	437,072	Nil	49,954,261	50,391,333	Nil	Nil	437,072	437,072
Trade Payables	20	Nil	Nil	79,299,330	79,299,330	Nil	Nil	Nil	Nil
Total Financial Liabilties		**437,072**	**Nil**	**282,088,927**	**282,525,999**	**Nil**	**Nil**	**437,072**	**437,072**

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to three levels prescribed is as under:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilties

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liabilty, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilties that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilties required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilties are readily available from the quoted pricies in the open market and rates available in secondary market respectively.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory dues payable / receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

39 Financial risk management

The Company's activities expose it to a variety of financial risks, including credit risk, market risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

The Company's risk management is governed by policies and approved by the board of directors. The Company identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Company has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

I Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables), cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets.

The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed 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. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments. The company has adopted simplified approach of ECL model for impairment.

i) Trade Receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company with various activities as mentioned above manages credit risk. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The Company does not hold collateral as security.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 15,18,656/- as at March, 2019 and ₹ 23,66,843/- as at March 31, 2018. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

(Amount in ₹)

Allownace Movement for Trade Receivables	**As at March 31, 2019 ₹**	**As at March 31, 2018 ₹**
Balance at the beginning of the year	2,366,843	774,922
Add : Allowance made during the year	Nil	1,591,921
Less : Reversal of allowance made during the year	848,187	Nil
Closing Balance	**1,518,656**	**2,366,843**

ii) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at each balance sheet date.

II Liquid Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities including approved borrowing facilities sanctioned by the Parent Company, by continuously monitoring the forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. Long-term borrowings generally mature between One to Ten years. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.

The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lender. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2019	**Carrying Amount**	**Contractual Cash Flows**				
		On demand or within 1 year	**Over 1 year within 2 years**	**Over 3 years within 5 years**	**Over 5 years**	**Total**
Borrowings:						
Non Current (Refer Note 17)	Nil	Nil	Nil	Nil	Nil	**Nil**
Current	Nil	Nil	Nil	Nil	Nil	**Nil**
Other Financial Liabilities:						
Non Current (Refer Note 18)	155,759,863	Nil	Nil	155,759,863	Nil	**155,759,863**
Current (Refer Note 21)	4,660,580	4,660,580	Nil	Nil	Nil	**4,660,580**
Trade Payables (Refer Note 20)	65,927,520	65,927,520	Nil	Nil	Nil	**65,927,520**
Total	**226,347,963**	**70,588,100**	**Nil**	**155,759,863**	**Nil**	**226,347,963**

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2018	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note 17)	7,942,433	Nil	7,942,433	Nil	Nil	7,942,433
Current	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities:						
Non Current (Refer Note 18)	144,892,903	Nil	Nil	144,892,903	Nil	144,892,903
Current(Refer Note 21)	50,391,333	50,391,333	Nil	Nil	Nil	50,391,333
Trade Payables (Refer Note 20)	79,299,330	79,299,330	Nil	Nil	Nil	79,299,330
Total	**282,525,999**	**129,690,663**	**7,942,433**	**144,892,903**	**Nil**	**282,525,999**

III Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity risk.

a) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign exchange risk arises mainly from following activities:

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2019, the Company had entered into derivative contracts of ₹ NIL/- to hedge exposure to fluctuations in foreign currency risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

Company does not use derivative financial instruments for trading or speculative purposes.

i) The following table analyses foreign currency risk from non-derivative financial instruments as at each balance sheet date:

Particulars	Currency	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non-Current borrowing (External Commercial Borrowings - including current maturities)	USD	Nil	813,208
	INR	Nil	52,894,382
Other Current Financial Liability (Interest accrued but not due on borrowing)	USD	Nil	68,103
	INR	Nil	4,429,721
Total Exposure	USD	Nil	881,311
	INR	Nil	57,324,103

ii) Foreign Currency Risk Sensitivity

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD currency). The same is summarized as below:

Particulars	Impact on Profit Before Tax			
	Year Ended March 31, 2019 ₹		Year Ended March 31, 2018 ₹	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	Nil	Nil	(2,866,205)	2,866,205
Total	**Nil**	**Nil**	**(2,866,205)**	**2,866,205**

b) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's short-term borrowings with floating interest rates.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

i) Exposure to interest rate risk

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Fixed Rate Borrowings	Nil	Nil
Variable Rate Borrowings	Nil	52,894,382
Total	**Nil**	**52,894,382**

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note No. 17 of these financial statement.

ii) Interest Rate Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
50bp increase would decrease the profit before tax by	Nil	(264,472)
50bp decrease would increase the profit before tax by	Nil	264,472

c) Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2019, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

40 Capital Management:

The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.

The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Debt	Nil	52,894,382
Cash and bank balances	(183,913)	(39,187,556)
Net debt	**(183,913)**	**13,706,827**
Equity	234,221,827	214,006,511
Net debt to equity ratio	0.00%	6.00%

41 Details of Payment to Auditors

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Payment to auditors:		
As auditor:		
Audit fee	150,000	150,000
Taxation matters	50,000	50,000
Company law matters	Nil	Nil
Total	**200,000**	**200,000**

42 Earnings Per Share (EPS)

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Net Profit / (Loss) for calculation of basic / diluted EPS	20,318,621	19,120,534
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	10,000,000	10,000,000
Basic and Diluted Earnings/(Loss) Per Share	2.03	1.91
Nominal Value of Equity Shares	10	10

A. Reconcilation on Amount of EPS

	Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the company	2.03	1.91
	Total basic earnings per share attributable to the equity holders of the company	**2.03**	**1.91**
(b)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the company	2.03	1.91
	Total diluted earnings per share attributable to the equity holders of the company	**2.03**	**1.91**

B. Reconciliations of earnings used in calculating earnings per share

	Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a)	**Basic earnings per share**		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	20,318,621	19,120,534
(b)	**Diluted earnings per share**		
	Profit from continuing operations attributable to the equity holders of the company:		
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	20,318,621	19,120,534

C. Weighted average number of shares used as the denominator

	Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a)	**Basic earnings per share**		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,000,000	10,000,000
(b)	**Diluted earnings per share**		
	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	10,000,000	10,000,000

D. Increase / decrease in EPS due to retrospective restatement of prior period error

	Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
(a)	Basic earnings per share	Nil	0.02
(b)	Diluted earnings per share	Nil	0.02

43. Related Parties Disclosures

(i) List of related parties:

Name of related party	Nature of relationship
Lincoln Pharmaceuticals Limited	Holding Company
Zullinc Healthcare LLP	Subsidiary of Holding Company
Key Managerial Personnel:	
Anand A Patel	Key Managerial person
Ashish R Patel	Key Managerial Persons of Holding Company
Hasmukh I Patel	Key Managerial Persons of Holding Company
Mahendra G Patel	Key Managerial Persons of Holding Company
Munjal M Patel	Key Managerial Persons of Holding Company
Rajani G Patel	Key Managerial Persons of Holding Company
Entities in which Key managerial personnel and/or their relative have control:	
Downtown Travels Pvt Ltd	Controlled by Key Managerial Persons of Holding Company
Relatives of Key Managerial Personnel:	
Mahendra G Patel HUF	Controlled by Key Managerial Persons of Holding Company
Munjal M Patel HUF	Controlled by Key Managerial Persons of Holding Company
Rajani G Patel HUF	Controlled by Key Managerial Persons of Holding Company
Arvind G Patel	Father of Mr. Anand A Patel
Dharmisthaben H Patel	Wife of Mr. Hasmukh I Patel
Kailashben M Patel	Wife of Director of Holding Company
Kalpanaben R Patel	Wife of Director of Holding Company
Mansi M Patel	Wife of Mr. Munjal M Patel
Mansi A Patel	Wife of Mr. Anand A Patel
Nidhi M Patel	Daughter of Mr. Mahendra G Patel

(ii) Transactions during the period and balances outstanding with related parties are as under:

Transactions with related parties during the year:

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Lincoln Pharmaceuticals Limited	Sale of products	467,711,252	283,667,437
	Sale of services (Jobwork Income)	5,006,826	1,791,088
	Purchase of goods	46,781,557	4,395,240
	Job work charges	Nil	Nil
	Interest expense on unwinding of Discount	10,866,960	10,108,807
	Guarantee commission expense	810,912	1,081,217
Zullinc Healthcare LLP	Sale of products	Nil	315,261,148
	Purchase of goods	Nil	Nil
Downtown Travels Pvt Ltd	Loan repaid	Nil	40,135
Mahendra G Patel HUF	Advance given for expense	Nil	190,000
	Sales commission expense	1,190,000	Nil
Munjal M Patel HUF	Advance given for expense	Nil	190,000
	Sales commission expense	1,190,000	Nil
	Advance for Expense - Repaid	190,000	Nil
Rajani G Patel HUF	Sales commission expense	Nil	400,000
Anand A Patel	Director remuneartion	1,111,886	1,092,476
Ashish R Patel	Sales commission expense	Nil	1,850,000

Name of related party	Nature of Transaction	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Hasmukh I Patel	Advance given for expense	Nil	Nil
	Advance repaid	Nil	2,500,000
Mahendra G Patel	Advance given for expense	Nil	570,000
	Advance for settled	570,000	Nil
Mansi M Patel	Sales commission expense	Nil	1,000,000
	Salary expense	1,688,540	810,000
Rajani G Patel	Sales commission expense	Nil	400,000
Arvind G Patel	Consultancy Fees	840,000	840,000
Mansi A Patel	Salary expense	1,068,540	1,048,800
Kailashben M Patel	Salary expense	910,020	820,000
Kalpanaben R Patel	Sales commission expense	Nil	400,000
	Salary expense	455,028	624,167

Balances outstanding at each reporting date:

Name of Party	Nature of Amount	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Lincoln Pharmaceuticals Limited:			
Guarantee premium paid in advance	Other current assets	Nil	1,892,129
Security Deposits	Other non-current financial liabilities	(155,759,863)	(134,784,095)
Advances for goods	Other current liabilities	(36,354,906)	(96,896,965)
Downtown Travels Pvt Ltd	Trade Payables	Nil	(40,135)
Anand A Patel	Trade Payables	(5,808)	(135,000)
Mansi A Patel	Trade Payables	(9,748)	Nil
Arvind G Patel	Trade Payables	(63,000)	(63,000)

Note: Figures in bracket denotes credit balance.

44. Due to Micro and Small Enterprise

UUnder the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosers are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below:

	Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a)	The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	9,261,006	Nil
b)	Interest due thereon	258,105	Nil
c)	Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e)	Amount of interest accrued and remaining unpaid at the end of accounting year	258,105	Nil
f)	the amount of further interest remaining due and payable even in the succeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company and the same has been relied by the Auditor.

45. Changes in Liabilities arising from Financial Activities (Amount in ₹)

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Opening Balance	282,525,998	327,108,227
Cash inflow of non-current borrowings	Nil	Nil
Cash outflow of non-current borrowings	(52,894,382)	(52,846,978)
Changes in current borrowings cash flows	Nil	(9,165,711)
Changes in trade payable cash flows	(13,371,811)	8,613,955
Change in other current financial liability	4,104,498	(1,173,428)
Change in other non-current financial liability	Nil	Nil
Others	5,983,659	9,989,933
Closing Balance	**226,347,962**	**282,525,998**

46. Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non-Current Assets		
Property Plant & Equipment	232,295,675	244,022,783
Total Non Current Assets pledged as Security	**232,295,675**	**244,022,783**
Current Assets		
Inventories	67,518,172	89,636,470
Financial Assets		
Investments	22,400	22,400
Trade Receivable	74,336,395	125,108,993
Cash and cash equivalents	183,913	182,520
Loans	Nil	9,676,560
Other Bank Balance	Nil	39,005,036
Other Financial Assets	Nil	20,596
Total Current Assets pledged as Security	**142,060,880**	**263,652,574**
Total Assets Pledged as Security	**374,356,555**	**507,675,357**

Note: Asset pledge as security includes the Securities hypothicated with the bank for current and non-current borrowing by the company. During the year under review, Company has repaid entire borrowing amount to the bank and received NOC Letter on March 05, 2019. Further, Company has satisfied respective charege against borrowing from the ROC as on April 02, 2019.

47. Subsequent Events:

Subsequent to Balance Sheet Date, there are no events occurred which require disclosure or adjustments in the financial statements.

As per our report of even date attached herewith
For J.T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)

(J.T. Shah)
Partner
(M.No.3983)

Place : Ahmedabad
Date : 29/05/2019

For, Lincoln Parenteral Limited

Anand A. Patel (Whole Time Director) (DIN: 00103316)

Mahesh M. Patel (Director) (DIN: 00103239)

Bhavik P. Parikh (Company Secretary)

Place : Ahmedabad
Date : 29/05/2019

LINCOLN

LINCOLN PARENTERAL LIMITED

[CIN: U24231GJ1991PLC015674]
Regd. Office: "LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
Phone:+91-79-4107-8000 Fax:+91-79-4107-8062
Email-ID:info@lincolnparenteral.com

ATTENDANCE SLIP

I /We hereby record my / our presence at the **28th Annual General Meeting** of the members of the Company to be held on Monday, September 30, 2019 at 4:00 p.m. at Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.

Full name of the Member : ______________________

Address of the Member : ______________________

Folio No : ____________ *DP ID No. ____________ *Client ID NO. ____________

No. of shares held : ______________________

Name(s) of the Joint Holder(s), if any : ______________________

Member's /Proxy's Signature: ______________________

Note:

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

LINCOLN PARENTERAL LIMITED

[CIN: U24231GJ1991PLC015674]
Regd. Office: "LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
Phone:+91-79-4107-8000 Fax:+91-79-4107-8062
Email-ID:info@lincolnparenteral.com

FORM NO. MGT-11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014)

Name of the Member(s)	
Registered Address	
E-Mail ID	
Folio No. / Client ID / DP. ID	
No. of Shares	

I / we, being the member(s) of the above named company, hereby appoint:

(1) Name : ____________ Address: ____________

Email ID: ____________ Signature: ____________ or Failing him / her:

(2) Name : ____________ Address: ____________

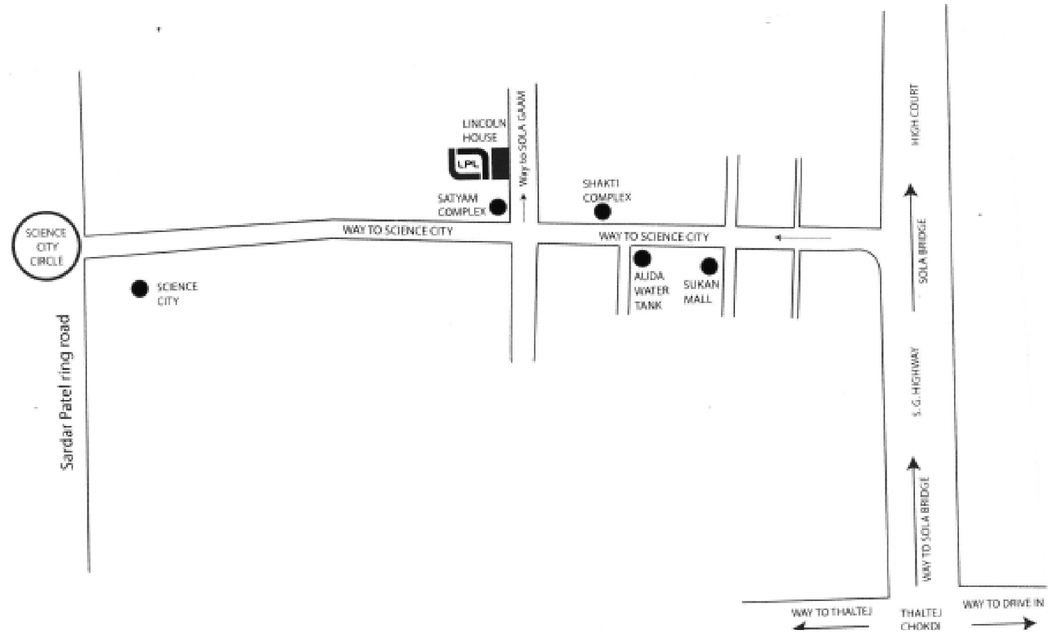
Email ID: ____________ Signature: ____________ or Failing him / her:

(3) Name : ____________ Address: ____________

Email ID: ____________ Signature: ____________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **28th Annual General Meeting** of the Company, to be held at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 on Monday, September 30, 2019, at 4:00 p.m., and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP OF AGM VENUE



** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESSES:		
1.	To consider and adopt the Audited Financial Statements of the Company for the Year Ended on March 31, 2019 and the Directors' Report and Auditors' Report thereon.		
2.	Re-Appointment of Mrs Hansaben A. Patel [DIN: 00103283], as a Director who retires by rotation.		
	SPECIAL BUSINESSES:		
3.	Re-Appointment of Mr Anand A. Patel [DIN: 00103316] as the Whole Time Director.		
4.	Ratification of payment of Remuneration of Cost Auditors for the Financial Year 2019-2020.		

Signed this ____________ day of ____________ 2019

Signature of Shareholder ____

Signature of Proxy holder (s) ____

Affix
One Re.
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
5. Please complete all details including details of member (s) in the above box before submission.

If undelivered please return to:

LINCOLN PARENTERAL LIMITED
[CIN: U24231GJ1991PLC015674]
Reg. Office: LINCOLN HOUSE ,
Behind Satyam Complex,
Science City Road,
Sola, Ahmedabad-380060