30TH

ANNUAL

REPORT

F.Y. 2020-21

LINCOLN

PARENTERAL

LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

1. **Mr. Anand A. Patel**
   Whole-Time Director
2. **Mr. Ishwarlal D. Patel**
   Non-Executive Director
3. **Mrs. Hansaben A. Patel**
   Non-Executive Director
4. **Mr. Mahesh M. Patel**
   Independent Director
5. **Mr. Naresh P. Suthar**
   Independent Director

CHIEF FINANCIAL OFFICER:

Mr. Pratik S. Shah

COMPANY SECRETARY:

Mr. Niren A. Desai

CORPORATE IDENTITY NUMBER:

U24231GJ1991PLC015674

AUDITORS:

1. **M/s. J. T. Shah & Co.**
   Chartered Accountants
   (Statutory Auditor)
2. **M/s. Vishwas Sharma and Associates,**
   Practicing Company Secretary
   (Secretarial Auditor)

REGISTERED OFFICE:

"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad – 380 060, Gujarat, India, **Email ID:** lincolnparenteral91@-gmail.com.

PLANT:

11, Trimul Estate, At. Khatraj, Ta-Kalol, District-Gandhinagar, Gujarat. **Ph. No.:** +91 – 79 – 4913 5000.

NOTICE

NOTICE is hereby given that the 30th (Thirty) Annual General Meeting ("AGM") of the members of Lincoln Parenteral Limited ("the Company") will be held on Monday, September 27, 2021 at 11:00 a.m. (IST) through Video Conference ("VC") or Other Audio Visual Means ("OAVM"). The venue of the AGM shall be deemed to be the registered office of the Company. The following businesses will be transacted at the AGM:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 together with the auditors' report thereon and the report of the board of directors of the Company.
2. To appoint a director in place of Mr. Anand A. Patel (DIN: 00103316), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. 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 and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to ratify the payment of remuneration 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 for conducting the Audit of the cost records relating to the products manufactured by the Company for the financial year ending on March 31, 2022.

for and on behalf of the Board of
Lincoln Parenteral Limited

Anand A. Patel
Whole Time Director
Ahmedabad, May 25, 2021 **DIN: 00103316**

Registered Office:
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad,
Gujarat – 380 060, India.

NOTES:

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue. MCA vide circular dated January 13, 2021 has allowed the Companies whose AGM were due to be held in the year 2020 or become due in the year 2021, to conduct their GMs on or before December 31, 2021 in accordance with the requirement provided in its circular dated May 05, 2020. In compliance with the provisions of the Companies Act, 2013 ("the Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

   As AGM is being held pursuant to the MCA through VC / OAVM, the facility to appoint proxy will not be required for the AGM and hence the proxy form, attendance slip and route map are not annexed to this AGM Notice.

However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporates is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

2. The Explanatory Statement pursuant to provision of section 102 of the Act, Secretarial Standard – 2 on General Meetings in respect of the special businesses is annexed hereto.

3. Considering the on-going pandemic situation and in compliance with the MCA Circulars dated May 05, 2020, Notice of the AGM ("AGM Notice") along with the annual report for the FY 2020-21 ("Annual Report") are being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the AGM Notice and annual report of the Company are uploaded on the website of holding company's at www.lincolnpharma.com and may be accessed by the members. Members who have not registered their email addresses are requested to register the same with the Company / RTA / respective depository participant(s) ("DPs").

4. The register of members and share transfer book shall remain closed from Saturday, September 18, 2021 to Monday, September 27, 2021 (both days inclusive) for the purpose of AGM.

5. Institutional / corporate shareholders (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy of board resolution / authorization letter for authorizing the representative to attend the AGM of the Company through VC / OAVM on its behalf and to cast their vote through remote e-voting. The said board resolution / authorization letter shall be sent to Khandelwal & Sharma LLP, the Scrutinizer, appointed by the Board through email on their registered email address to info@csdevesh.com.

6. Members holding shares in physical form are requested to promptly notify in writing any change in their address, email address and file nomination in the prescribed Form SH – 13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Share Transfer Agent ("RTA"), as prescribed under Section 72 of the Act and rules made thereunder. In respect of shares held in demat form, the nomination form may be filed with the respective DPs.

7. As required in terms of Secretarial Standard - 2, the information (including profile and expertise in specific functional areas) pertaining to directors recommended for re-appointment in the AGM has been provided in the "Annexure" to the AGM Notice. The Directors have furnished the requisite consent / declarations for their re-appointment as required under the Act, and the Rules thereunder.

8. All the relevant documents referred to in this AGM Notice will be available for inspection in the electronic mode by requesting to the Company Secretary of the Company at lincolnparenteral-91@gmail.com by mentioning the details of folio no. / Client ID - DP ID, self-attested PAN & Aadhar Card wherein the shares of the Company are held by the Member(s).

9. Process for updating of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company / Depositories:

- **Members holding shares in physical form –** update your email id and mobile no by providing necessary details like folio no., name of member, self-attested PAN & Aadhar card by email to lincolnparenteral-91@gmail.com.
- **Members holding shares in demat form –** update your email id and mobile no. with your respective Depository Participant(s); for individual shareholders holding shares in demat form, updation of email id & mobile no. are mandatory for e-voting and joining virtual meetings through depositories.

10. General Instructions for accessing and participating at the AGM through Electronic Means (VC / OAVM):

a) The Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed the facility from CDSL for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting during the AGM will be provided by CDSL.

b) The Members can join the AGM by electronic means i.e. through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure as mentioned in the AGM Notice.

c) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

d) AGM Notice has been uploaded on the holding Company's website at www.lincolnpharma-.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the remote e-voting facility) i.e. www.evotin-gindia.com.

e) AGM has been convened through VC / OAVM in compliance with applicable provisions of the Act read with MCA Circulars. Members shall refer AGM Notice for the instructions for attending the AGM through VC / OAVM.

11. Instructions for remote e-voting and e-voting during AGM and joining meeting through VC / OAVM:

The Company is pleased to provide remote e-voting facility through CDSL for the Members of the Company to enable them to cast their votes electronically on the resolutions mentioned in this AGM Notice of the Company dated May 25, 2021. The details and instructions for remote e-voting are furnished in the AGM Notice. These details form an integral part of this AGM Notice.

A. Procedure for Remote E-Voting:

a) The remote e-voting period commences on Friday, September 24, 2021 at 10:00 a.m. (IST) and ends on Sunday, September 26, 2021 at 5:00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) The Members who have already voted prior to the meeting date would not be entitled to vote again during the meeting.

c) The Members should log on to the e-voting website www.evoting-india.com.

d) Click on "Shareholders" module.

e) Now Enter your User ID

1) For CDSL: 16 digits beneficiary ID,
2) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
3) The Members holding shares in Physical Form should enter Folio Number registered with the Company.

f) Next enter the Image Verification as displayed and Click on Login.

g) If you are holding shares in demat form and had logged on to www.evoting-india.com and voted on an earlier e-voting of any company, then your existing password is to be used.

h) If you are a first time user follow the steps given below:

For Members holding shares in demat form and physical form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is emailed along with annual report and AGM Notice, under the "Password"/ "PAN" field.
Dividend Bank Details **OR**	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Date of Birth (DOB)	• If both the details are not recorded with the depository or company please enter the member id / folio number in the dividend bank details field as mentioned in instruction (e) above.

i) After entering these details appropriately, click on "SUBMIT" tab.

j) Members holding shares in physical form will then directly reach the Company selection screen. However, the Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.

l) Click on the EVSN of LINCOLN PARENTERAL LIMITED on which you choose to vote.

m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

r) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

s) The Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

B. <u>Procedure for e-voting during the AGM:</u>

a) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the meeting is being held through VC/OAVM.

b) Only those Members who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting earlier and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

c) If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM through VC/OAVM.

d) The Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

12. Instructions for Members attending the AGM through VC / OAVM are as under:

a) Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at https://www.evoting-india.com under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.

b) Members are encouraged to join the Meeting through Laptops / IPads / Tablets for better experience. Further Members may be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

c) Please note that Participants i.e. Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

d) Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request from their respective registered email id(s) in advance atleast 10 (Ten) days before the AGM date, mentioning their name, demat account number/folio number, email id, mobile number at lincoln-parenteral91@gmail.com. Members who do not wish to speak during the AGM but would like to seek further information may send their queries in advance atleast 10 (Ten) days prior to AGM date, mentioning their name, demat account number / folio number, email id, mobile number at lincoln-parenteral91@gmail.com, so that the queries can be replied by the company suitably.

e) Those Members who have registered themselves as a speaker, as mentioned above, will only be allowed to express their views / ask questions with time limit of maximum 5 minutes as speaker during the AGM.

13. Note for Non - Individual Members and Custodians:

a) Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

b) A scanned copy of the Registration Form bearing the stamp and sign of the entity shall be emailed to helpdesk.evoting-@cdslindia.com with copy to lincoln-parenteral91@gmail.com.

c) After receiving the login details a Compliance User would be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

d) The list of accounts linked in the login shall be emailed to helpdesk.evoting@cdslindia-.com and on approval of the accounts they would be able to cast their vote.

e) A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

f) Alternatively Non Individual Members are required to send the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at info@-csdevesh.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

14. Other Instructions / information:

a) The voting rights of the Members shall be in proportion of the shares held by them in paid-up equity share capital of the company as on the cut-off date i.e. September 20, 2021. A person who is not the Member as on cut-off date should treat this AGM notice for information purpose only.

b) Any person(s), who acquires shares of the Company i.e. becomes Member(s) after AGM Notice is sent by the Company, and holds shares as of the cut-off date i.e. September 20, 2021 should follow the same procedure of e-voting as mentioned in this AGM Notice. In case such Member(s) has not updated the respective PAN with the Company / Depository Participant, the Member may approach the Company / RTA as per details provided in the AGM Notice.

c) M/s. Khandelwal & Sharma LLP, Practicing Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the e-voting during the AGM) in a fair and transparent manner.

d) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses (not in the employment of the Company) and a shall submit a consolidated Scrutinizer's Report of the votes cast in the favor or against, if any, to the Chairman of the AGM or any person authorised by him, who shall counter sign the same not later than two working from the conclusion of AGM. The result will be displayed on the holding Company's website at www.lincolnpharma.com and CDSL's website www.evotingindia.com. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.

e) Members who are present at AGM through VC / OAVM and have not used the facility of remote e-voting during the e-voting as stated above to cast their votes on the resolution(s) mentioned in this AGM Notice, and are otherwise not barred from doing so, shall be provided e-voting facility during the AGM. Members can opt for only one mode of voting i.e. either through remote e-voting during e-voting period before the AGM date or e-voting during the AGM subject to the Member(s) joining the AGM through VC / OAVM.

15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") or e-voting manual available at www.evoting-india.com, under help section or addressed to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800-225-533.

In addition, any query / grievance may please be addressed to Mr. Niren. A. Desai, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to AGM including e-voting related queries. Further, contact details for query / grievance lincolnparenteral91@gmail.com, Ph. No.: +91-79-4107-8000. Regd. Office Address: "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad, Gujarat – 380060, India.

16. Since the AGM shall be held through VC / OAVM facility only and physical presence of the Members at the venue is not required, the route map is not annexed to this AGM Notice.

CONTACT DETAILS:

Name of Company	Lincoln Parenteral Limited
Registrar and Transfer Agent (RTA)	**Bigshare Services Private Limited** **Corproate Office Address:** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059. **Communication Office Address:** A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380009. Tel No.: 079 – 4002 4135, **E-Mail ID:** bssahd@bigshareonline.com.
Scrutinizer	M/s. Khandelwal & Sharma LLP, Practicing Company Secretary, Email ID: info@-csdevesh.com
E-Voting Agency	Central Depository Services (India) Limited Email ID:helpdesk.evoting@cdslindia.com

for and on behalf of the Board of
Lincoln Parenteral Limited

Anand A. Patel
Whole Time Director
Ahmedabad, May 25, 2021 DIN: 00103316

Registered Office:
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad,
Gujarat – 380 060, India.

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

Item No: 3:

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, 2021.

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.

for and on behalf of the Board of
Lincoln Parenteral Limited

Anand a. Patel
Whole Time Director
Ahmedabad, May 25, 2021 DIN: 00103316

Registered Office:
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad,
Gujarat – 380 060, India.

ANNEXURE TO NOTICE

INFORMATION TO SHAREHOLDERS

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING AGM

1	Name of Director	Mr. Anand A. Patel
2	DIN	00103316
3	Date of Birth	May 07, 1981
4	Date of Appointment on the Board	July 01, 2010
5	Qualifications	B. Com
6	Total Remuneration last drawn	₹ 14.08 Lakhs
7	Nature of Expertise in Specific functional area	Purchase of Raw materials and packing materials, Formulation of Strategy and Policy decision
8	Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Anand A. Patel is son of Mrs. Hansaben A. Patel
9	Directorship held in other Public Companies	None
10	Chairmanship / Membership of Committee in other Companies, if any	None
11	Number of Shares held in the Company as on March 31, 2021	1 (One)

DIRECTORS' REPORT

To,
The Members,

Your Directors present the 30th (Thirty) Annual Report of **Lincoln Parenteral Limited** ("the Company" or "LPPL") together with the audited financial statements for the financial year ended March 31, 2021.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act"), this report covers the financial results and other developments during the financial year ended March 31, 2021, in respect of LPPL.

FINANCIAL AND OPERATIONAL HIGHLIGHTS:

The financial performance of the company for the financial year ended March 31, 2021 are summarised below:-

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Revenue from Operations	4,464.04	4,435.23
Other income	6.25	13.10
Total Income	**4,470.29**	**4,448.33**
Profit before Depreciation, Finance Costs and Taxation	574.77	618.80
Less: Depreciation	(189.44)	(185.68)
Less: Finance Cost	(119.46)	(120.10)
Profit before Taxation	**265.87**	**313.02**
Less: Tax Expenses	(81.48)	(121.69)
Profit after Tax	**184.39**	**191.33**
Other Comprehensive Income	(3.30)	(2.24)
Total comprehensive income for the year	**181.09**	**189.05**

Update on COVID-19

The outbreak of corona virus (CoVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company is engaged in the business of manufacturing and developing affordable and innovative medicines for healthier lives. Company is working relentlessly to minimize disruptions in the production and supply schedules to serve the society in this unprecedented pandemic situation, therefore, impact on the company's operations and revenue have not been materially impacted so far due to CoVID-19.

Further the substantive economic package announced by Prime Minister recently could revive the downturn in economy to a great extent. The CoVID – 19 impact remains a serious concern for governments and industries. The Company has implemented standard operating procedures of maintaining social distancing norms, workplace sanitisation and employee health monitoring, and these are being followed strictly at manufacturing location and its registered office. Company has also taken various initiatives focusing on safeguarding workforce' health.

STATE OF COMPANY'S AFFAIRS / OPERATIONS:

The Highlights of the company's performance for the year ended March 31, 2021 are as under:

During the year under review, the Company achieved revenue of ₹ 4,464.04 Lakhs as against ₹ 4,435.23 Lakhs in the previous year. The Profit after Tax of the Company is ₹ 184.39 Lakhs as against profit after tax of ₹ 191.33 Lakhs in previous year.

The Company continues with its rigorous cost-optimization initiatives and efficiency improvements, which have resulted in significant savings through continued focus on cost controls, process efficiencies and product/formulation innovations that exceed ultimate consumer expectations in all areas, enabling the Company to maintain profitable growth in the a healthy economic scenario.

CONSOLIDATED FINANCIAL STATEMENTS:

The Company does not have any subsidiary or associate company and so the Company is not required to prepare the consolidated Financial statements, however the Company is itself a subsidiary company of Lincoln Pharmaceuticals Limited (Holding Company), and accordingly the consolidated financial statements of the Company along with its holding Company in accordance with Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act is available on the website of the holding company's i.e. www.lincolnpharma.com.

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 the reserves during the year.

CHANGE IN SHARE CAPITAL:

During the year under review, the Company has not altered / modified the authorised share capital of the Company. The paid-up share capital of the company as on March 31, 2021 was ₹ 10,00,00,000/- divided into 1,00,00,000 equity shares of ₹ 10/- each fully paid up and there has been no change in the capital structure of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1. Appointment / Re-Appointment:

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("the Act") and the Rules framed there under, Mr. Anand A. Patel (DIN: 00103316), Director of the Company retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

2. Key Managerial Personnel:

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

1.	Mr. Anand A. Patel	Whole Time Director
2.	Mr. Pratik S. Shah	Chief Financial Officer
3.	Mr. Niren A. Desai	Company Secretary

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all the independent directors of the Company in accordance with the Section 149 (7) of the Act confirming that they meet the criteria of independence prescribed under the Act and they have registered their names in the independent directors' databank.

In the opinion of the board, there has been no change in the circumstances which may affect their status as independent directors and the board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150 (1) of the Act and applicable rules thereunder) to all independent directors on the board.

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

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. The performance evaluation of the Non-Independent Directors have been carried out by the Independent Directors. The performance of the Directors, the board as a whole and Committee of the Board were found to be satisfactory.

CHANGE(S) IN THE NATURE OF BUSINESS:

During the financial year ended March 31, 2021, there has been no change in the Company's nature of business.

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:

(a) 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 Act.

(b) OTHER DIRECTORS AND SENIOR MANAGEMENT

- 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.

- 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.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. 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 AGM notice for such motion indicating the justification for extension of appointment beyond seventy years. Moreover any person appointed shall not continue in the Company if the evaluation of his performance is not satisfactory to the said committee.

(c) 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.

(d) Remuneration Pattern:

i. Executive Directors

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

Components	Item
(1)	(2)
Base Salary	• Reflects the person's experience, criticality of the role with the Company and the risk factor involved
Short-term incentive	• Based totally on the performance of the Director
Long-term incentive	• Drive and reward delivery of sustained long-term performance
Retiral Benefits	• Provide for sustained contribution

Description	Policy
(3)	(4)
• 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.
• 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
• Variable long-term remuneration component.	Determined by the Nomination and Remuneration Committee and distributed on the basis of time, level and performance
• Accrues depending on length on service.	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

ii. **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.

iii. **Non-Executive Directors**

The Remuneration to the non-executive Directors should be determined as per the provisions of the Act, 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.

(e) **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:

Pursuant to the provision of Section 134 (3) (c) of the Act, the directors state that:

a) that in the preparation of the annual accounts for the year ended March 31, 2021, 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, 2021 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 Act 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.

NUMBER OF MEETINGS OF THE BOARD AND COMMITTEE:

The number of the meetings / attendances of the board of directors and committees meetings held during the financial year ended March 31, 2021 are as follows.

Board Meeting:

Name of Directors	Date of Meeting		
	24/06/2020 (1)	19/08/2020 (2)	02/11/2020 (3)
Mr. Anand A. Patel	√	√	√
Mrs. Hansaben A. Patel	×	×	×
Mr. Ishwarlal D. Patel	√	√	×
Mr. Mahesh M. Patel	√	√	√
Mr. Naresh P. Suthar	√	√	√

Name of Directors	Date of Meeting 01/02/2021 (4)	Total No. of Meetings attended
Mr. Anand A. Patel	√	4 / 4
Mrs. Hansaben A. Patel	√	1 / 4
Mr. Ishwarlal D. Patel	√	3 / 4
Mr. Mahesh M. Patel	√	4 / 4
Mr. Naresh P. Suthar	√	4 / 4

Audit Committee Meeting:

Name of Directors	Date of Meeting		
	24/06/2020 (1)	19/08/2020 (2)	02/11/2020 (3)
Mr. Anand A. Patel	√	√	√
Mr. Mahesh M. Patel	√	√	√
Mr. Naresh P. Suthar	√	√	√

Name of Directors	Date of Meeting 01/02/2021 (4)	Total No. of Meetings attended
Mr. Anand A. Patel	√	4 / 4
Mr. Mahesh M. Patel	√	4 / 4
Mr. Naresh P. Suthar	√	4 / 4

Nomination and Remuneration Committee Meeting:

Name of Directors	Date of Meeting		Total No. of Meetings attended
	19/08/2020 (1)	01/02/2021 (2)	
Mr. Mahesh M. Patel	√	√	2 / 2
Mr. Naresh P. Suthar	√	√	2 / 2
Mr. Ishwarlal D. Patel	√	√	2 / 2

SECRETARIAL STANDARDS:

The Company has followed the applicable secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

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 AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2021 to which the financial statements relates and the date of signing of this report.

DEPOSITS:

The Company has not accepted any deposits from the public in terms of Section 73 and 74 and Chapter V of the Act read with the Companies (Acceptance of

Deposits) Rules, 2014. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to provision of the Section 186 of the Act, Company have not given any guarantee or provided any security during the year under review. The details of loans and investment have been disclosed in notes to the financial statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

There are no subsidiaries / joint ventures / Associates of your company. Further, your company is subsidiary company of Lincoln Pharmaceuticals Ltd (Holding Company).

- During the year under review, the Company has filled petition with Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench for approve of the scheme of amalgamation of Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective Shareholders and Creditors, the matter is being under consideration and hearing is pending before the NCLT.

INSURANCE:

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment and other assets.

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.

RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered by the Company during the financial year ended March 31, 2021 with the related parties were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC – 2 in terms of Section 134 (3) (h) read with Section 188 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014. The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in the Notes to financial statements of the Company.

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large. Members may refer the financial statement which sets out related party disclosures pursuant to IND AS.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company does not fall under the criteria mentioned in the provision of Section 135 of 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.

HUMAN RESOURCES DEVELOPMENT:

The Company believes that the employees of the Company are the real foundation on which the success of the Company depends. It is always proactive with respect to the human resource development activities. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee orientation programmes which has helped the Organization to achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to provisions of Section 177 (9) of the Act, read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014, the Company has formulated a Vigil Mechanism / Whistle Blower Policy for Directors, Employees or business associates for reporting the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee. The Policy also provides for adequate safeguard against victimization of the Directors' / Employees who avail the services of said mechanism.

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.

AUDITORS:

i. STATUTORY AUDITORS:-

Messrs J. T. Shah & Co., Chartered Accountants [ICAI FRN: 109616W], were appointed as the statutory auditors of the Company to hold office for a period of five years Messrs J. T. Shah & Co., Chartered Accountants [ICAI FRN: 109616W], were appointed as the statutory auditors of the Company to hold office for a period of five years from conclusion of AGM held for the financial year ended on March 31, 2018 till the conclusion of AGM to be held for the financial year ending on March 31, 2023.

Accordingly, Messrs J. T. Shah & Co., Chartered Accountants, Statutory Auditors of the Company will continue till the financial year ending on March 31, 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 141 of the Act.

The auditors' report are with unmodified opinion i.e. it does not contain any qualification, reservation or adverse remark or disclaimer for the financial year ended March 31, 2021.

ii. COST AUDITOR:-

The board of directors on the recommendation of the audit committee, appointed Messrs Kiran J. Mehta & Co., cost accountants (Firm Registration Number 000025), as the cost auditors of the Company to audit the cost records for the financial year ended on March 31, 2022 as per Section 148 of the Act. Messrs Kiran J. Mehta & Co., cost accountants have confirmed that their appointment is within the limits of Section 141 (3) (g) of the Act and have also certified that they are free from any disqualifications specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Act.

As per the provisions of the Act, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to Messrs Kiran J. Mehta & Co., cost auditors forms part of the AGM notice convening the AGM.

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, 2021. The secretarial audit report is annexed to this directors' Report **(Annexure – 1).**

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

Pursuant to Section 148 (1) 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. The audit report of the cost accountant of the Company for the financial year ended March 31, 2021 will be submitted to the relevant authority in due course.

REPORTING OF FRAUDS:

During the year under review, the statutory auditors, cost auditors and secretarial auditor have not reported any instances of frauds committed in the Company by its officers or employees to the audit committee under Section 143 (12) of the Act.

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 Act read 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

ANNUAL RETURN:

Presently, Company does not have any dedicated website, however, in future, if website will be develop by the Company, Company will promptly comply with the requirement as given under the section 92 of the Act. Further, Company has continued practice of attaching form MGT – 9 with the directors' report **(Annexure – 2).**

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the financial year ended on March 31, 2021, There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not applicable during the year under review.

AUDIT COMMITTEE:

The details pertaining to the composition of the audit committee as on March 31, 2021 are given under, further, all the recommendations made by the audit committee were accepted by the Board.

a) Mr. Mahesh M. Patel — Chairman
b) Mr. Anand A. Patel — Member
c) Mr. Naresh P. Suthar — Member

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.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed during the year by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

ACKNOWLEDGMENT:

The board of directors wish to place on record its deep sense of appreciation for the committed services by all the employees in unprecedented pandemic situation. Further, we would also like to express their sincere appreciation for the assistance and co-operation received from the banks, government and regulatory authorities, stock exchanges, vendors, members.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PARENTERAL LIMITED

ANAND A. PATEL	**MAHESH M. PATEL**
WHOLE-TIME DIRECTOR	**DIRECTOR**
DIN: 00103316	**DIN: 00103239**

AHMEDABAD, MAY 25, 2021

ANNEXURE – 1 TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2021
[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,
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad – 380 060,
Gujarat, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LINCOLN PARENTERAL LIMITED** (hereinafter called the 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 **March 31, 2021** ('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 **March 31, 2021** according to the provisions of:

a) The Companies Act, 2013 (the Act) and the rules made there under.
b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
d) 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.
e) 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 to the company during the audit period);**
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. **(not applicable to the company during the audit period);**
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(not applicable to the company during the audit period);**
    (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(not applicable to the company during the audit period);**
    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the company during the audit period);**
    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the

Companies Act and dealing with client; **(not applicable to the company during the audit period);**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the company during the audit period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the company during the audit period);**

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

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

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 take 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:

(a) Public / Rights / Preferential issue of Shares / debentures / sweat equity.
(b) Redemption/buy-back of securities.
(c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
(d) Merger / amalgamation **however it is to be noted that during the audit period, the Company has filled petition to Hon'ble National Company Law Tribunal (NCLT) Ahmedabad Bench to approve the scheme of amalgamation of**

Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective Shareholders and Creditors, the matter is under consideration and hearing is pending before the Hon'ble Bench.

(e) Foreign technical collaborations.

For, Vishwas Sharma and Associates,
Company Secretaries,

Vishwas Sharma, Proprietor
ACS: 33017, COP No.:16942
UDIN: A033017C000366482

Place: Ahmedabad
Date: 25/05/2021

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,
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad – 380 060,
Gujarat, India.

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
UDIN: A033017C000366482

Place: Ahmedabad
Date: 25/05/2021

ANNEXURE - 2 TO THE DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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:** lincolnparenteral91@gmail.com.
Whether Listed Company:	No
Name, Address and contact details of RTA, if any:	**Bigshare Services Private Limited** **Corproate Office Address:** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059. **Communication Office Address:** A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380009. **Tel No.:** 079-40024135, **E-Mail ID:** bssahd@bigshareonline.com.

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:-

Sr. No.	Name and Description of main products	NIC Code of the Product / Service	% to total turnover of the company
1	Pharmaceutical products	2100*	100%

* As Per the National Industrial Classification (NIC-2008)

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

ii. Shareholding of Promoters & Group:

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	98,58,438	98.58	0.00	98,58,438	98.58	0.00	0.00
2	Mahendrabhai G. Patel	1	0.00	0.00	1	0.00	0.00	0.00
3	Munjal M. Patel	1	0.00	0.00	1	0.00	0.00	0.00
4	Kailashben M. Patel	1	0.00	0.00	1	0.00	0.00	0.00
5	Mansi M. Patel	1	0.00	0.00	1	0.00	0.00	0.00
6	Nidhi M. Patel	1	0.00	0.00	1	0.00	0.00	0.00
7	Anand A. Patel	1	0.00	0.00	1	0.00	0.00	0.00

iii. Change in Promoters' Shareholding: No Change

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 (Whole Time Director)**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	1	0.00	1	0.00
2	**Hansaben A. Patel (Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00
3	**Ishwarlal D. Patel (Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00
4	**Mahesh M. Patel (Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00
5	**Naresh P. Suthar (Director)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00
6	**Pratik S. Shah (Chief Financial Officer)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00
7	**Niren A. Desai (Company Secretary)**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise changes during the year	**No Change**			
	At the End of the year	0	0.00	0	0.00

d) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(Rs. In Lakh)**

	Secured Loans excluding deposits	Un-Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	0	0	0	**0**
ii. Interest due but not paid	0	0	0	**0**
iii. Interest accrued but not due	0	0	0	**0**
Total (i+ii+iii)	**0**	**0**	**0**	**0**
Change in Indebtedness during the Financial Year				
• Addition	0	0	0	**0**
• Reduction	0	0	0	**0**
Net Change- Addition / (Reduction)	**0**	**0**	**0**	**0**
Indebtedness at the end of the Financial Year				
i. Principal Amount	0	0	0	**0**
ii. Interest due but not paid	0	0	0	**0**
iii. Interest accrued but not due	0	0	0	**0**
Total (i+ii+iii)	**0**	**0**	**0**	**0**

e) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Rs. In Lakh)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Anand A. Patel (WTD)	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	13.79	**13.79**
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act,1961	0.29	**0.29**
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	0.00	**0.00**
2	Stock Option	0.00	**0.00**
3	Sweat Equity	0.00	**0.00**
4	Commission - as % of profit - others specify	0.00	**0.00**
5	Others, please specify	0.00	**0.00**
	Total (A)	**14.08**	**14.08**
	Ceiling as per the Act	Rs. 21.27 (Not Exceeding 5% of the net profits of the Company calculated as per Section 198 of the Act)	

B. Remuneration To Other Directors: Not Applicable

C. Remuneration To Key Managerial Personnel Other than

(Rs. In Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	0.00	0.00	0.00
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act,1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission - as % of profit - others specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total (A)	**0.00**	**0.00**	**0.00**

f) 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 25, 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Lincoln Parenteral Limited

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, 2021, 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 standalone 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 31st March 2021, 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 Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 standalone 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
<u>Measurement of Expected Credit Loss on Trade Receivables</u>	
Trade receivables amount to Rs.786.42 Lakhs after providing for an impairment based on expected credit loss method of Rs.15.44 Lakhs. 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 standalone 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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-37 of 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]

Place: Ahmedabad
Date: 25/05/2021

(J. J. Shah)
Partner
[M. No. 045669]
UDIN:

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, 2021.

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.

2. In respect of its Inventories :
   (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.

3. In respect of Loans and Advances 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 gurantees:
   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 to parties covered under Section 185 and 186. Therefore clauses (iv) of companies (Auditor's Report) Order, 2016 is not applicable to the company.

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 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 to the company.

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, value added tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities applicable to it. 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, 2021 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of provident fund, employees' state insurance, income tax, value added tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues with the appropriate authorities.

8. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that during the year the Company has not defaulted in repayment of dues to a Financial Institutions or Banks. 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 to the company.

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 standalone financial statements as required by the applicable accounting standards.

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, and hence clause (xv) of Company's (Auditor's Report) Order, 2016 is not applicable to the company.

16. According to the information and explanation given to us, the company is not required to registered 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 to the company.

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

Place: Ahmedabad
Date: 25/05/2021

(J. J. Shah)
Partner
[M. No. 045669]
UDIN:

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, 2021.

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 2021, 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 standalone 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 standalone 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 standalone 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 standalone 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 2021, 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]

Place: Ahmedabad
Date: 25/05/2021

(J. J. Shah)
Partner
[M. No. 045669]
UDIN:

LINCOLN PARENTERAL LIMITED

Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

		Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A		ASSETS			
	1	Non-current assets			
		(a) Property, plant and equipment	5	2,073.80	2,246.82
		(b) Capital work-in-progress	6	34.45	Nil
		(c) Financial assets			
		(i) Investments	7	0.22	0.22
		(ii) Other financial assets	8	7.49	8.23
		(d) Other non-current assets	9	4.29	22.69
		Total non - current assets		2,120.25	2,277.96
	2	Current assets			
		(a) Inventories	10	634.62	953.48
		(b) Financial assets			
		(i) Investments		Nil	Nil
		(ii) Trade receivables	11	786.49	880.44
		(iii) Cash and cash equivalents	12	90.35	284.63
		(iv) Other bank balances	13	Nil	6.17
		(v) Loans	14	42.00	130.00
		(c) Other current assets	15	1,466.40	1,546.16
		Total current assets		3,019.86	3,800.88
		Total assets (1+2)		5,140.11	6,078.84
B		EQUITY AND LIABILITIES			
	1	Equity			
		(a) Equity share capital	16	1,000.00	1,000.00
		(b) Other equity	17	1,712.40	1,531.31
		Total equity		2,712.40	2,531.31
		LIABILITIES			
	2	Non-current liabilities			
		(a) Financial liabilities			
		(i) Borrowings	18	Nil	32.92
		(ii) Other financial liabilities	19	1,482.44	1,674.42
		(b) Deferred tax liabilities (Net)	20	243.29	276.01
		Total non - current liabilities		1,725.73	1,983.35
	3	Current liabilities			
		(a) Financial liabilities			
		(i) Borrowings		Nil	Nil
		(ii) Trade payables	21		
		- Total outstanding dues of micro and small enterprises		171.44	144.73
		- Total outstanding dues of creditors other than micro and small enterprises		448.80	699.79
		(iii) Other financial liabilities	22	37.13	14.17
		(b) Other current liabilities	23	19.69	687.13
		(c) Provisions	24	Nil	0.79
		(c) Current tax liabilities (Net)	25	24.92	17.57
		Total current liabilities		701.98	1,564.18
		Total equity and liabilities (1+2+3)		5,140.11	6,078.84
		Summary of significant acounting policies	4		

In terms of our report attached.

For, J. T. Shah & Co
Chartered Accountants
(Firm Regd. No.109616W)

[J. J. Shah]
Partner
(M.No.45669)
UDIN:

Place : Ahmedabad
Date: 25.05.2021

For & on behalf of the Board of Directors of
Lincoln Parenteral Limited

Anand A. Patel Whole Time Director (DIN: 00103316)	Mahesh M. Patel Director (DIN: 00103239)
Pratik S. Shah Chief Financial Officer	Niren A. Desai Company Secretary (M. No. 60285)
Place : Ahmedabad Date: 25.05.2021	Place : Ahmedabad

LINCOLN PARENTERAL LIMITED

Statement of Profit and Loss for the Year ended March 31, 2021

(Rs. in Lakhs)

	Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
I	Revenue from operations	26	4,464.04	4,435.23
II	Other income	27	6.25	13.10
III	Total income (I + II)		4,470.29	4,448.33
IV	EXPENSES			
	(a) Cost of materials consumed	28	2,792.91	3,175.55
	(b) Purchases of stock-in-trade		20.45	41.85
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	231.89	(223.42)
	(d) Employee benefit expense	30	420.97	375.46
	(e) Finance costs	31	119.46	120.10
	(f) Depreciation and amortisation expense	32	189.44	185.68
	(g) Other expenses	33	429.30	460.09
	Total expenses		4,204.42	4,135.31
V	Profit before tax (III- IV)		265.87	313.02
VI	Tax expense			
	(a) Current tax	34	102.65	93.95
	(b) Deferred tax (Asset)/Liability	34	(31.61)	27.66
	(c) Short/ (Excess) provision of tax	34	10.44	0.08
	Total tax expense		81.48	121.69
VII	Profit for the Year (V-VI)		184.39	191.33
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	35	(4.41)	(3.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	35	1.11	0.86
	Total other comprehensive income		(3.30)	(2.24)
IX	Total comprehensive income for the Year (VII+VIII)		181.09	189.09
X	Basic & diluted earnings per share of face value of Rs.10 each fully paid up			
	(1) Basic	44	1.84	1.91
	(2) Diluted	44	1.84	1.91

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

[J. J. Shah]
Partner
(M.No.45669)
UDIN:

Place : Ahmedabad
Date: 25.05.2021

For & on behalf of the Board of Directors of
Lincoln Parenteral Limited

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

Mahesh M. Patel
Director
(DIN: 00103239)

Pratik S. Shah
Chief Financial Officer

Niren A. Desai
Company Secretary
(M. No. 60285)

Place : Ahmedabad
Date: 25.05.2021

LINCOLN PARENTERAL LIMITED

Statement of Cash Flow for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash flow from operating activities		
Profit before tax	265.87	313.02
Adjustments for :		
Depreciation and amortisation expense	189.44	185.68
Provision for expected credit loss	(0.54)	0.79
Finance costs	119.46	120.10
Interest income	(0.84)	(0.17)
Operating profit before working capital changes	573.39	619.42
Changes in operating assets and liabilities:		
(Increase)/Decrease in inventories	318.86	(278.29)
(Increase)/Decrease in trade receivables	94.49	(137.84)
(Increase)/Decrease in other Non current assets	75.35	(139.20)
Increase/(Decrease) in trade payable	(224.28)	185.24
(Increase)/Decrease in non-current financial assets	0.74	(1.19)
Increase/(Decrease) in Short term provisions	(0.79)	0.79
Increase/(Decrease) in other non current financial liabitlies	(300.00)	Nil
Increase/(Decrease) in other current financial liabitlies	28.46	(35.77)
Increase/(Decrease) in other current liabitlies	(667.44)	100.87
Cash flow generated from operations	(101.22)	314.03
Direct taxes paid (net)	(96.67)	(77.62)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(197.89)	236.41
Cash flows from investing activities		
Purchase of property, plant and equipments	(46.60)	(102.20)
(Increase)/Decrease in current loans	88.00	120.00
(Increase)/Decrease in Margin Money Deposit	6.17	(6.00)
Interest received	0.84	Nil
NET CASH FLOW FROM IN INVESTING ACTIVITIES (B)	48.41	11.80
Cash flows from financing activities		
Finance costs Paid	(6.86)	(3.36)
Repayment of long-term borrowings	(37.94)	(3.06)
Long-term borrowings taken	Nil	41.00
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(44.80)	34.58
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS (A + B + C)	(194.28)	282.79
Cash and cash equivalents at the beginning of the year	284.63	1.84
Cash and cash equivalents at the end of the year	90.35	284.63

LINCOLN PARENTERAL LIMITED

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: (Rs. in Lakhs)

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.31	4.98
Balances with Bank	87.04	279.65
Total Cash and cash equivalents (Refer Note 12)	90.35	284.63

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. J. Shah]
Partner
(M.No.45669)
UDIN:

Place : Ahmedabad
Date: 25.05.2021

For & on behalf of the Board of Directors of
Lincoln Parenteral Limited

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

Mahesh M. Patel
Director
(DIN: 00103239)

Pratik S. Shah
Chief Financial Officer

Niren A. Desai
Company Secretary
(M. No. 60285)

Place : Ahmedabad
Date: 25.05.2021

LINCOLN PARENTERAL LIMITED

Statement of Changes in Equity for the Year ended on March 31, 2021

Equity Share Capital (Rs. in Lakhs)

Particulars	Note No.	Amount
Balance as on 1st April, 2019	16	1,000.00
Changes during the year		Nil
Balance as on 31st March, 2020	16	1,000.00
Changes during the year		Nil
Balance as on 31st March, 2021	16	1,000.00

Other Equity (Rs. in Lakhs)

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, 2019	17	682.18	0.10	575.93	82.50	1.51	1,342.22
Profit for the year		191.33	Nil	Nil	Nil	Nil	191.33
Other comprehensive income for the year (net of Tax)		Nil	(2.24)	Nil	Nil	Nil	(2.24)
Balance as at 31st March, 2020	17	873.51	(2.14)	575.93	82.50	1.51	1,531.31
Profit for the year		184.29	Nil	Nil	Nil	Nil	184.29
Other comprehensive income for the year (net of Tax)		Nil	(3.30)	Nil	Nil	Nil	(3.30)
Balance as at 31st March, 2021	17	1,057.80	(5.44)	575.93	82.50	1.51	1,712.30

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

[J. J. Shah]
Partner
(M.No.45669)
UDIN:

Place : Ahmedabad
Date: 25.05.2021

For and on behalf of the board of Director of
Lincoln Parenteral Limited

Anand A. Patel Whole Time Director (DIN: 00103316)	Mahesh M. Patel Director (DIN: 00103239)
Pratik S. Shah Chief Financial Officer	Niren A. Desai Company Secretary (M. No. 60285)

Place : Ahmedabad
Date: 25.05.2021

Notes to financial statement for the year ended March 31, 2021

1. Corporate information:

The Lincoln Parenteral Limited ('the Company') is a company, incorporated on May 17, 1991 under the provisions of the Companies Act 1956, having it registered office in the Ahmedabad, Gujarat, India. It is a Subsidiary of Lincoln Pharmaceuticals Limited. The Company is engaged in the business of manufacturing and trading of pharmaceutical products. The Company has manufacturing plant located in state of Gujarat.

These financial statements are approved by board of the Company in their meeting held on 25th May 2021.

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, 2021 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 - Refer Note.38

b. Financial Instruments recognied at FVTPL or FVTOCI - Refer Note.40

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 4(ii) 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 25 & 34)

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 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 11 & 41.1)

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 38)

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 40)

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances.

(a) Sale of Goods

Revenue from the sale of goods is recognized at a point in time when the control of the products has transferred which generally coincides with dispatch of products to customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

•The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

• The Company has a present right to payment for the asset.

•The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability.

(b) Rendering of Services

Revenue from divisible service contracts:

i) service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and

ii) the revenue relating to supplies are measured in line with policy set out in 4(ii)(a).

In respect of indivisible contracts, the revenues are recognised over a period of time, measured as per 4(ii)(b)(i) above.

When the consideration is received, before the Company transfers goods to the customer, the Company shall present the consideration as a contract liability and when the services rendered by the Company exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

(c) Export Incentives

Export entitlements are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds

(d) 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.

(e) Insurance Claim:

Insurance claims are recognised to the extent the company is reasonably certain of their ultimate collection of Claims receivable on account of Insurance.

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 as mentioned below, no Depreciation has been provided on Free hold land.

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 realisatble 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 nad 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:

As a Lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the company has the right to direct the use of the asset.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-to-use assets and lease liabilities for shortterm lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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 (FCTOCI):
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.

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:

a) Current tax:

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment. However adoption of the same does not have any impact on the Balance Sheet, Statement of Change in Equity and Statement of Profit & Loss Account.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

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

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 39 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
Till the date of approval of these financial statements, no notification issued in respect of amendments to Ind AS that would be effective in future periods have been notified by the Ministry of Corporate Affairs

Note 5: Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Land (Free Hold)	Buildings	Plant & Machinery	Computers	Vehicle	Furniture & Fixtures	Total
Gross Carrying Value as on April 01, 2019	4.50	885.04	1,884.41	8.98	Nil	53.59	2,836.52
Addition during the year	Nil	22.21	39.16	Nil	45.29	2.91	109.57
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2020	4.50	907.25	1,923.57	8.98	45.29	56.50	2,946.09
Addition during the year	Nil	Nil	15.21	0.29	Nil	0.88	16.38
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2021	4.50	907.25	1,938.78	9.27	45.29	57.38	2,962.47
Accumulated depreciation and Impairment as on April 01, 2019	Nil	88.65	409.90	0.36	Nil	14.64	513.55
Addition during the year	Nil	30.46	142.41	2.79	3.79	6.23	185.68
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Accumulated Depreciation and Impairment on March 31, 2020	Nil	119.11	552.31	3.15	3.79	20.87	699.23
Addition during the year	Nil	30.92	143.95	2.85	5.38	6.34	189.44
Deduction during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Accumulated Depreciation and Impairment on March 31, 2021	Nil	150.03	696.26	6.00	9.17	27.21	888.67
Net Carrying Value as on March 31, 2020	4.50	788.14	1,371.26	5.83	41.50	35.63	2,246.82
Net Carrying Value as on March 31, 2021	4.50	757.22	1,242.52	3.27	36.12	30.17	2,073.80

Notes:

i. Assets pledged as security:
Refer Note 48 for disclosure of assets pledged as security.

ii. Capitalised borrowing cost:
Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2021 - Rs. Nil (for the year ended March 31, 2020: Rs. Nil).

iii. Contractual obligations:
Refer Note. 36 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv.Depreciation on Property, Plant & Equipment
Refer Note 4(iv) for disclosure of Policies and method used for the depreciation of property, Plant & Equipment.

(Rs. in Lakhs)

Note 6 : Capital Work in Progress

Particulars	Amount
Balance at April 01, 2019	15.46
Addition during the year	6.75
Capitalised during the year	22.21
Balance at March 31, 2020	Nil
Addition during the year	34.45
Capitalised during the year	Nil
Balance at March 31, 2021	34.45

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

7	Non-current Investments	As at March 31, 2021	As at March 31, 2020
	Investment in equity instruments at amortised cost (Unquoted)		
	736 (PY.736) Equity shares Nav Nirman Co-Op. Bank of face value Rs. 25 each fully paid up.	0.18	0.18
	Investments in government securities at amortised cost (Unquoted)		
	National Saving Certificate	0.04	0.04
	Total	0.22	0.22
	Aggregate amount of qouted investment - At cost	Nil	Nil
	Aggregate amount of unqouted investment - At cost	0.22	0.22

(Rs. in Lakhs)

8	Non-current Other Financial Assets	As at March 31, 2021	As at March 31, 2020
	(Unsecured and considered good)		
	Security Deposits	7.49	8.23
	Total	7.49	8.23

(Rs. in Lakhs)

9	Other Non-Current Assets	As at March 31, 2021	As at March 31, 2020
	Advances for Property, Plant & Equipment	2.64	7.39
	Advance payment of income tax	173.02	192.10
	Less: Provision for income tax	(171.48)	(176.91)
	Advance Income Tax (net)	1.54	15.19
	Others	0.11	0.11
	Total	4.29	22.69

(Rs. in Lakhs)

10	Inventories	As at March 31, 2021	As at March 31, 2020
	Raw Materials	205.63	227.77
	Work-in-Process	55.60	148.14
	Finished Stock	109.30	248.65
	Packing Material	264.09	328.92
	Total	634.62	953.48

a) Inventory of Raw Material includes material in transit- as on 31-03-2021 of Rs.Nil (as on 31-03-2020 Rs. Nil)

b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2021 Rs. Nil/- (as on 31-03-2020 Rs.Nil)

c) The cost of inventories recognised as an expenses includes Rs. Nil (during 2019-20 Rs.Nil) in respect of write-down of inventory to net realisable value, and has been reduced by Rs. Nil (during 2019-20 : Rs. Nil) in respect of the reversal of such write-down.

d) Inventories pledged as Security with bank for borrowing as on 31-03-2021 of Rs.Nil (as on 31-03-2020 Rs. Nil)

(Rs. in Lakhs)

11	Trade receivables	As at March 31, 2021	As at March 31, 2020
	Trade Receivables (Unsecured)		
	Trade Receivable Considered Good - Unsecured	183.09	258.98
	Trade Receivables which have singificant increase in Credit Risk	618.77	637.47
	Trade Receivable Credit Impaired	Nil	Nil
		801.86	896.45
	Less: Allowance for Expected Credit Loss	15.44	15.98
	Total	786.49	880.44

Notes:

i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note no.45.

Notes to financial statement for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Balance at the beginning of the year	15.98	15.19
Add : Allowance made during the year	Nil	0.79
Less : Reversal of allowance made during the year	0.54	Nil
Closing Balance	15.44	15.98

(Rs. in Lakhs)

12 Cash & Cash Equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.31	4.98
Balances with Bank	87.04	279.65
Total	90.35	284.63

(Rs. in Lakhs)

13 Other Bank Balances	As at March 31, 2021	As at March 31, 2020
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	Nil	6.17
Margin Money Deposits	Nil	Nil
Total	Nil	6.17

(Rs. in Lakhs)

14 Loans	As at March 31, 2021	As at March 31, 2020
(Unsecured and considered good)		
Loans to Others	42.00	130.00
Total	42.00	130.00

(Rs. in Lakhs)

15 Other Current Assets	As at March 31, 2021	As at March 31, 2020
Advances recoverable in cash or kind	1,224.40	1,242.93
Prepaid Expenses	12.00	16.54
Loans to Employees	12.46	0.19
Gratuity Fund (Refer note 38 to financial statement)	0.11	Nil
Balances with Statutory Authorities	217.43	286.50
Total	1,466.40	1,546.16

(Rs. in Lakhs)

16 Equity Share Capital	As at March 31, 2021	As at March 31, 2020
[i]Authorised Share Capital:		
120,00,000(PY.120,00,000) Equity shares of Rs. 10 each	1,200.00	1,200.00
[ii] Issued, Subscribed & Paid-up Capital :		
100,00,000(PY.100,00,000) Equity shares of Rs. 10 each fully paid	1,000.00	1,000.00
Total	1,000.00	1,000.00

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021 and March 31, 2020 is set out below:-

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	1,00,00,000	1,000.00	1,00,00,000	1,000.00

Notes to financial statement for the year ended March 31, 2021

(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, 2021	As at March 31, 2020
Lincoln Pharmaceuticals Limited (Parent Company)	Nos.	98,58,438	98,58,438
	%	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 Rs. 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.

(Rs. in Lakhs)

17	Other Equity	As at March 31, 2021	As at March 31, 2020
(a)	General Reserve		
	Balance as per last financial Statement	82.50	82.50
	Add : Amount transfer from surplus balance in the statement of profit and loss	Nil	Nil
	Closing Balance	82.50	82.50
(b)	Retained Earnings		
	Profit and Loss:		
	Balance as per last financial Statement	873.52	682.19
	Add : Profit for the year	184.39	191.33
	Net Surplus in the statement of profit and loss (i)	1,057.91	873.52
	Other Comprehensive Income		
	Balance as per last financial Statement	(2.14)	0.10
	Add: Remeasurement of Defined benefit plans (including deferred tax)	(3.30)	(2.24)
	Net Surplus in the statement of other comprehensive income(ii)	(5.44)	(2.14)
	Equity Portion of Financial Instruments:		
	Financial Guarantee from Holding Company	29.73	29.73
	Interest free Security Deposits from Holding Company	546.19	546.19
	Total (iii)	575.92	575.92
	Total Retained Earnings (I + ii + iii)	1,628.39	1,447.30
(c)	Capital Reserve		
	Balance as per last financial Statement	1.51	1.51
	Add : Amount transfer from surplus balance in the statement of profit and loss	Nil	Nil
	Closing Balance	1.51	1.51
	Total (a + B + c)	1,712.40	1,531.31

General Reserve: General reserve is created from time to time by transfer of profits from retained earnings. It doesnot includ 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 as per the provisions of the Companies Act, 2013.

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

18	Non-Current Borrowings	As at March 31, 2021	As at March 31, 2020
	Secured Borrowing		
	Vehicle Loan	Nil	37.94
	Less : Current maturities of long-term debt (Note: 22)	Nil	5.02
	Total	Nil	32.92

Secured Borrowing:

i. The Company has borrowed vehicle loan against purchased of a new car from NBFC & Rate of Interest is 10.91%..

ii. Yearwise repayment schedules: (Rs. in Lakhs)

Years	As at March 31, 2021	As at March 31, 2020
FY 2020-21	Nil	5.02
FY 2021-22	Nil	5.60
FY 2022-23	Nil	6.24
FY 2023-24	Nil	21.08
Total	Nil	37.94

(Rs. in Lakhs)

19	Other Non-Current Financial Liabilities	As at March 31, 2021	As at March 31, 2020
	Security deposits from holding company (at amorised cost)	1,482.44	1,674.42
	Total	1,482.44	1,674.42

(Rs. in Lakhs)

20	Deferred Tax Liabilities (Net)	As at March 31, 2021	As at March 31, 2020
	Deferred Tax Liabilities		
	Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	249.20	283.54
	Total Deferred Tax Liabilities	249.20	283.54
	Deferred Tax Assets		
	Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	2.03	3.09
	Allowance for Expected Credit Loss on Trade Receivables	3.89	4.44
	Total Deferred Tax Assets	5.92	7.53
	Net Deferred Tax Liability	243.29	276.01

Note:

i. Movement of deferred tax liability: (Rs. in Lakhs)

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, 2019 *	(282.63)	1.14	4.22	28.06	Nil
Charged / (credited):					
to profit or loss	(0.92)	1.09	0.22	(28.06)	Nil
to other comprehensive income	Nil	1	Ni	Nil	Nil
At March 31, 2020 *	(283.54)	3.09	4.44	Nil	Nil
Charged/(credited):					
to profit or loss	34.34	(2.17)	(0.55)	Nil	Nil
to other comprehensive income	Nil	1.11	Nil	Nil	Nil
At March 31, 2021*	(249.20)	2.03	3.89	Nil	Nil

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

	* Figures in bracket denotes deferred tax liability.		(Rs. in Lakhs)
21	Trade payables	As at March 31, 2021	As at March 31, 2020
	Payable to Micro and Small Enterprise	171.44	144.73
	Payable to others	448.80	699.79
	Total	620.24	844.52
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 46.		
			(Rs. in Lakhs)
22	Other Current Financial Liabilites	As at March 31, 2021	As at March 31, 2020
	Current Maturity of long term borrowings (Refer Note 18)	Nil	5.02
	Employee Benefit Payable	37.13	8.67
	Creditors for Property, Plant & Equipment	Nil	0.48
	Total	37.13	14.17
			(Rs. in Lakhs)
23	Other Current Liablities	As at March 31, 2021	As at March 31, 2020
	Advance received from customers	11.31	673.18
	Other Statutory dues	8.38	13.95
	Total	19.69	687.13
			(Rs. in Lakhs)
24	Current Provisions	As at March 31, 2021	As at March 31, 2020
	Provisions for Gratuity	Nil	0.79
	Total	Nil	0.79
			(Rs. in Lakhs)
25	Current Tax Liabilities (Net)	As at March 31, 2021	As at March 31, 2020
	Provision For Income tax	102.65	93.95
	Less: Advance Payment of Income Tax	(77.73)	(76.38)
	Total	24.92	17.57

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

26	Revenue from operation	Year Ended March 31, 2021	Year Ended March 31, 2020
	Sale of Product		
	Finished Goods	4,199.61	4,075.62
	Sale of services		
	Job Work Charges	242.06	339.73
	Other operating revenue		
	Scrap Sale	12.64	15.22
	Export Incentive Income	9.73	4.66
	Total	4,464.04	4,435.23

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

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross Revenue	4,454.31	4,430.57
	4,454.31	4,430.57
Less: Rebate & Discount etc	Nil	Nil
Revenue recognised from Contract with Customers	4,454.31	4,430.57

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :- (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operation	4,464.04	4,435.23
Less: Export incentive	9.73	4.66
Revenue recognised from Contract with Customers	4,454.31	4,430.57

(Rs. in Lakhs)

27	Other Income	Year Ended March 31, 2021	Year Ended March 31, 2020
	Interest Income From Bank	0.84	0.17
	Interest Income From Others	3.41	10.94
	Expected Credit Loss Written Back	0.54	Nil
	Foreign Exchange Gain (Net)	1.46	1.99
	Total	6.25	13.10

(Rs. in Lakhs)

28	Cost of Materials Consumed	Year Ended March 31, 2021	Year Ended March 31, 2020
	Raw Material		
	Inventory at the beginning of the year	227.77	210.01
	Add: Purchase	991.57	1,091.72
	Less: Inventory at the end of the year	205.63	227.77
	Cost of Consumption of Raw Material	1,013.71	1,073.96
	Packing Material		
	Inventory at the beginning of the year	328.92	291.81
	Add: Purchase	1,714.37	2,138.70
	Less: Inventory at the end of the year	264.09	328.92
	Cost of Consumption of Packing Material	1,779.20	2,101.59
	Cost of Materials Consumed	2,792.91	3,175.55

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

29	Change In Inventories Of Finished Goods, Work In Progress And Stock In Trade	Year Ended March 31, 2021	Year Ended March 31, 2020
	Inventory at the beginning of the year		
	Work-in-process	148.14	70.57
	Finished Stock	248.65	102.80
		396.79	173.37
	Inventory at the end of the year		
	Work-in-process	55.60	148.14
	Finished Stock	109.30	248.65
		164.90	396.79
	Decretion / (Accretion) to Stock	231.89	(223.42)

(Rs. in Lakhs)

30	Employee Benefit Expense	Year Ended March 31, 2021	Year Ended March 31, 2020
	Salary, Wages & Bonus Expenses	404.78	362.63
	Contribution to Provident Fund & Other Funds	16.19	12.83
	Total	420.97	375.46

Refer Note.38 for the disclosure of Ind AS 19 in respect of Long term benefits payable to Employees recognised in financial statement.

(Rs. in Lakhs)

31	Finance Costs	Year Ended March 31, 2021	Year Ended March 31, 2020
	Interest expense on financial liability recognised at amortised cost (as per effective interest rate method)	108.02	116.82
	Interest Paid to Others	11.19	3.06
	Other borrowing cost	0.25	0.22
	Total	119.46	120.10

(Rs. in Lakhs)

32	Depreciation And Amortisation Expense	Year Ended March 31, 2021	Year Ended March 31, 2020
	Depreciation on Property, Plant & Equipment	189.44	185.68
	Total	189.44	185.68

(Rs. in Lakhs)

33	Other Expenses	Year Ended March 31, 2021	Year Ended March 31, 2020
	Power & Fuel	77.45	61.72
	Stores & Spares consumed	66.38	35.05
	Labour Expenses	155.78	180.60
	Repairs To:		
	Building	7.07	3.34
	Machinery	38.40	36.82
	Insurance	5.76	5.01
	Rates & Taxes	5.86	8.06
	Conveyance & Vehicle Expense	Nil	0.80
	Stationery, Printing & Communication	1.38	0.63
	Traveling & Conveyance Expense	7.73	8.01
	Legal & Professional Expenses	18.22	14.67
	Auditor's Remuneration (Refer Note No. 43)	1.00	2.00
	Sales & Marketing Expenses	0.29	0.38
	Sales Commission	35.10	60.25
	Donation	Nil	0.98
	(Reversal)/Allowance for Expected Credit Loss	Nil	0.79
	Factory Expenses	6.14	12.45
	Bad Debt	Nil	27.38
	Miscellaneous expenses (includes Telephone expenses and Inspection Fees etc.)	2.74	1.15
	Total	429.30	460.09

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

		Year Ended March 31, 2021	Year Ended March 31, 2020
34	Income tax recognised in profit or loss		
	Current tax:		
	In respect of the current year	102.65	93.95
	In respect of the prior year	10.44	0.08
	Sub-Total (i)	113.09	94.03
	Deferred tax:		
	In respect of the current year	(31.61)	27.66
	Sub-Total (ii)	(31.61)	27.66
	Total (I + ii)	81.48	121.69

Income tax reconciliation (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit before tax	265.87	313.02
Tax expenses reported during the year	81.48	121.61
Income tax expenses calculated at CY 25.168% (PY :27.82%)	65.09	87.07
Difference	16.39	34.54
Permanent disallowances	29.35	33.27
Income not taxable under Income tax	Nil	Nil
Effect of deferred tax balances due to change in income tax rate from 27.82% to 25.168%	(26.31)	Nil
Taxation in relation to earlier years	10.44	0.08
Other Items	2.91	1.19
Total	16.39	34.54

(Rs. in Lakhs)

		Year Ended March 31, 2021	Year Ended March 31, 2020
35	Statement of Other Comprehensive Income		
	(i) Items that will not be reclassified to profit and loss		
	Remeasurement of defined benefit plans		
	Actuarial gain / (loss)	(4.41)	(3.10)
	(ii)Income tax relating to these items that will not be reclassifed to profit and loss		
	Deferred tax impact on actuarial gain / (loss)	1.11	0.86
	Total	(3.30)	(2.24)

36. Capital Commitment

Details of outstanding capital commitments are as under:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	2.77	8.50
Advance paid against such contracts	2.64	7.39
Remaining outstanding commitment	0.13	1.11

37. Contingent Liabilities

Details of contingent liabilities are as under: (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax demands disputed in appeal by the Company / Income Tax Authorities.	Nil	2.14

38. 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 Rs. 7.47 Lakhs (March 31, 2020: Rs.5.02 Lakhs) 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 year (Rs. in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
In Income Statement	3.06	1.91
In Other Comprehensive Income	4.40	3.10
Total Expenses Recognized	7.46	5.01

A1.Expenses Recognized in the Income Statement (Rs. in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Service Cost	3.01	2.24
Net Interest Cost	0.05	(0.33)
Expenses Recognized in the Statement of Profit and Loss	3.06	1.91

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

A2.Other Comprehensive Income (Rs. in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Actuarial (gains) / losses		
- change in financial assumptions	(0.07)	(0.39)
- experience variance	4.21	3.24
Return on plan assets, excluding amount recognized in net interest expense	0.26	0.25
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	4.40	3.10

B. Net Liability recognized in the balance sheet (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Obligation	(32.58)	(23.79)
Fair value of plan assets	32.69	23.00
Surplus / (Deficit)	0.11	(0.79)
Net (Liability)/Asset recognized in the Balance sheet	0.11	(0.79)

B1. Changes in the Present value of Obligation (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Obligation as at the beginning	23.80	18.27
Current Service Cost	1.63	1.41
Interest Expense or Cost	3.01	2.24
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(0.07)	(0.39)
- experience variance	4.21	3.24
Past Service Cost	Nil	Nil
Benefits Paid	Nil	(0.98)
Present Value of Obligation as at the end of the year	32.58	23.79

B2. Changes in the Fair Value of Plan Assets (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of Plan Assets at the beginning of the year	23.01	22.50
Interest Income	1.57	1.73
Contribution by Employer	8.37	Nil
(Benefit paid from the Fund)	Nil	(0.98)
Return on Plan Assets, Excluding Interest Income	(0.26)	(0.25)
Fair Value of Plan Assets at the end of the year	32.69	23.00

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

C. Actuarial Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.85%	7.69%
Expected rate of salary increase	5.50%	6.50%
Expected Return on Plan Assets	6.85%	7.69%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	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 (Rs. in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Defined Benefit Obligation (Base)	32.58	23.79

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	3.63	(3.05)	2.77	(2.31)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(3.11)	3.43	(2.36)	2.78
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(0.40)	0.34	(0.26)	0.25

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Weighted average duration (based on discounted cash flows)	12	12

(Rs. in Lakhs)

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2021	As at March 31, 2020
1 year	6.43	4.14
2 to 5 years	4.90	4.00
6 to 10 years	8.25	5.88
11 Years and more	59.98	45.61

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.

39. Segment Reporting

The Company's management, consisting of the whole time director , the chief financial officer and other key managerial personnel 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.

(i) The geographical details of Revenue and non Current Asset are as under:

(Rs. in Lakhs)

Particulars	India	Rest of World	Total	Year
Segment Revenues	4,237.72	226.32	4,464.04	For 2020-21
	4,326.82	108.41	4,435.23	For 2019-20
Segment Assets	2,120.25	Nil	2,120.25	As at 31/03/2021
	2,277.96	Nil	2,277.96	As at 31/03/2020

(ii) Details of customer contributing 10% or more of total revenue : (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
No. of customers contibuting 10% or more of total revenue (individually)	1	1
Amount of revenue	3,458.24	3,475.51
% of total revenue	77.36%	78.13%

Notes to financial statement for the year ended March 31, 2021

40 Fair Value Measurements

Financial instrument by category and their fair value

(Rs. in Lakhs)

As at 31st March, 2021	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	7	Nil	Nil	0.22	0.22	Nil	Nil	Nil	Nil
Non Current Other Financial Assets	8	Nil	Nil	7.49	7.49	Nil	Nil	Nil	Nil
Trade Receivables	11	Nil	Nil	786.49	786.49	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	12	Nil	Nil	90.35	90.35	Nil	Nil	Nil	Nil
Other Bank Balances	13	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loans	14	Nil	Nil	42.00	42.00	Nil	Nil	Nil	Nil
Other Financial Assets									
Non Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Financial Assets		Nil	Nil	926.55	926.55	Nil	Nil	Nil	Nil
Financial Liabilities									
Borrowings									
Non Current	18	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current	22	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	19	Nil	Nil	1,482.44	1,482.44	Nil	Nil	Nil	Nil
Current	22	Nil	Nil	37.13	37.13	Nil	Nil	Nil	Nil
Trade Payables	21	Nil	Nil	620.24	620.24	Nil	Nil	Nil	Nil
Total Financial Liabilties		Nil	Nil	2,139.81	2,139.81	Nil	Nil	Nil	Nil

(Rs. in Lakhs)

As at 31st March, 2020		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	7	Nil	Nil	0.22	0.22	Nil	Nil	Nil	Nil
Non Current Other Financial Assets	8	Nil	Nil	8.23	8.23	Nil	Nil	Nil	Nil
Trade Receivables	11	Nil	Nil	880.44	880.44	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	12	Nil	Nil	284.63	284.63	Nil	Nil	Nil	Nil
Other Bank Balances	13	Nil	Nil	6.17	6.17	Nil	Nil	Nil	Nil
Current Loans	14	Nil	Nil	130.00	130.00	Nil	Nil	Nil	Nil
Other Financial Assets									
Current		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Financial Assets		Nil	Nil	1,309.69	1,309.69	Nil	Nil	Nil	Nil

Notes to financial statement for the year ended March 31, 2021

Financial Liabilities									
Borrowings									
Non Current	18	Nil	Nil	32.92	32.92	Nil	Nil	Nil	Nil
Current	22	Nil	Nil	5.02	5.02	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	19	Nil	Nil	1,674.42	1,674.42	Nil	Nil	Nil	Nil
Current	22	Nil	Nil	9.15	9.15	Nil	Nil	Nil	Nil
Trade Payables	21	Nil	Nil	844.52	844.52	Nil	Nil	Nil	Nil
Total Financial Liabilties		Nil	Nil	2,566.03	2,566.03	Nil	Nil	Nil	Nil

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.

41 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.

Notes to financial statement for the year ended March 31, 2021

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 Rs.15.44/- Lakhs as at March 31, 2021 and Rs.15.98/- Lakhs as at March 31, 2020. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

(Rs. in Lakhs)

Allownace Movement for Trade Receivables	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	15.98	15.19
Add : Allowance made during the year	Nil	0.79
Less : Reversal of allowance made during the year	0.54	Nil
Closing Balance	15.44	15.98

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.

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

(Rs. in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	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 18)	Nil	Nil	Nil	Nil	Nil	Nil
Current (Refer Note 22)	Nil	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities:						
Non Current (Refer Note 19)	1,482.44	Nil	Nil	1,482.44	Nil	1,482.44
Current (Refer Note 22)	37.13	37.13	Nil	Nil	Nil	37.13
Trade Payables (Refer Note 21)	620.24	620.24	Nil	Nil	Nil	620.24
Total	2,139.81	657.37	Nil	1,482.44	Nil	2,139.81

(Rs. in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2020	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 18)	32.92	Nil	32.92	Nil	Nil	32.92
Current (Refer Note	5.02	5.02	Nil	Nil	Nil	5.02
Other Financial Liabilities:						
Non Current (Refer Note 19)	1,674.42	Nil	Nil	1,674.42	Nil	1,674.42
Current(Refer Note 22)	9.15	9.15	Nil	Nil	Nil	9.15
Trade Payables (Refer Note 21)	844.52	844.52	Nil	Nil	Nil	844.52
Total	2,566.03	858.69	32.92	1,674.42	Nil	2,566.03

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.

Notes to financial statement for the year ended March 31, 2021

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. 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.

(Rs. in Lakhs)

i) Particulars of unhedged foreign currency exposure at the reporting date.

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
a) Trade receivables	USD	Nil	1.48
	INR	Nil	111.84
b) Trade payables	USD	Nil	Nil
	INR	Nil	Nil
c) Short term borrowings	USD	Nil	Nil
	INR	Nil	Nil
Net Statement of Financial Exposure	USD	Nil	1.48
	INR	Nil	111.84

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 (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Rate Borrowings	Nil	37.94
Variable Rate Borrowings	Nil	Nil
Total	Nil	37.94

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 18 of these financial statement.

ii) Interest Rate Sensitivity (Rs. in Lakhs)

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, 2021	Year Ended March 31,2020
50bp increase would decrease the profit before tax by	Nil	Nil
50bp decrease would increase the profit before tax by	Nil	Nil

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, 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to financial statement for the year ended March 31, 2021

42 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: (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt	Nil	37.94
Cash and bank balances	(90.35)	(290.80)
Net debt	Nil	Nil
Equity	2,712.40	2,531.31
Net debt to equity ratio	Nil	Nil

43 Details of Payment to Auditors (Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31,2020
Payment to auditors:		
As auditor:		
Audit fee	1.50	1.50
Taxation matters	0.50	0.50
Total	2.00	2.00

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

44. Earnings Per Share (EPS)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
Net Profit for calculation of basic / diluted EPS	Rs. in Lakhs	184.39	191.33
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	No. of shares	1,00,00,000	1,00,00,000
Basic and Diluted Earnings Per Share	Rs.	1.84	1.91
Nominal Value of Equity Shares	Rs.	10.00	10.00

A. Reconcilation on Amount of EPS

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Basic earnings per share in Rs.		
From continuing operations attributable to the equity holders of the company	1.84	1.91
Total basic earnings per share attributable to the equity holders of the company	1.84	1.91
(b) Diluted earnings per share in Rs.		
From continuing operations attributable to the equity holders of the company	1.84	1.91
Total diluted earnings per share attributable to the equity holders of the company	1.84	1.91

B. Reconciliations of earnings used in calculating earnings per share

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	184.39	191.33
(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	184.39	191.33

Notes to financial statement for the year ended March 31, 2021

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,00,00,000	1,00,00,000
(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	1,00,00,000	1,00,00,000

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Basic earnings per share in Rs.	Nil	Nil
(b) Diluted earnings per share in Rs.	Nil	Nil

45. Related Parties Disclosures

Name of related party	Nature of relationship
Lincoln Pharmaceuticals Limited	Holding Company
Zullinc Healthcare LLP	Subsidiary of Holding Company
List of Key Managerial Personnel:	
Anand A Patel	Whole-Time Director
Mahendra G Patel	Key Managerial Person of Holding Company
Ashish R Patel	Key Managerial Person of Holding Company
Hasmukh I Patel	Key Managerial Person of Holding Company
Munjal M Patel	Key Managerial Person of Holding Company
Entities in which Key Managerial personnel and /or their relative have control:	
Downtwon Travels Pvt Ltd	Controlled by Key Managerial Persons of Holding Company
List of 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
Kailashben M Patel	Spouse of of Key Managerial Person of Holding Company
Kalpanaben R Patel	Spouse of of Key Managerial Person of Holding Company
Mansi M Patel	Spouse of of Key Managerial Person of Holding Company
Arvind G Patel	Father of Key Managerial Person
Dharmisthaben H Patel	Spouse of of Key Managerial Person of Holding Company
Mansi A Patel	Spouse of of Key Managerial Person
Nidhi M Patel	Daughter of Key Managerial Person of Holding Company

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

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

Transactions with related parties during the year:

(Rs. in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2021	Year ended March 31, 2020
Lincoln Pharmaceuticals Limited	Sale of products	3,829.34	3,846.13
	Sale of services	45.36	63.95
	Purchase of goods	229.45	268.05
	Reimbursement of Expenses	70.87	70.50
	Interest expense on unwinding of Discount	108.02	116.82
Zullinc Healthcare LLP	Sale of products	Nil	3.07
Mahendra G Patel HUF	Sales commission expense	17.70	11.80
Munjal M Patel HUF	Sales commission expense	17.70	11.80
Anand A Patel	Director remuneartion	14.08	15.96
Mansi M Patel	Salary expense	11.70	20.79
Nidhiben M Patel	Salary expense	9.10	11.49
Dharmisthaben Hasmukhbhai Patel	Salary expense	11.05	10.79
Arvind G Patel	Consultancy Fees	8.40	8.40
Mansi A Patel	Salary expense	16.90	16.39
Kailashben M Patel	Salary expense	11.70	11.50
Kalpanaben R Patel	Salary expense	4.55	5.45

Compensation to Key Managerial Personnel

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short term Employee benefit	14.08	15.96
Post Employment Benefits	0.74	0.43
Other Long-term employee benefits	Nil	Nil
Total	14.82	16.39

Balances outstanding at each reporting date:

(Rs. in Lakhs)

Name of party	Nature of Amount	As at March 31, 2021	As at March 31, 2020
Lincoln Pharmaceuticals Limited:			
Security Deposits	Other non-current financial liabilities	(1,482.44)	(1,674.42)
Trade Payable	Trade Payables	Nil	(6.47)
Advances for goods	Other current liabilities	(6.69)	(673.19)
Anand A Patel	Other Current Financial Liabilites	(0.53)	Nil
Mansi A Patel	Other Current Financial Liabilites	(0.63)	Nil
Mansi M Patel	Other Current Financial Liabilites	(0.21)	Nil
Dharmisthaben Hasmukhbhai Patel	Other Current Financial Liabilites	(0.68)	(3.08)
Nidhiben H Patel	Other Current Financial Liabilites	(0.04)	Nil
Kailashben Mahendrabhai Patel	Other Current Financial Liabilites	(0.03)	1.27
Kalpanaben R Patel	Other Current Financial Liabilites	(0.35)	Nil
Zullinc Healthcare LLP	Trade Receivables	16.61	19.68
Arvind G Patel	Trade Payables	(0.65)	(0.63)

Note: Figures in bracket denotes credit balance.

LINCOLN PARENTERAL LIMITED

Notes to financial statement for the year ended March 31, 2021

46.Due to Micro and Small Enterprise

Under 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:

(Rs. in Lakhs)

Particulars	As At 31/03/2021	As At 31/03/2020
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	171.44	144.73
b) Interest due thereon	Nil	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	Nil	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.

47. Changes in Liabilities arising from Financial Activities

(Rs. in Lakhs)

Particulars	Year Ended 31/03/2021	Year Ended 31/03/2020
Opening Balance	2,566.03	2,263.48
Cash inflow of non-current borrowings	Nil	41.00
Cash outflow of non-current borrowings	(37.94)	(3.06)
Changes in current borrowings cash flows	Nil	Nil
Changes in trade payable cash flows	(224.28)	185.24
Change in other current financial liability	28.46	(35.77)
Change in other non-current financial liability	(300.00)	Nil
Others	107.54	115.14
Closing Balance	2,139.81	2,566.03

48.Assets Pledged as Security

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

(Rs. in Lakhs)

Particulars	As At 31/03/2021	As At 31/03/2020
Non-Current Assets		
Property Plant & Equipment	Nil	45.29
Total Non Current Assets pledged as Security	Nil	45.29
Current Assets		
Inventories	Nil	Nil
Financial Assets		
Investments	Nil	Nil
Trade Receivable	Nil	Nil
Cash and cash equivalents	Nil	Nil
Loans	Nil	Nil
Other Bank Balance	Nil	Nil
Other Financial Assets	Nil	Nil
Total Current Assets pledged as Security	Nil	Nil
Total Assets Pledged as Security	Nil	45.29

Note: Asset pledge as security represents the amount of hypothecated vehicle with financer.

Notes to financial statement for the year ended March 31, 2021

49. Due to outbreak of COVID-19 globally and in India, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial and non financial assets as well as liabilities accrued. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. However, the Company will continue to closely monitor any material changes to future economic conditions.

50. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

In terms of our report attached.
For, J. T. Shah & Co
Chartered Accountants
(Firm Regd. No. 109616W)

[J. J. Shah]
Partner
(M.No.45669)
UDIN:

Place : Ahmedabad
Date: 25.05.2021

For and on behalf of the board of Director of
Lincoln Parenteral Limited

Anand A. Patel Whole Time Director (DIN: 00103316)	Mahesh M. Patel Director (DIN: 00103239)
Pratik S. Shah Chief Financial Officer	Niren A. Desai Company Secretary (M. No. 60285)

Place : Ahmedabad
Date: 25.05.2021