LINCOLN
PHARMACEUTICALS LTD.
HEALTHCARE FOR ALL

Date: October 01, 2018

To, The Manager, Listing Department, **National Stock Exchange of India Limited,** Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.	To, The Department of Corporate Service, **Bombay Stock Exchange Limited,** Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400 001.
Scrip Code-LINCOLN	**Scrip Code-531633**

Dear Sir,

Sub.: Submission of the Annual Report as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above, we submit herewith the 24th Annual Report of the Company for the Financial Year Ended on March 31, 2018 duly approved and adopted by the members as per the provisions of the Companies Act, 2013 at its Annual General Meeting held on Saturday, September 29, 2018.

Kindly take the same on your records.

Thanking you.

Yours faithfully,
FOR LINCOLN PHARMACEUTICALS LIMITED

LINCOLN PHARMACEUTICALS LTD.

(AUTHORISED SIGNATORY)

Encl: As Above

Regd. Office : "Lincoln House", Science City Road, Sola, Ahmedabad-380 060. Gujarat, India
Phone : +91-79-6777 8000 | **Fax :** +91-79-6777 8062 | **CIN** L24230GJ1995PLC024288
E-mail : info@lincolnpharma.com | **Website :** www.lincolnpharma.com

Factory : 10, 12, 13, Trimul Estate, Near Khatraj Chokadi, P.O. Khatraj-382721. Ta. : Kalol, Dist. Gandhinagar, (Guj.)
Phone : 02764-665000 | **Fax :** 02764-281809
E-mail : khatraj@lincolnpharma.com

WHO - GMP CERTIFIED

SGS ISO 9001 UKAS QUALITY MANAGEMENT 005

PASSION FOR QUALITY

ANNUAL 24th REPORT 2017-2018

LINCOLN
PHARMACEUTICALS LTD.
HEALTHCARE FOR ALL

Our INNOVATIVE PRODUCTS

NAM SAFE Suspension

Paracetamol 125 mg + Mefenamic Acid 50 mg/ 15 ml Suspension

NAM SAFE-FORTE

Mefenamic Acid 100 mg + Paracetamol 250 mg Suspension

NAM COLD®-Z

Paracetamol 125 mg + Phenylephrine 5 mg + Chlorpheniramine maleate 1 mg + Sodium Citrate 60 mg + Menthol 1 mg / 5 ml Syrup

NAM COLD FX

Fexofenadine 30 mg, Phenylephrine 2.5 mg/5 ml Suspension

Pa 12 PROGLETS

1000 mg Programmed Release Paracetamol

NAM COLD® NS

Sodium Chloride 0.65 % w/v Nasal Drops

Vivian™ GEL

Diclofenac Diethylamine 1.16% w/w+ Linseed Oil 3.0% w/w + Methyl Salicylate 10% w/w + Menthol 5.0% w/w

Tinnex™

Caroverine 20 mg Capsules
Caroverine 160 mg/8 ml Injection

CHARGE UP™

(11 Antioxidants + 33 Essential Micronutrients + 5 Amino acids)

LUTHER AQUA

α-β Arteether 150 mg/ml **Injection**

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Shri Kishor M. Shah - Chairman
2. Shri Mahendra G. Patel - Managing Director
3. Shri Rajnikant G. Patel - Jt. Managing Director
4. Shri Hashmukh I. Patel - Whole-Time Director
5. Shri Ashish R. Patel - Whole-Time Director
6. Shri Munjal M. Patel - Whole-Time Director
7. Shri Arvind G. Patel - Director
8. Shri Ishwarlal A. Patel - Director
9. Dr. Pirabhai R. Suthar - Director
10. Dr. Meha M. Patel - Director
11. Shri Saurin J. Parikh - Director [w.e.f. March 27, 2018]

COMPANY SECRETARY
Mr. Bhavik P. Parikh

AUDITORS

1. **M/s. J. T. Shah & Co.**
   Chartered Accountants,
   [Statutory Auditor]
2. **M/s. Kiran J. Mehta & Co.**
   Cost Accountants
   [Cost Auditor]
3. **M/s. Rahul Agarwal & Associates**
   Practicing Company Secretary
   [Secretarial Auditor]

BANKER
State Bank of India
Yes Bank

CORPORATE IDENTITY NUMBER (CIN)
L24230GJ1995PLC024288

ISIN
INE405C01035

REGISTERED OFFICE
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola, Ahmedabad-380060.
Ph. No.: +91-79-67778000,
Fax: +91-79-67778062,
Email ID: info@lincolnpharma.com,
Website: www.lincolnpharma.com.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)
LINK INTIME INDIA PRIVATE LIMITED
5th Floor, 506-508, Amarnath Business Centre-1,
Beside Gala Business Centre, Near St. Xavier's Collage Corner,
Off C. G. Road, Navrangpura, Ahmedabad-380009.
Ph. No.: +91-79-30002684 / +91-79-26465179
Email ID: ahmedabad@linkintime.co.in

COMMITTEES

1) AUDIT COMMITTEE
Shri Ishwarlal A. Patel - Chairman
Dr. Pirabhai R. Suthar - Member
Shri Mahendra G. Patel - Member

2) STAKEHOLDER RELATIONSHIP COMMITTEE
Shri Arvind G. Patel - Chairman
Shri Mahendra G. Patel - Member
Shri Hashmukh I. Patel - Member
Shri Ishwarlal A. Patel - Member

3) NOMINATION AND REMUNERATION COMMITTEE
Shri Ishwarlal A. Patel - Chairman
Dr. Pirabhai R. Suthar - Member
Shri Kishor M. Shah - Member

4) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Shri Mahendra G. Patel - Member
Shri Rajnikant G. Patel - Member
Shri Ishwarlal A. Patel - Member

PLANT
10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol,
District-Gandhinagar, Gujarat.
Ph. No.: +91-2764-665000
Email ID: khatraj@lincolnpharma.com

24th Annual General Meeting	
Day:	Saturday
Date:	September 29, 2018
Time	10:30 A.M.
Venue:	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of **LINCOLN PHARMACEUTICALS LIMITED** will be held on Saturday, the 29th day of September, 2018 at 10:30 a.m. at the Registered Office of the Company at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Balance Sheet as on March 31, 2018, Statement of Profit and Loss and Cash Flow Statement for the Year Ended on that date and the Report of the Directors' and Auditors' thereon.
2. To Declare Dividend on Equity Shares for the Financial Year 2017-18.
3. To appoint a Director in place of Shri Hashmukh I. Patel [DIN: 00104834], who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Munjal M. Patel [DIN: 02319308], who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESSES:

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies [Appointment and Qualification of Directors] Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule-IV of the Companies Act, 2013 and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, Shri Saurin J. Parikh [DIN:02136530], who was appointed as an Additional Director of the Company by the Board of Directors (categorized as Independent Director) with effect from March 27, 2018, and who holds office upto the date of ensuring Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act"), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from March 27, 2018.

   RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force read with schedule-IV of the Companies Act, 2013, Shri Ishwarlal A. Patel (DIN: 00217324), Independent Director of the Company being eligible for re-appointment be and is hereby re-appointed as an Independent Director of the Company, for further term of 5 (Five) consecutive years from April 01, 2019 and he shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval be and is hereby granted for continuing the directorship of Shri Ishwarlal A. Patel (DIN: 00217324) who has exceeded the age of 75 years as an Independent Director of the Company.

   RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force read with schedule-IV of the Companies Act, 2013, Shri Pirabhai R. Suthar (DIN: 00453047), Independent Director of the Company being eligible for re-appointment be and is hereby re-appointed as an Independent Director of the Company, for further term of 5 (Five) consecutive years from April 01, 2019 and he shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.

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

   RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval be and is hereby granted for continuing the directorship of Shri Kishor M. Shah (DIN: 02769085) as a Chairman and Non-Executive Director of the Company who shall attain the age of 75 years in coming March, 2019.

   RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.

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

   RESOLVED THAT in supersession of the resolution passed by the members of the Company at the Annual General Meeting held on September 30, 2014 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c)and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), to the Board of Directors of the Company for borrowing any sum or sums of money for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, banks, financial institutions or from any others by way of advances, deposits, loans, debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether movable or immovable or stock-intraday (including raw materials, stores, spare-parts and components in stock or in transit), work in process and debts and advances notwithstanding that the sum or sums of money so borrowed together with money, if any, already borrowed by the Company (apart from the temporary loans obtained from Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital of the Company and its free reserves which have not been set apart for any specific purpose and that the total amount up to which the money may be borrowed at any one time shall not exceed Rs.500.00 Crores (Rupees Five Hundred Crores only) on account of the principal amount.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

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

    RESOLVED THAT in supersession of the resolution passed by the members of the Company at the Annual General Meeting held on September 30, 2014 with respect to the mortgaging and / or charging by the Board of Directors, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), to the Board of Directors of the Company to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable or immovable properties, both present and future, of the Company, wherever situate, and/or whole or substantially the whole of the undertaking or undertakings of the Company and/or conferring power to enter upon and take possession of the assets of the Company together with power to take over the management of the business and concern of the Company in certain events of default, in favour of any financial institution/s, any other institutions, banks, bodies corporate, agents, trustees or any other person for securing any loan obtained/to be obtained (in foreign currency and/or rupee currency), monies borrowed/to be borrowed and debentures or any other securities issued/to be issued together with interest, compound interest and/or additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to the lender/s with such ranking or in such form and manner as the Board of Directors may agree for the purpose of securing the deposits accepted ,the monies borrowed or debentures or other securities issued, as the case may be.

    RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

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

    RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary and the Articles of Association of the company and all other provisions of applicable laws,consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board which term, shall include any Committee constituted by the Board or any Person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any person and/or Bodies corporate and/or give any guarantee or provide security in connection with a loan to any person and/or bodies corporate and/or acquire by way of subscription, purchase or otherwise, the securities of any Bodies Corporate upto an aggregate amount not exceeding Rs. 500.00 Crore (Rupees Five Hundred Crore) notwithstanding that the aggregate of the loans or guarantees or security so far given or to be given and/or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

    RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and for these matter(s) to execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in is absolute discretion deem fit, necessary or appropriate.

12. To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION:-**

    RESOLVED THAT in super session of the earlier resolution passed at the Annual General Meeting of the Company held on September 30, 2015, pursuant to provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to the Board of Directors to enter into various related party transactions as per the details mentioned in the Explanatory Statement attached to this Notice.

    RESOLVED FURTHER THAT the Board of Directors and / or any committee thereof be and is hereby authorised to settle any difficulty and doubts that may arise with regard to giving effect to the above resolution and to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.

13. 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 Rs. 1,35,000 (Rupees One Lakh Thirty Five Thousand Only) p.a. plus out of pocket expenseto 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 2018-19.

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this Notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, of persons seeking appointment / re-appointment as Directors, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is annexed to this Annual Report. Proxy Form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable under the Act.
3. Member / proxies shall bring the enclosed attendance slip duly filled in, for attending the meeting along with Annual Report for the meeting. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company between 10:00 am and 1:00 pm on all working days (Monday to Friday), except Saturdays, Sundays and holidays, up to the date of the Annual General Meeting.
4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company a Certified Copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS/ ECS mandates, nominations, power of attorney, change of address/name, etc., to their Depository Participant. Members holding shares in physical form are requested to advice such changes to the Company's Registrar and Transfer Agents, Link Intime India Private Limited.
6. As per SEBI Circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 the Company has been directed to collect PAN and Bank details of all the physical shareholders. Accordingly the Members holding shares in physical form are requested to submit the duly filed form attached herewith to the RTA of the Company i.e. LINK INTIME INDIA PVT. LTD. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and ease of portfolio management. Members can contact the Company or LINK INTIME INDIA PVT. LTD. (RTA) for assistance in this regard.
8. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2018 to Saturday, September 29, 2018 [both days inclusive] for the purpose of determining the eligibility of the shareholders entitled for payment of dividend, if any.
10. The final dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid within statutory time limit of 30 days.

    In order to enable the Company to directly credit the dividend amount in the bank accounts:

    a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.

    b) Shareholders holding shares in physical form are requested to provide the following details along with an authorisation letter allowing the Company to directly credit the dividend in their bank accounts:

    Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, Account type and account number, IFSC code and MICR code and a copy of cancelled cheque.
11. Members are requested to note that pursuant to the provisions of Section 125(c) of the Companies Act, 2013, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The Company has already transferred the unclaimed/unpaid dividend declared for the year 2009-2010 to the said fund. Members who have so far not claimed the dividends declared for any subsequent financial year(s) are requested to make claim with the Company / RTA of the Company immediately.

12. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund. The Company has also written to the concerned shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website www.lincolnpharma.com. No claim shall lie against the Company in respect of these equity shares post their transfer to Investor Education and Protection Fund. Upon transfer, the shareholders will be able to claim these equity shares only from the Investor Education and Protection Fund Authority by making an online application, the details of which are available at www.iepf.gov.in. The Company has already transferred 18,867 Equity Shares to the designated Account of IEPF during the year 2017-18.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in the Electronic Form are, therefore, requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company/RTA of the Company.
14. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
15. In accordance with the provisions of the Companies Act, 2013 read with relvant rules framed thereunder and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, the Annual Report along with the Notice of Annual General Meeting for the Financial Year 2017-18 are being sent by Email Address to those Members who have registered their Email Address with the Company / Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For those Members who have not registered their Email Address, the physical copies of the Annual Report along with Notice are being sent in the permitted mode as per the Act.

    Members who have not registered their Email addresses so far are requested to register their Email Address for receiving all communications including Annual Report, Circulars, etc. from the Company Electronically.

    The Annual Report along with Notice of Annual General Meeting of the Company for the Financial Year 2017-18 will also be available on the website of the Company at www.lincolnpharma.com for download.
16. A Route Map showing the Directions to reach the venue of the 24thAnnual General Meeting is attached along with the notice as per the requirement of Secretarial Standards-2 on "General Meeting".

    Voting through Electronic means:

    In compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility of 'Remote E-Voting' to exercise their right to vote at the 24thAnnual General Meeting. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited (CDSL) to facilitate Remote E-Voting. The detailed process, instructions and manner for availing E-Voting facility is as below under notes.

    I. The Board of Directors has appointed Shri Umesh Parikh, Proprietor of M/s. Umesh Parikh & Associates, Practicing Company Secretary, (FCS No.: 4152) as the Scrutinizer to scrutinize the remote E-Voting process and voting process at AGM in a fair and transparent manner.

    II. The Scrutinizer shall, immediately after the conclusion of poll at the meeting, would count the votes cast 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 theCompany and make, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any person authorised by him, who shall counter sign the same.

    III. The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lincolnpharma.com and on the website of CDSL i.e. www.evotingindia.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited (BSE) and NSE Limited (NSE), where the equity shares of the Company are listed.

    IV. The facility for voting, through polling paper shall also be made available at the venue of the 24thAnnual General Meeting. The members attending the meeting, who have not already cast their vote through remote E-Voting shall be able to exercise their voting rights at the meeting. Members who have cast their vote by Remote E-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. In case Members cast their votes through both the modes, voting done by E-Voting shall prevail and votes cast through Poll Paper shall be treated as invalid. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

    V. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of Remote E-Voting and poll process at the venue of the meeting. Any person who has ceased to be the Member of the Company as on the cut-off date will not be entitled for Remote E-Voting or voting at the Annual General Meeting and should treat this Notice for information purpose only.

VI. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for E-Voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for Remote E-Voting then you can use your existing User ID and password for casting your vote.

VII. Shri Dushyant Nayak, In-charge Shares & Securities of the Company shall be responsible for addressing all the grievances in relation to 24thAnnual General Meeting including remote e voting related queries. His contact details are Email: cs@lincolnpharma.com, Ph. no.: 079-67778000/81. Address: "LINCOLN HOUSE", Behind Satyam Complex Science City Road, Sola, Ahmedabad-380060.

The instructions for shareholders voting electronically are as under:

1) The Remote E-Voting period commences on Wednesday, September 26, 2018 [10:00 a.m.] and ends on Friday, September 28, 2018 [5:00 p.m.]. During this period shareholders' of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date (record date) of September 22, 2018, may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.
2) The shareholders should log on to the E-Voting website www.evotingindia.com.
3) Click on Shareholders.
4) Now Enter your User ID
   a) For CDSL : 16 digits beneficiary ID,
   b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
   c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
5) Next enter the Image Verification as displayed and Click on Login.
6) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7) 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 shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	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. • 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 (4).

8) After entering these details appropriately, click on "SUBMIT" tab.
9) Members holding shares in physical form will then directly reach the Company selection screen. However, 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.
10) For Members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.
11) Click on the EVSN for **"LINCOLN PHARMACEUTICALS LIMITED"** on which you choose to vote.
12) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the 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.
13) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14) 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.
15) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17) 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 & enter the details as prompted by the system.
18) Shareholders can also use Mobile app - "m-Voting" for E-Voting. m-Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m-Voting using their E-Voting credentials to vote for the Company resolution(s).

19) **Note for Non-Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

20) In case you have any queries or issues regarding E-Voting, you may refer the Frequently Asked Questions ("FAQs") and E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

CONTACT DETAILS:

Company	**Lincoln Pharmaceuticals Limited**
Registrar and Transfer Agent	**Link Intime India Private Limited** 5th Floors, 506-508, Amarnath Business Centre-1, Beside Gala Business Centre, Near St. Xavier's collage corner, Off C. G. Road, Navrangpura, Ahmedabad-380009. **Ph. No.:** +91-79-26465179, +91-79-30002684, **Email ID:** ahmedabad@linkintime.co.in. **Website:** www.linkintime.co.in
E-Voting Agency	**Central Depository Services (India) Limited** **Email ID:** helpdesk.evoting@cdslindia.com
Scrutinizer	**Shri Umesh G. Parikh** (Proprietor of M/s. Umesh Parikh & Associates), Practicing Company Secretary **Email ID:** evoting@parikhdave.com

REGISTERED OFFICE:
"LINCOLN HOUSE"
Behind Satyam Complex,
Science City road, Sola,
Ahmedabad-380060.
Place : Ahmedabad
Date : August 14, 2018

By Order of the Board
For Lincoln Pharmaceuticals Limited

Bhavik P. Parikh
Company Secretary

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

Item No: 5

Shri Saurin J. Parikh, has been appointed as an Additional Director (Categorized as Independent Director) of the Company by the Board of Directors w.e.f. March 27, 2018 who shall hold office upto the date of ensuing Annual General Meeting. The Company has received from him requisite consent, intimation and declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, in connection with his appointment as an Independent Director and a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director of the Company is received by the Company. Copy of the Draft Letter of his appointment as an Independent Director would be available for inspection by the members at the Registered Office of the Company between 10:00 am and 1:00 pm on all working days (Monday to Friday), except Saturdays, Sundays and holidays, up to the date of the Annual General Meeting.

Shri Saurin J. Parikh is holding degree of Bachelor of Engineering (Mechanical). He was treasurer of the Gujarat Chamber of Commerce and Industry. Considering the qualification, positive attributes, expertise and independence, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

Looking to his experience and expertise, Board of Directors recommend the passing of the proposed Resolution.

Except Shri Saurin J. Parikh, being an appointee, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No: 6

Shri Ishwarlal A. Patel (DIN: 00217324) was appointed as an Independent Director as per Section 149 and other applicable provisions of Companies Act, 2013 at the Annual General Meeting held on 30.09.2014 for a period of 5 consecutive years till 31.03.2019. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his re-appointment as an Independent Director and a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director of the Company is received by the Company.

Based on the performance evaluation, his positive attributes, expertise, independence, and on recommendation of Nomination and Remuneration Committee the re-appointment of Shri Ishwarlal A. Patel as an Independent Director is proposed by the Board to the members in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is also required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years.

In view of the above your Directors recommends passing of the proposed special resolution.

Except Shri Ishwarlal A. Patel, being an appointee, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No. 7

Shri Pirabhai R. Suthar (DIN: 00453047) was appointed as an Independent Director as per Section 149 and other applicable provisions of Companies Act, 2013 at the Annual General Meeting held on 30.09.2014 for a period of 5 consecutive years till 31.03.2019. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his re-appointment as an Independent Director and a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director of the Company is received by the Company.

Based on the performance evaluation, his positive attributes, expertise, independence, and on recommendation of Nomination and Remuneration Committee the re-appointment of Shri Pirabhai R. Suthar as an Independent Director is proposed by the Board to the members in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of the above your Directors recommends passing of the proposed special resolution.

Except Shri Pirabhai R. Suthar, being an appointee, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item 8

Shri Kishor M. Shah (DIN: 02769085), is a Chairman and Non-Executive Director of the Company. He is associated with the Company for more than two decade. He is having wide experience in the field of International Marketing and Exports. Looking to his long association with the Company and his immense contribution in progress of the Company, the Board considers it desirable to continue his association for the benefit of the Company.

As per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years. Shri Kishor M. Shah will attain the age of 75 years in March, 2019.

In view of the above your Directors recommends passing of the proposed special resolution.

Except Shri Kishor M. Shah, being an appointee, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item 9 & 10

The Company by way of Special Resolution passed under section 180 (1) (c) of the Companies Act, 2013 had approved to borrow moneys in excess of the aggregate of the paid up capital and its free reserves, provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 300 Crores.

However, considering the present scenario and keeping in view the Company's financial requirements to support its business, the Board has thought it advisable to increase the Borrowing limits from existing Rs. 300 Crore to Rs. 500 Crore.

Pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, consent of the members of the Company is required to be obtained to borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

The Company by way of Special Resolution passed under Section 180 (1) (a) of the Companies Act, 2013 had also approved to secure the borrowings made by the Company by creating mortgages, charges, hypothecation or other encumbrances on all or any of the movable / immovable properties of the Company and / or the whole or part of undertaking of the Company. However in order to secure the increased limit of borrowing, it would be necessary to obtain the approval of the members of the Company to create charge on the assets or whole or part of the undertaking of the Company as per Section 180 (1) (a).

In view of the above, your Directors recommend the passing of the proposed Special resolutions at item No. 9 and 10 of the Notice.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No. 11

As per the provisions of Section 186 of The Companies Act, 2013, the Board of directors of the company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of (i) Sixty per cent of aggregate of the paid up capital and free reserves and securities premium account or, (ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the company.

As a measure of achieving greater financial flexibility to enable optimal financing structure, this permission is sought pursuant to provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security in connection with loans to any person/bodies corporate for an amount not exceeding Rs.500.00 Crore (Rupees Five Hundred Crore).

The investment(s), loans(s), guarantee(s) and security (ies), as the case may be, will be made inaccordance with the applicable provisions of the Companies Act, 2013 and relevant Rules madethere under.

These loans/investments/guarantees will be made out of the Company's own/surplus funds/internal accruals and or any other source, if necessary to achieve long term strategic and business objectives.

Your directors recommend to pass the proposed Special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No. 12

The Company is inter-alia, engaged in the business of Manufacturing, Marketing and distribution of pharmaceutical products. The Company in the ordinary course of its business is entering into transaction relating to Sale/Purchase of various Goods/Materials, Job-work and availing of services with the below mentioned related parties within the meaning of Section 2(76) of the Act and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Lincoln Parenteral Limited, Subsidiary Company
2. Sunmed Corporation LLP,
3. Zullinc Healthcare LLP, Wholly owned Subsidiary
4. Shree Corporation.

The transactions with the aforesaid related parties are entered into in the ordinary course of business and on arm's length price. However, for abundant caution and as a good corporate practice, your Directors thought it fit to get the approval of members for entering into below mentioned transactions with the related parties.

Details of transactions relating to sale/purchase of goods, materials, availing of services and job work with the above mentioned related parties for period of three years with effect from October 01, 2018 will be on following terms and conditions:

The particulars of the contracts/arrangements/transactions are as under:

Name of Related Party	Name of Directors or KMPs who is / are related	Nature of relationship	Nature of contracts/ arrangements/ transactions	Material terms of the contracts/arrangements/ transactions	Monetary Value
Lincoln Parenteral Limited	NA	Subsidiary Company	Sale/purchase of goods, materials and job work	At prevailing prices on arm's length basis and on Industry practice terms.	Upto Rs. 50 Cr. in each year.
Sunmed Corporation LLP	Mr. Munjal M. Patel (Designated Partner)	Entity with Common Director	Sale/purchase of goods, materials and job work	At prevailing prices on arm's length basis and on Industry practice terms.	Upto Rs. 20 Cr. in each year.
Zullinc Healthcare LLP	Mr Mahendrabhai Patel and Mr. Hasmukhbhai Patel (Designated Partners)	Wholly owned Subsidiary	Sale / purchase of goods, materials and job work	At prevailing prices on arm's length basis and on Industry practice terms.	Upto Rs. 30 Cr. in each year.
Shree Corporation	Mr Mahendrabhai Patel and Mr. Munjal Patel (Partners)	Entity with Common Partner	Sale / purchase of goods, materials and availing / providing of services	At prevailing prices on arm's length basis and on Industry practice terms.	Upto Rs. 20 Cr. in each year.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the relevant Rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 approval of the members is being obtained for entering into transactions with related parties as defined in Section 2 (76) of the Companies Act, 2013, as explained above.

In view of the above, your Directors recommend passing of the proposed Special resolution.

Shri Mahendrabhai G. Patel, Managing Director, Shri Hashmukhbhai I. Patel and Shri Munjal M. Patel, Whole Time Directors, alongewith their relatives may be deemed to be concerned or interested financially or otherwise in the proposed resolution, except none of other Directors, KMP and/or their relatives are not concerned or interested financial or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

Item No. 13

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta & Co., Cost Accountants [FRN No.: 000025], Ahmedabad to conduct the audit of cost records relating to the products, manufactured by the Company for the Financial Year ending on March 31, 2019.

As per the provisions of section 148 (3) of the Act read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014, the remuneration fixed by the Board of Directors is to be ratified by the Members of the Company.

Accordingly, consent of the Members of the Company is sought for ratification of remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2019.

Your Directors recommend passing of the proposed resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution. The proposed resolution does not relate to or affect any other company.

REGISTERED OFFICE:
"LINCOLN HOUSE"
Behind Satyam Complex,
Science City road, Sola,
Ahmedabad-380060.
Place : Ahmedabad
Date : August 14, 2018

By Order of the Board
For Lincoln Pharmaceuticals Limited

Bhavik P. Parikh
Company Secretary

ANNEXURE A TO NOTICE

INFORMATION TO SHAREHOLDERS

(In Pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting as issued by the Institute of Company Secretaries of India

Details of the Directors seeking Re-Appointment in the forthcoming Annual General Meeting

Name of Directors	**Shri Hashmukh Patel**	**Shri Munjal Patel**	**Shri Ishwarlal Patel**
DIN	00104834	02319308	00452774
Date of Birth	08/12/1958	26/06/1982	11/05/1934
Date of Appointment on the Board	20/01/1995	14/11/2014	03/02/1995
Qualifications	B. Sc	MBA-Finance & PGDIFA	B. Com
Total Remuneration last drawn	Rs. 22.89 Lac p.a.	Rs. 20.04 Lakhs p.a.	Nil
Nature of expertise in specific functional areas	Marketing & Sales	International Trade & Financial Matters	Finance & Banking
Relationship with other Directors, Manager and other Key Managerial Personnel	None	Shri Munjal M. Patel is Son of Shri Mahendra G. Patel.	None
Directorship held in other Public Companies	None	Karnavati Distributors Limited	None
Chairmanship / Membership of Committee in other Companies, if any	None	None	None
No. of Shares held in the Company as on March 31, 2018	3,73,600	6,15,500	50,400

Name of Directors	**Shri Pirabhai Suthar**	**Shri Kishor Shah**	**Shri Saurin Parikh**
DIN	00453047	02769085	02136530
Date of Birth	07/05/1946	04/03/1944	28/09/1971
Date of Appointment on the Board	30/10/1999	16/08/1995	27/03/2018
Qualifications	M.B.B.S	Matriculates	Bachelor of Engineering(Mechanical)
Total Remuneration last drawn	Nil	Nil	Nil
Nature of expertise in specific functional areas	Research and Development (R & D)	Marketing & Export	Manufacturing, International Trade, Marketing & Sales
Relationship with other Directors, Manager and other Key Managerial Personnel	None	None	None
Directorship held in other Public Companies	None	None	Pashupati Cotspin Limited
Chairmanship / Membership of Committee in other Companies, if any	None	None	Pashupati Cotspin Limited-Member of Audit Committee
No. of Shares held in the Company as on March 31, 2018	None	4,78,400	None

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 24th Annual Report, on the business and operations of **LINCOLN PHARMACEUTICALS LIMITED** together with Audited Financial Statements for the Financial Year Ended on March 31, 2018.

FINANCIAL PERFORMANCE:

The Financial Statements are prepared in accordance with Indian Accounting Standards (IND-AS). In accordance with the notification issued by Ministry Corporate Affairs dated February 16, 2015, the Company has adopted IND-AS with effect from April 01, 2017 being First IND-AS Financial Statement.

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Revenue from Operations	32,551.19	30,805.71
Other income	580.38	245.49
Profit before Depreciation and Taxation	4,749.73	3,959.31
less: Depreciation	439.93	385.17
Profit before Taxation	4,309.80	3,574.14
Less: Tax Expenses	1,034.15	833.86
Profit After Tax for the year	3,275.65	2,740.28
Other Comprehensive Income	9.20	(4.06)
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income]	3,284.85	2,736.22

STATE OF COMPANY'S AFFAIRS/OPERATIONS:

During the year under review, the Company has performed well. The turnover of the Company during the year under review was ₹ 32,551.19 Lakhs as against ₹ 30,805.71 Lakhs in the previous year. The Profit after Tax has increased to ₹ 3,275.65 Lakhs as against profit after tax of ₹ 2,740.28 Lakhs in previous year representing growth rate of 19.54% during the Financial Year 2017-18. Detailed operational working of your Company is provided in the Management Discussion and Analysis Report forming part of Annual Report.

DIVIDEND AND RESERVES:

Your Directors are pleased to recommend a Dividend of ₹ 1.50 per Equity Share of Face Value of ₹ 10/- Each (i.e.15%) for the Year Ended March 31, 2018 as against a Dividend of ₹ 1.20 per Equity Share of Face Value of ₹ 10/- Each for the Previous Year (i.e. 12%). This is subject to approval of the Members at the ensuring Annual General Meeting.

During the year under review, your Company has transferred a sum of ₹ 50.00 Lakhs to the General Reserve out of the amount available for appropriation for the Year Ended March 31, 2018 [Previous Year transferred a sum of ₹ 50.00 Lakhs].

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed there under, Shri Hashmukh I. Patel [DIN: 00104834] and Shri Munjal M. Patel [DIN: 02319308], Whole-Time Directors retires by rotation at the forthcoming Annual General Meeting and they being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and other applicable provisions if any, read with relevant rules framed there under and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, Shri Ishwarlal A. Patel [DIN: 00217324] and Shri Pirabhai R. Suthar [DIN: 00453047] being eligible for re-appointment as Independent Directors have offered themselves for their re-appointment for further term of five consecutive years w.e.f. April 01, 2019. The Board recommended their re-appointment as Independent Directors.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the resolution proposing to continue Shri Ishwarlal A. Patel [DIN: 00217324] as an Independent Director and Shri Kishor M. Shah [DIN: 02769085] as a Non-Executive Director on their attaining / crossing the age of 75 years is set out in the Notice convening the Annual General Meeting. The Board recommends to continue to avail their services in the interest of the Company.

There has been no change in the Key Managerial Personnel in the Company during the year under review.

1. **Appointment of Independent Director:**

   In accordance with the provisions of Section 149, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, the board of Directors, on the recommendations of the Nomination and Remuneration Committee, had appointed Shri Saurin J. Parikh [DIN: 02136530] as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from March 27, 2018 to hold the office till the conclusion of forthcoming Annual General meeting. The resolution proposing regularization of his appointment is set out in the Notice convening the Annual General Meeting. The Board recommends his appointment as an Independent Director.

2. **Independent Directors:**

   The Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and the Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

3. **Performance Evaluation of the Board, Committees and Independent Directors:**

   Pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 formal annual evaluation is to be made by the Board of its own performance and that of its Committees and Individual Directors. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. evaluated its own performance, the performance of its committees and Independent Directors [excluding the Director being evaluated].

   The performance evaluation of the Chairman and Non-Independent Directors was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process and performance of the Board as a whole.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Information on Operational and Financial Performance etc. is provided under the Management Discussion and Analysis Report, which is an integral part of this Report.

CHANGE(S) IN THE NATURE OF BUSINESS:

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Pursuant to the requirements of Section 134 and 178 (3) of the Companies Act, 2013, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members which is forming part of Corporate Governance Report attached to the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 of the Companies Act, 2013 and based on the information provided by the management, Your Directors confirm that:

(a) in the preparation of the Annual Financial Statement, the applicable accounting standards had been followed and that no material departures have been made for the same;

(b) they have selected such appropriate 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, 2018 and of the Profit of the Company for the year under review;

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

(d) they have prepared the accounts for the Year Ended March 31, 2018 on a 'going concern' basis;

(e) they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and

(f) they have 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:

During the year, the Board of Directors met 8 times on (1) April 17, 2017 (2) May 30, 2017 (3) August 10, 2017 (4) September 14, 2017 (5) November 15, 2017 (6) December 12, 2017 (7) January 31, 2018 and (8) March 27, 2018.

The details of the attendance of the Directors at the Board Meeting and members at the Committee Meetings are mentioned in the Corporate Governance Report which is forming part of the Annual Report.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year under review.

INTERNAL FINANCIAL CONTROL 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:

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the Financial Year of the company, to which the Financial Statements relate, i.e. March 31, 2018 and the date of the Report.

DEPOSITS:

During the year under review, the Company did not accept or invite any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies [Acceptance of Deposits] Rules 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Particulars of Loan given, Investment made and Guarantee and Security provided by the Company (if any), during the Financial Year under review and governed by the provisions of Section 186 of the Companies Act, 2013 are given in the notes forming part of the financial statements.

The details specifying the purpose for which the loan or guarantee or security given is utilized / proposed to be utilized by the recipient of the loan or guarantee or security is given in the "**Annexure-F"** which is attached as an Annexure to this Report.

SUBSIDIARY COMPANIES:

During the year under review, the Company has incorporated a Wholly-Owned Subsidiary Company "Savebux Finance & Investment Private Limited in India with an initial investment of ₹ 2 Crore. The Company is in process of receiving the Certificate of Registration (COR) from Reserve Bank of India for Non-Banking Finance Company (NBFC). As the Company has not yet received its Certificate of registration (CoR) from RBI it has not commenced its operations.

Zullinc Healthcare LLP is a wholly owned subsidiary of the Company which is mainly involved in the business of "Trading in Pharmaceutical Products"

The Company owns 98.58% shares of Lincoln Parenteral Limited (Subsidiary Company) which is mainly involved in the business of "Manufacturing and Trading of Pharmaceutical Products". During the year under review there has been no material change in the nature of the business of subsidiaries of the Company.

There are no associate companies within the meaning of Section 2 (6) of the Companies Act, 2013 ("Act").

Statement containing salient features of Financial Statements of Subsidiaries pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies [Accounts] Rules, 2014 in the prescribed Format AOC-1 is annexed as **"Annexure-A"** and forms an integral part of this Report.

The Audited Financial Statements of Subsidiaries are available on the website of the Company www.lincolnpharma.com and the same are available for inspection by members at Registered Office of the Company during business hours on working days and the Company will also make available these documents upon written request by any Member of the Company interested in obtaining the same.

INSURANCE:

The Company has adequately insured all its property including Plant and Machinery, Buildings, Stock etc., to mitigate risks arising from third party or customer claims, property/casualty, etc.

LISTING:

The entire paid up capital (i.e 2,00,00,000 Equity Shares of the Company) is listed on NSE Limited with symbol "LINCOLN" and on BSE Limited with Script Code 531633. The Company confirms that the Annual Listing Fees of both the Stock Exchanges for the Financial Year 2018-19 have been paid.

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:

During the year under review, all the transactions entered with Related Parties were on arm's length basis and in the ordinary course of business.

As there were no materially significant Related Party Transactions entered with the Related Parties which may have potential conflict with the interest of the Company at large, hence, reporting in Form-AOC-2 is not required.

The Board has approved and adopted Policy on Related Party Transactions, the same has been uploaded on the website of the Company i.e. www.lincolnpharma.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

At Lincoln Pharmaceuticals Limited the Corporate Social Responsibility has been an Integral part of the Company. The Company has always given priority to the progress of society. It believes in core value of empowerment and betterment of not only its employees but also of the society at large and its stakeholders.

The Company has continued on spending in projects like Eradicating Hunger, Preventive Healthcare, Women Empowerment and Girls Education, etc. which is in accordance with the provisions of Schedule VII of the Companies Act, 2013 and the CSR Policy of the Company.

The report on Corporate Social Responsibility Activities along with the annexure as per the Rule (8) of The Companies (Corporate Social Responsibility policies) Rules 2014 is annexed as **"Annexure-B"** and forms an integral part of this Report.

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 Companies Act, 2013 read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established 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. The said Policy is available on the Website of the Company, www.lincolnpharma.com.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules there under (Prevention of Sexual Harassment Act). There were no complaints received from employees or third party of sexual harassment during the year under review.

PARTICULARS OF EMPLOYEES:

The Disclosure required under Section 197 (12) of the Companies Act, 2013 read Rule 5 (1) of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 is annexed as **"Annexure-G"** and forms an integral part of this Report.

The Disclosure required under Rule 5 (2) and 5 (3) of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 pertaining to the top ten names of employees and other particulars of employees also form part of this report. However, in terms of Section 136 (1) of the Companies Act, 2013, the report and the Financial Statements of the Company are being sent to the shareholder and other entities excluding the said annexure. The said information is available for inspection to the members at the registered office of the Company on any working day of the Company (excluding Saturday) during the business hours of the Company upto the date of 24th Annual General Meeting of the Company. Any member who is interested in availing the copy of the same may write to the Company Secretary of the Company at cs@lincolnpharma.com.

REPORTING OF FRAUDS:

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143 (12) of the Act and Rules framed there under.

AUDITORS:

1. **STATUTORY AUDITORS:**

   At the 23rd Annual General Meeting of the Company the members approved the appointment of J.T. Shah & Co. Chartered Accountants (FRN: 109616W) as the Statutory Auditors of the Company to hold the office from the conclusion of 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting subject to ratification of appointment by the members at every Annual General Meeting.

On May 07, 2018 the provisions of Section 139 of the Companies Act, 2013 is amended where the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting is done away with. Accordingly the resolution for the ratification of appointment of Statutory Auditors is not proposed in the Notice of the Annual General Meeting.

There were no qualifications, reservations or adverse remarks in the Audit Report of M/s. J. T. Shah & Co. which required the comments of the management under Section 134 of the Companies Act, 2013.

2. COST AUDITOR:

As per the requirement of Central Government and Pursuant to Section 148 (3) of the Companies Act, 2013 read with the Companies [Cost Records and Audit] Rules, 2014 as amended from time to time, The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Kiran J. Mehta & Co., Cost Accountants, [FRN: 000025] as Cost Auditor of the Company to audit the Cost Records for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking members' approval for the ratification of remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

3. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Company has appointed M/s. Rahul Agarwal & Associates, Practicing Company Secretaries [COP: 13202], to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **"Annexure-C"** and forms an integral part of this Report.

With regard to the Qualifications in Secretarial Audit Report in MR-3:- The Company is in process of appointing the Chief Financial Officer in the Company.

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

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies [Accounts] Rules, 2014 is annexed as **"Annexure-D"** and forms an integral part of this Report.

EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return in the prescribed Form MGT-9 as required under Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies [Management and Administration] Rules, 2014, is annexed as **"Annexure-E"** and forms an integral part of this Report.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:

As per Regulation 34 read with Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, a separate report on corporate governance and Management Discussion and Analysis Report, forms an integral part of this Report.

AUDIT COMMITTEE:

The Company has in place Audit Committee in terms of requirements of the Companies Act, 2013 read with rules framed thereunder and Regulation 18 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015. The details pertaining to the Audit Committee are given in the Corporate Governance Report which forms an integral part of this Reports.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

As on date of this report, there were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation for the staunch commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. Your Directors also sincerely thank all the stakeholders, business partners, Government and other statutory bodies, banks, financial institutions, and shareholders for their continued assistance, cooperation and support.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

	M. G. Patel	**H. I. Patel**
Place : Ahmedabad	**Managing Director**	**Whole-time Director**
Date : May 30, 2018	**DIN: 00104706**	**DIN: 00104834**

FORM AOC – 1

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

Statement containing salient features of the Financial Statement of subsidiaries

PART "A": Subsidiaries

(₹ In Lakhs)

Particulars	**Details**	**Details**	**Details**
Name of the Subsidiaries	**Zullinc Healthcare LLP (Wholly-Owned Subsidiary)**	**Lincoln Parenteral Limited (Subsidiary Company)**	**Savebux Finance & Investments Private Limited (Wholly-Owned Subsidiary)**
The date since when subsidiary was acquired.	October 16, 2008	December 06, 2011	October 09, 2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2017 To March 31, 2018	April 01, 2017 To March 31, 2018	October 09, 2017 To March 31, 2018
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
Share Capital / Partners Contribution	5.00	1000.00	200.00
Reserves and Surplus	0.00	1140.07	2.42
Total Assets	1499.86	6476.63	203.37
Total Liabilities	1494.86	4336.57	0.94
Investments	0.15	0.22	NIL
Turnover	3058.98	7124.36	3.27
Profit Before Taxation	10.55	313.70	3.26
Provision for Taxation	2.28	122.50	0.84
Profit After Taxation	8.27	191.21	2.42
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	98.58%	100%

Notes:

1. There is no subsidiary which is yet to commence its operation.
2. There is no subsidiary which has been liquidated or sold during the year.

The amounts given in the table above are from the annual accounts made for the respective Financial Year end for each of the company.

Part "B": Associates and Joint Venture – None

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

(J.T.SHAH)
Parther
(M.No.3983)
Place : Ahmedabad
Date : May 30, 2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel Managing Director DIN : 00104706

R.G. Patel Jt. Managing Director DIN : 00104786

H.I. Patel Whole Time Director DIN : 00104834

Place : Ahmedabad
Date : May 30, 2018

ANNEXURE 'B' TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and
Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects/programs/activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors.

1. **Details of the CSR policy are available on website of the company.**
   https://www.lincolnpharma.com/wp-content/uploads/2014/11/Corporate-Social-Responsibility-Policy.pdf
2. **Composition of the CSR Committee:**
   As on the date of this report, CSR Committee consists of 3 (three) Directors as its Members with one Independent Director in the Committee.
   a) Shri Mahendra G. Patel - Managing Director & Member
   b) Shri Rajnikant G. Patel - Jt. Managing Director & Member
   c) Shri Ishwarlal A. Patel - Independent Director & Member
3. **Average net profit of the Company for last three Financial Years:**
   Average net profit: ₹ 2,811.17 Lakhs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**
   Company was required to spend ₹ 56.22 Lakhs towards CSR.
5. **Details of CSR spend during the Financial Year:**
   a. Total amount spent for the Financial Year : ₹ 56.57 Lakhs
   b. Amount unspent, if any : NIL
   c. Manner in which the amount spent during the Financial Year is detailed below: (₹ In Lakhs)

SN	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through Implementing agency
1.	Meeting cost of providing education to the poor children	Promoting Education	At: Shertha, State: Gujarat	1.51	1.51	1.51	Shree Saraswati Kanya Kelavni Mandal & Shertha Kelavani Mandal
2.			At: Ahmedabad, State: Gujarat	10.00	10.00	11.51	Raika Education Charitable Trust
3.			At: Ahmedabad, State: Gujarat	0.75	0.75	12.26	Dr. Jit Mehta Balshala Trust
4.			At: Kadi, State: Gujarat	7.80	7.80	20.06	Shree Someswar Ashram Trust
5.	Meeting cost of providing rehabilitation facility to the blind people and the Cancer Patients.	Promoting healthcare	At: Ahmedabad, State: Gujarat	0.36	0.36	20.42	Blind People's Association
6.			At: Hyderabad, State: A.P. / Telangana	1.00	1.00	21.42	Grace Cancer Foundation
7.	Meeting cost of providing hygienic food to poor children	Eradicating hunger and malnutrition	At: Ahmedabad, State: Gujarat	0.15	0.15	21.57	The Akshaya Patra Foundation

SN	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through Implementing agency
8.	Contribution towards conducting health awareness programme, providing free medicines, education in Rural Society, empowering Women, eradicating hunger and preventive healthcare and sanitation	Promoting Education, Preventive Healthcare and sanitation, Empowering Women	At: Ahmedabad, Kadi, State: Gujarat	35.00	35.00	56.57	Through Registered Trust- Shardaben Gulabdas Patel Public Charitable Trust

6. **In case company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company:**

   We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY
(Approved by the Board of Directors on November 14, 2014)

Lincoln Pharmaceuticals Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society. The focus areas in which LPL plans to work includes Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities are as follows:-

1. **Education:** Our endeavour is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
2. **Health care:** Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
3. **Environmental Sustainability:** We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, maintain public garden, playground cleanliness and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. Patel
Managing Director & Member of CSR Committee
DIN: 00104706

H. I. Patel
Whole-Time Director
DIN: 00104834

Place : Ahmedabad
Date : May 30, 2018

ANNEXURE 'C'

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 PHARMACEUTICALS LIMITED
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad – 380 060
Gujarat, INDIA

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LINCOLN PHARMACEUTICALS LIMITED** (hereinafter referred to as "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 ("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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2018 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the Rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share Based Employees 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 Act and dealing with client;

   (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 (Buy Back of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period); and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses/ regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreement entered into by the Company with Stock Exchanges.

During the Audit period under review and as per the explanation and clarification given to us and presentation made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, save and except ***appointment of Chief Financial Officer under provision of Section 203 of the Companies Act, 2013.***

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis and relied on representation made/ information/ records provided by the Company and/ or its officers, the Company has complied with the following laws applicable specifically to the Company:

(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) Factories Act, 1948;

(g) Poisons Act, 1919;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors / Committees of the Company were carried out on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period under review:

(i) The Company has incorporated a wholly earned subsidiary (WOS) in the name & style of “Savebux Finance & Investment Private Limited”.

We further report that there were no other instances of:

a) Public/Right Issue of Shares/ Debentures/Sweat Equity, etc.

b) Redemption / Buy-back of securities

c) Merger / Amalgamation / Reconstruction, etc.

d) Foreign Technical Collaborations

FOR RAHUL AGARWAL & ASSOCIATES
COMPANY SECRETARIES

RAHUL AGARWAL
PROPRIETOR
ACS : 35598, COP : 13202

Date : May 30, 2018
Place : Ahmedabad

Note : This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
LINCOLN PHARMACEUTICALS LIMITED
"LINCOLN HOUSE", Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad – 380 060.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR RAHUL AGARWAL & ASSOCIATES
COMPANY SECRETARIES

RAHUL AGARWAL
PROPRIETOR
ACS : 35598, COP : 13202

Date : May 30, 2018
Place : Ahmedabad

ANNEXURE 'D' TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGEEARNINGS AND OUTGO

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. TECHNOLOGY ABSORPTION:

(A)	**Conservation of energy-**	
(i)	the steps taken or impact on conservation of energy;	The Company has taken measures and applied strict 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. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	The Company endeavors in using the alternative source of energy so as to save the natural source of energy to an extent as much as possible. As an alternative the Company has installed wind turbines which is used as alternative renewable source of energy in near future.
(iii)	the capital investment on energy conservation equipments	The Company continuously endeavors to discover usages on new technologies and tools to save the energy and reduce consumption.
(B)	**Technology absorption-**	
(i)	the efforts made towards technology absorption;	Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality of production.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It improves the quality of company's products being manufactured and reduces the cost of production.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year:-	N.A

iv. The Expenditure incurred on Research and Development: (₹ In Lakhs)

SN	Particulars	2017-18	2016-17
1.	Capital Expenditure	357.17	262.73
2.	Revenue Expenditure	808.10	622.46
3.	Total	1165.27	885.19
4.	Total R&D expenditure as a percentage of total turnover	3.58%	2.87%

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(₹ In Lakhs)

SN	Particulars	2017-18	2016-17
1.	Foreign Exchange Earned	12,246.75	11,198.60
2.	Outgo of Foreign Exchange	719.48	207.24

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. Patel
Managing Director
DIN: 00104706

H. I. Patel
Whole-time Director
DIN: 00104834

Place : Ahmedabad
Date : May 30, 2018

ANNEXURE 'E' TO DIRECTORS' REPORT

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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	L24230GJ1995PLC024288
Registration Date:	January 20, 1995
Name of the Company:	Lincoln Pharmaceuticals Limited
Category/Sub-category of the Company:	1 Public Company 2 Company Limited By Share 3 Indian Non-government Company
Address of the Registered Office and Contact Details:	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060. Ph. No.: +91-79-67778000, Fax No.: +91-79-67778062. Email ID: info@lincolnpharma.com Website: www.lincolnpharma.com
Whether Listed Company:	Yes
Name, Address and contact details of Registrar and Share Transfer Agent (RTA), if any:	**LINK INTIME INDIA PRIVATE LIMITED** 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's collage corner, Off C. G. Road, Navrangpura, Ahmedabad - 380009. Ph. No.: +91-79-2646 5179, +91-79-3000 2684, Email ID: ahmedabad@linkintime.co.in

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

* As per the National Industrial Classification (NIC-2008).

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN / LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**Savebux Finance & Investment Private Limited** "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	U65990GJ2017PTC099389	Subsidiary	100%	2(87)
2.	**Zullinc Healthcare LLP** "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	AAF-5934	Subsidiary	100%	2(87)
3.	**Lincoln Parenteral Limited** "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	U24231GJ1991PLC015674	Subsidiary	98.58%	2(87)

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	5,544,815	-	5,544,815	27.72	5,337,879	-	5,337,879	26.69	-1.03
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,091,100	-	1,091,100	5.46	1,091,100	-	1,091,100	5.46	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	**6,635,915**	-	**6,635,915**	**40.68**	**6,428,979**	**-**	**6,428,979**	**32.14**	**-8.54**
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**6,635,915**	**-**	**6,635,915**	**33.18**	**6,428,979**	**-**	**6,428,979**	**32.14**	**-1.03**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	38,384		38,384	0.19	12,405	-	12,405	0.06	-0.13
c) Central Govt.	-	-	-	-	18,867	-	18,867	0.09	0.09
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	148,794	-	148,794	0.74	-	-	-	-	-0.74
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	**187,178**	**-**	**187,178**	**0.94**	**31,272**	**-**	**31,272**	**0.16**	**-0.78**
2. Non- Institutions									
a) Bodies Corp.	2,260,778		2,260,778	11.30	2,964,062	-	2,964,062	14.82	3.52
b) Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,357,331	183,910	4,541,241	22.71	4,119,832	163,710	4,283,542	21.42	-1.29
II. Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,456,133	412,700	4,868,833	24.34	5,051,837	-	5,051,837	25.26	0.92
c) Others									
a) NRI	1,030,788	-	1,030,788	5.15	871,496	-	871,496	4.36	-0.80
b) Clearing Member	179,631	-	179,631	0.90	153,463	-	153,463	0.77	-0.13
c) HUF	295,636	-	295,636	1.48	215,349	-	215,349	1.08	-0.40
Sub-total(B)(2):-	**12,580,297**	**596,610**	**13,176,907**	**65.88**	**13,376,039**	**163,710**	**13,539,749**	**67.70**	**1.81**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**12,767,475**	**596,610**	**13,364,085**	**66.82**	**13,407,311**	**163,710**	**13,571,021**	**67.86**	**1.03**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**19,403,390**	**596,610**	**20,000,000**	**100.00**	**19,836,290**	**163,710**	**20,000,000**	**100.00**	**-**

ii. **Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ashish Rajanibhai Patel	529,802	2.65	-	529,802	2.65	-	0.00
2	Amar Arvindbhai Patel	60,000	0.30	-	60,000	0.30	-	0.00
3	Anand Arvinbhai Patel	132,000	0.66	-	132,000	0.66	-	0.00
4	Arvindbhai Gulabdas Patel	111,000	0.56	-	111,000	0.56	-	0.00
5	Bhagirathbhai Tribhovanbhai Patel	22,750	0.11	-	22,850	0.11	-	0.00
6	Dharmistaben Hashmukhbhai Patel	65,003	0.33	-	65,003	0.33	-	0.00
7	Dharmisthaben Bhagirathbhai Patel	125,100	0.63	-	125,100	0.63	-	0.00
8	Hansaben Arvindbhai Patel	117,200	0.59	-	117,200	0.59	-	0.00
9	Hashmukhbhai Ishwarlal Patel	373,600	1.87	-	373,600	1.87	-	0.00
10	Ishwarbhai Ambalal Patel	50,400	0.25	-	50,400	0.25	-	0.00
11	Jigar Hasmukhbhai Patel	51,200	0.26	-	51,200	0.26	-	0.00
12	Kailashben Mahendrabhai Patel	80,000	0.40	-	80,000	0.40	-	0.00
13	Kalpanaben Rajnibhai Patel	293,100	1.47	-	293,100	1.47	-	0.00
14	Mahendrabhai Gulabdas Patel	276,500	1.38	-	301,500	1.51	-	0.13
15	Manguben I Patel	92,600	0.46	-	92,600	0.46	-	0.00
16	Mansi Munjal Patel	800,000	4.00	-	800,000	4.00	-	0.00
17	Meenaben Yogeshbhai Patel	129	0.00	-	129	0.00	-	0.00
18	Mihirbhai Vithalbhai Patel	88,730	0.44	-	88,730	0.44	-	0.00
19	Munjal Mahendrabhai Patel	590,500	2.95	-	615,500	3.08	-	0.13
20	Nidhi Mahendrabhai Patel	54,000	0.27	-	54,000	0.27	-	0.00
21	Patel Aniruddh Hasmukhbhai	51,200	0.26	-	51,200	0.26	-	0.00
22	Patel Nishitkumar Maheshbhai	181,900	0.91	-	181,900	0.91	-	0.00
23	Patel Siddharth Rajnibhai	420,001	2.10	-	420,001	2.10	-	0.00
24	Rajnibhai Gulabdas Patel	305,400	1.53	-	305,400	1.53	-	0.00
25	Renukaben Maheshbhai Patel	173,400	0.87	-	173,400	0.87	-	0.00
26	Shardaben Gulabdas Patel	231,400	1.16	-	31,400	0.16	-	-1.00
27	Shivani B. Shah	202,000	1.01	-	202,000	1.01	-	0.00
28	Yogeshkumar Ishwerlal Patel	65,900	0.33	-	8,864	0.04	-	-0.29
29	Downtown Finance Pvt. Ltd.	106,000	0.53	-	106,000	0.53	-	0.00
30	Downtown Travels LLP	475,000	2.38	-	475,000	2.38	-	0.00
31	Karnavati Distributors Ltd.	10,100	0.05	-	10,100	0.05	-	0.00
32	Sunmed Corporation LLP	500,000	2.50	-	500,000	2.50	-	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mahendrabhai Gulabdas Patel**				
	At the beginning of the year	276,500	1.38	276,500	1.38
	Date wise changes during the year				
	December 22, 2017-Purchase	25,000	0.13	301,500	1.51
	At the End of the year	301,500	1.51	301,500	1.51
2	**Munjal Mahendrabhai Patel**				
	At the beginning of the year	590,500	2.95	590,500	2.95
	Date wise changes during the year				
	December 22, 2017-Purchase	25,000	0.13	615,500	3.08
	At the End of the year	615,500	3.08	615,500	3.08
3	**Bhagirathbhai Tribhovanbhai Patel**				
	At the beginning of the year	22,750	0.11	22,750	0.11
	Date wise changes during the year				
	August 25, 2017-Purchase	100	0.00	22,850	0.11
	At the End of the year	22,850	0.11	22,850	0.11
4	**Shardaben Gulabdas Patel**				
	At the beginning of the year	231,400	1.16	231,400	1.16
	Date wise changes during the year				
	March 28, 2018-Sale	-200,000	-1.00	31,400	0.16
	At the End of the year	31,400	0.16	31,400	0.16
5	**Yogeshkumar Ishwerlal Patel**				
	At the beginning of the year	65,900	0.33	65,900	0.33
	Date wise changes during the year				
	March 28, 2018-Sale	-57,036	-0.29	8,864	0.04
	At the End of the year	8,864	0.04	8,864	0.04

iv. Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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	Digital Biotech Private Limited				
	At the beginning of the year	1,400,000	7.00	1,400,000	7.00
	Date wise changes during the year	NIL			
	At the End of the year	1,400,000	7.00	1,400,000	7.00
2	Kishor M. Shah				
	At the beginning of the year	478,400	2.39	478,400	2.39
	Date wise changes during the year	NIL			
	At the End of the year	478,400	2.39	478,400	2.39
3	Piyush J. Patel				
	At the beginning of the year	437,700	2.19	437,700	2.19
	Date wise changes during the year	NIL			
	At the End of the year	437,700	2.19	437,700	2.19

SN	For Each of the Top 10 Shareholders	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
4	Haresh A. Patel				
	At the beginning of the year	413,000	2.07	413,000	2.07
	Date wise changes during the year	NIL			
	At the End of the year	413,000	2.07	413,000	2.07
5	Sanjay G. Amin				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
6	Sonali S. Amin				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
7	Kamlesh J. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
8	Kaushal N. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
9	Bharat B. Patel				
	At the beginning of the year	412,700	2.06	412,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	412,700	2.06	412,700	2.06
10	Sharad K. Shah				
	At the beginning of the year	350,000	1.75	350,000	1.75
	Date wise changes during the year				
	August 11, 2017-Sale	-35,000	-0.18	315,000	1.58
	Septmber 8, 2017-Sale	-13,000	-0.07	302,000	1.51
	Septmber 15, 2017-Sale	-2,000	-0.01	300,000	1.50
	At the End of the year	300,000	1.50	300,000	1.50

v. Shareholding of Directors and Key Managerial Personnel:

SN	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mahendra G. Patel**				
	At the beginning of the year	276,500	1.38	276,500	1.38
	Date wise changes during the year				
	December 22, 2017-Purchase	25,000	0.13	301,500	1.51
	At the End of the year	301,500	1.51	301,500	1.51
2	**Rajnikant G. Patel**				
	At the beginning of the year	305,400	1.53	305,400	1.53
	Date wise changes during the year	NIL			
	At the End of the year	305,400	1.53	305,400	1.53

SN	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Hashmukh I. Patel**				
	At the beginning of the year	373,600	1.87	373,600	1.87
	Date wise changes during the year	NIL			
	At the End of the year	373,600	1.87	373,600	1.87
4	**Munjal M. Patel**				
	At the beginning of the year	590,500	2.95	590,500	2.95
	Date wise changes during the year				
	December 22, 2017-Purchase	25,000	0.13	615,500	3.0775
	At the End of the year	615,500	3.08	615,500	3.08
5	**Ashish R. Patel**				
	At the beginning of the year	529,802	2.65	529,802	2.65
	Date wise changes during the year	NIL			
	At the End of the year	529,802	2.65	529,802	2.65
6	**Arvind G. Patel**				
	At the beginning of the year	111,000	0.56	111,000	0.56
	Date wise changes during the year	NIL			
	At the End of the year	111,000	0.56	111,000	0.56
7	**Ishwarlal A. Patel**				
	At the beginning of the year	50,400	0.25	50,400	0.25
	Date wise changes during the year	NIL			
	At the End of the year	50,400	0.25	50,400	0.25
8	**Pirabhai R. Suthar**				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
9	**Meha M. Patel**				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
10	**Kishor M. Shah**				
	At the beginning of the year	478,400	2.39	478,400	2.39
	Date wise changes during the year	NIL			
	At the End of the year	478,400	2.39	478,400	2.39
11	**Saurin J. Parikh**				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
11	**Bhavik P. Parikh**				-
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-

5) INDEBTEDNESS

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

(₹ In Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	4,323.97	799.87	–	**5,123.84**
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**4,323.97**	**799.87**	**–**	**5,123.84**
Change in Indebtedness during the Financial Year				
• Addition	612.21	-	-	**612.21**
• Reduction	-	(9.75)	-	**(9.75)**
Net Change- Addition/ (Reduction)	**612.21**	**(9.75)**	**-**	**602.46**
Indebtedness at the end of the Financial Year				
i. Principal Amount	4,936.18	531.78	–	**5.467.96**
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**4,936.18**	**531.78**	**-**	**5.467.96**

6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

(₹ In Lakhs)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mahendra G. Patel – MD	Rajnikant G. Patel – Jt. MD	Hashmukh I. Patel – WTD	Ashish R. Patel – WTD	Munjal M. Patel – WTD	
1.	Gross salary (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	17.83	3.08	22.60	31.82	19.75	**95.08**
	(b) Value of perquisites u/s 17 (2) Income-tax Act,1961	0.29	0.29	0.29	0.29	0.29	**1.45**
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act,1961	-	-	-	-	-	**-**
2.	Stock Option	-	-	-	-	-	**-**
3.	Sweat Equity	-	-	-	-	-	**-**
4.	Commission - as % of profit - others	- -	- 15.00	- -	- -	- -	**-** **15.00**
5.	Others, please specify	-	-	-	-	-	**-**
	Total (A)	**18.12**	**18.37**	**22.89**	**32.11**	**20.04**	**111.53**
	Ceiling as per the Act	252.84	252.84	252.84	252.84	252.84	**252.84**

B. Remuneration To Other Directors: Not Applicable

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

(₹ In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Bhavik P. Parikh - Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	–	2.77	–	**2.77**
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission - as % of profit - Others, specify…	–	–	–	–
5.	Others, please specify	–	–	–	–
	TOTAL	**–**	**2.77**	**–**	**2.77**

7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A.COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B.DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. Patel
Managing Director
DIN: 00104706

H. I. Patel
Whole-time Director
DIN: 00104834

Place : Ahmedabad
Date : May 30, 2018

ANNEXURE 'F' TO DIRECTORS' REPORT

Details of loans, Securities and Guarantees falling under Section 186 of the Companies Act, 2013:

Sr. No.	Nature of Transaction and Name of Parties (Loan, Investment, Guarantee)	Purpose for which Loan is proposed to be utilized by	Amt in ₹
1.	**Unsecured Loan**	For Business activities	
	1. Lincoln Parenteral Limited		₹ 14,48,92,903/-
	2. Kanchanbhai Baldevbhai Patel		₹ 6,28,24,490/-
	3. Vadilal Industries Limited		₹ 1,61,97,163/-
	4. Romano Drungs Private Limited		₹ 18,00,000/-

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. Patel
Managing Director
DIN: 00104706

H. I. Patel
Whole-time Director
DIN: 00104834

Place : Ahmedabad
Date : May 30, 2018

DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year ended March 31, 2018;**

(₹ In Lakhs)

SN	Name of Directors	Remuneration (per annum)	Ratio
1.	Shri Mahendra G. Patel	18.12	6:1
2.	Shri Rajnikant G. Patel	18.37	6:1
3.	Shri Hashmukh I. Patel	22.89	7:1
4.	Shri Ashish R. Patel	32.11	10:1
5.	Shri Munjal M. Patel	20.04	6:1

ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;**

SN	Name of Directors	Designation	% Increase
1.	Shri Mahendra G. Patel	Managing Director	33.44%
2.	Shri Rajnikant G. Patel	Jt. Managing Director	35.28%
3.	Shri Hashmukh I. Patel	Whole-Time Director	68.53%
4.	Shri Ashish R. Patel	Whole-Time Director	100.28%
5.	Shri Munjal M. Patel	Whole-Time Director	50.89%
6.	Shri Bhavik Parikh	Company Secretary	10.00%

The other Directors are Non-Executive Directors and they are not receiving remuneration and sitting fees during the Financial Year 2017-18.

iii. **The percentage increase in the median remuneration of employees in the Financial Year;** 8.23%

iv. **The number of permanent employees on the rolls of company;**

There were 1,283 employees as on March 31, 2018.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2017-18 was 8-10%, Percentage increase in the Managerial Remuneration for the year was 45-50%.

Annual increment in the salary is based on the different grades, industry pattern, qualification, expertise and experience of individual employee.

As such the annual increment in remuneration is as per the terms of appointment and is in confirmity with the remuneration policy of the Company.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affairmed that the remuneration is as per the remuneration policy of the Company.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

	M. G. Patel	**H. I. Patel**
Place : Ahmedabad	**Managing Director**	**Whole-time Director**
Date : May 30, 2018	**DIN: 00104706**	**DIN: 00104834**

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Company's Philosophy on Corporate Governance:

Your company believes that sound Corporate Governance is vital for sustained growth and enhancing shareholders' value. It believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We continuously put thrust on implementing best corporate governance practices with highest standards. We strongly believe that timely disclosures, transparency and accountability are basic tenets of Corporate Governance which are integral part of our business and we endeavour to ensure fairness for every stakeholder-our customers, investors, vendors and the communities wherever we operate. Accordingly, we always seek to ensure that our performance is driven by integrity, values and ethics. Your company is proud to be a responsible corporate citizen in all its conduct.

Good Corporate Governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment. Strong leadership and effective Corporate Governance practices have always been priorities of the Company.

Your Company has laid down the guiding principles through its Code of business conduct, duly adopted and adhered to by Directors and senior management personnel which has been posted on website of Company www.lincolnpharma.com.

2. Board of Directors:

I. Composition of Directors:

The composition of the Board with regard to the number of Executive Directors, Non-Executive Directors, Independent Directors and Women Director meets the requirement of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015. The Company has optimum combination of Non-Executive Directors i.e. 50% of the Board consists of Non-Executive Directors. Your Directors have rich and varied experience in fields of business management, medicine, finance, international operations, marketing, Corporate Governance and bring in extensive knowledge and expertise to the Board.

II. Board Meetings:

During the year, eight Board Meetings were held on April 17, 2017, May 30, 2017, August 10, 2017, September 14, 2017, November 15, 2017, December 12, 2017, January 31, 2018 and March 27, 2018. The necessary quorum was present for all the meetings. The time gap between any two meetings was not exceeding one hundred and twenty days.

The Company provides the information as set out in Schedule-II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 to the Board/Committees to the extent it is applicable and relevant.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the Last Annual General Meeting, Number of Other Directorships and Committee Memberships are given as below:

SN	Name of Directors	Category of Directorship	No. of Board Meeting attended		#No. of other Committee Member or Chairman	Attendance at Last AGM	*No. of other Directorships
			Held	Attended			
1	Shri Kishor M. Shah	C & NED	8	2	0	No	0
2	Shri Mahendra G. Patel	P & ED	8	8	0	Yes	0
3	Shri Rajnikant G. Patel	P & ED	8	8	0	Yes	0
4	Shri Hashmukh I. Patel	P & ED	8	8	0	Yes	0
5	Shri Ashish R. Patel	P & ED	8	7	0	Yes	0
6	Shri Munjal M. Patel	P & ED	8	7	0	Yes	1
7	Shri Arvind G. Patel	P & NED	8	1	0	No	0
8	Shri Ishwarlal A. Patel	NED & ID	8	8	0	Yes	0
9	Dr. Pirabhai R. Suthar	NED & ID	8	6	0	No	0
10	Dr. Meha M. Patel	NED & ID	8	3	0	Yes	0
11	Saurin J. Parikh**	NED & ID	8	0	1	No	1

** Shri Saurin J. Parikh had appointed as Non-Executive Independent Director effective from March 27, 2018.

1. C-Chairman, P-Promoter; ID-Independent Director; ED-Executive Director; NED-Non-Executive Director.
2. * Excludes alternate Directorships/Directorships of Private Companies, Foreign Companies and Companies under Section 8 of Companies Act, 2013.
3. # The Committees considered for the above purpose are those as specified in Regulation 26 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 i.e. Audit and Stakeholders Relationship Committee.

Pursuant to the provisions of Section 165 (1) the Companies Act, 2013 and the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, None of the Directors holds Directorships in more than 20 Companies including 10 Public Companies, holds Membership of Board Committees [Audit and Stakeholders Relationship Committees] in excess of 10 and Chairmanship of Committee as aforesaid in excess of 5, across all the Companies [public companies] in which he/she is a director or member. None of the Directors serve as Independent Director in more than 7 listed Companies. None of the Director who serves as Whole-Time Director in any listed Company serves as Independent Director in more than three Listed Companies.

III. Disclosure of relationships between Directors inter-se:

The Board comprises of combination of Independent, Non-Executive and Executive Director. Shri Mahendra G. Patel, Shri Rajnikant G. Patel and Shri Arvind G. Patel are brothers. Shri Munjal M. Patel is Son of Shri Mahendra G. Patel and Shri Ashish R. Patel is Son of Shri Shri Rajnikant G. Patel. None of the other Directors are related to each other.

IV. Prohibition of Insider Trading:

In compliance with the SEBI Regulations on prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Senior Managerial Personnel and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

V. Number of Shares and Convertible Instruments held by Non-Executive Directors:

The Numbers of Shares held by the Non-Executive Directors as on March 31, 2018 are as mentioned below. Non-Executive Directors of the Company do not hold any Convertible Instruments.

Name of the Directors	Number of Shares Held as on March 31, 2018
Shri Arvind G. Patel	1,11,000
Shri Ishwar A. Patel	50,400
Dr. Pirabhai R. Suthar	NIL
Dr. Meha M. Patel	NIL
Shri Kishor M. Shah	4,78,400
Shri Saurin J. Parikh	NIL

VI. Familiarization Programme for Independent Directors:

In order to enable the Independent Directors to fulfill their role in the Company, the Company keeps them updated by conducting various presentations, imparting information on new initiatives taken by the Company, intimating the changes taking place in the industry scenario etc. The Company has in place a policy on the Familiarization Programme for Independent Directors to make them aware about the details of the Company. The said policy is also uploaded on the website of the Company under the following link:https://www.lincolnpharma.com/wp-content/uploads/2014/11/Policy-on-Familiarisation-Programme-of-Independent Directors.pdf

3. Audit Committee:

The Audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

I. Terms of Reference:

The terms of reference of the Audit Committee covers the matters specified under Regulation 18 read with Part C of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and Section 177 of the Companies Act, 2013. The brief terms of reference of the Audit Committee inter alia includes the following:

1. To review the Quarterly [un-audited] and Annual Financial Statements before the same are submitted to the Board and to oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible;
2. The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
3. To review and monitor the Auditors independence, and performance, and effectiveness of audit process;
4. To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism;
5. Scrutiny of loans, and investments, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto;
6. To carry out any other function that relates to accounts and audit of the company.

II. **Composition, meetings and attendance at the meetings during the year:**

All members of the Audit Committee have accounting and financial management knowledge. The Audit Committee consists of majority of Independent Directors, the Company Secretary of the Company act as Secretary to the Committee. During the year under review, Seven Committee Meetings were held on April 17, 2017, May 30, 2017, August 10, 2017, September 14, 2017, December 12, 2017, January 31, 2018 and March 27, 2018 necessary quorum was present at all the meetings. The composition of the Audit Committee and details of attendance of members of the Committee at the meetings are as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Ishwarlal A. Patel	Chairman–Independent Director	7	7
Dr. Pirabhai R. Suthar	Independent Director	7	6
Shri Mahendra G. Patel	Executive Director	7	7

The Statutory Auditors, Internal Auditors, and other relevant Senior Management Persons are invited to attend the Meetings of Audit Committee. The Chairman of Audit Committee was present at the Last Annual General Meeting held on September 29, 2017.

The interval between two meetings convened was not more than 120 days.

The Committee inter-alia acts as a vital link between statutory and internal auditors and the Board of Directors of the Company.

4. **Nomination and Remuneration Committee.**

As required under Section 178 of the Companies Act, 2013 read with Regulation 19 and Part-D of Schedule-II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, the Board has adequately constituted Nomination and Remuneration Committee.

I. **Terms of reference:**

The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II (Part D) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

The brief terms of reference of Nomination and Remuneration Committee inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

II. **Composition, meetings and attendance at the meetings during the year:**

The composition of the Committee and details of attendance of the Committee members at the meetings are given as under. During the year under review, two Committee meetings were held on August 10, 2017 and March 27, 2018. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Ishwarlal A. Patel	Chairman–Independent Director	2	2
Dr. Pirabhai R. Suthar	Independent Director	2	2
Shri Kishor M. Shah	Non-Executive Director	2	0

III. **Performance Evaluation Criteria for Independent Directors**

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, his participation in the Board / Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

5. **Directors' Appointment and Remuneration Policy:**

As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the policy relating to the remuneration of Directors, Key Managerial Personnel and other employees which was approved by the Board. The below mentioned is the Appointment and Remuneration policy as adopted by the Board:

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

INDEPENDENT DIRECTORS

- **Qualifications of Independent Director:-**

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

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

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

- **Independence of Independent Directors:-**

  An Independent director should meet the requirements of Section 149, Schedule IV of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

OTHER DIRECTORS AND SENIOR MANAGEMENT

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

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

III. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy 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 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.

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.

b. Remuneration Pattern:

Executive Directors:

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

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

Key Management Personnel and senior Management and Other Employees:

1. "Senior Management" shall mean the personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.
2. The remuneration package of the Key Management and Senior Management and Other Employees comprises of:
   A. **Fixed Remuneration**: This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;
   B. **Annual Allowances:** This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance.
   C. **Retirals:** This includes Provident Fund, Gratuity and Superannuation, if any.

Non-Executive Directors:

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

c. Remuneration of Directors:

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.

The Board has approved a policy for Directors Appointment and Remuneration in the meeting held on August 14, 2014 and has been uploaded on the website i.e. www.lincolnpharma.com

- **Details of remuneration for the Financial Year 2017-2018 are as given below:** (₹ In Lakhs)

Name	Service Contract / Period	Position held during the Period	Salary and Commission	Perquisites	Total Remuneration
Shri Mahendra G. Patel	3 years w.e.f. October 01, 2016	Managing Director	17.83	0.29	18.12
Shri Rajnikant G. Patel	3 years w.e.f. October 01, 2016	Jt. Managing Director	18.08	0.29	18.37
Shri Hashmukh I. Patel	3 years w.e.f. October 01, 2016	Whole-Time Director	22.60	0.29	22.89
Shri Ashish R. Patel	5 years commencing from November 14, 2014	Whole-Time Director	31.82	0.29	32.11
Shri Munjal M. Patel	5 years commencing from November 14, 2014	Whole-Time Director	19.75	0.29	20.04
Total			**110.08**	**1.45**	**111.53**

- All the Executive Directors have been paid remuneration as per the limits approved by the Board and shareholders of the Company.
- The Company has not paid sitting fees to any Directors of Company.
- Notice Period: The office of the above mentioned Managing Director, Jt. Managing Director and Whole Time Directors is terminable by giving six months' notice in writing by either side.

6. Stakeholders Relationship Committee.

I. The Stakeholders Relationship Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015. The Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, Dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

During the year, three Committee Meetings were held on July 19, 2017, November 14, 2017, and March 14, 2018. The composition and details of attendance of members of the Committee at the meetings are as under:

The attendance of each member of the Committee is as per table given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Arvindbhai G. Patel	Non-Executive Director	3	0
Shri Mahendra G. Patel	Executive Director	3	3
Shri Hasmukhbhai I. Patel	Executive Director	3	3
Shri Ishwarbhai A. Patel	Independent Director	3	3

II. Name and designation of Compliance officer:

Name of the Company Secretary and the Compliance Officer	Mr. Bhavik Parikh
Address	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.
Contact Number	+91-79-67778000/81
E-mail	cs@lincolnpharma.com

III. Summary of Shareholders Complaints:

Number of Complaints received	NIL
Number of Complaints solved	NIL
Number of Complaints not solved to the satisfaction of Shareholders	NIL
Number of Pending Complaints	NIL

7. Corporate Social Responsibility (CSR) Committee:

As required under Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility committee of the Company is adequately constituted as required under the provisions of Companies Act, 2013.

The scope of the committee is to:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- To recommend an amount of expenditure to be incurred on the activities as referred in Corporate Social Responsibility Policy of the Company.
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

Composition, meetings and attendance at the meetings during the year

During the year under review, Two Committee Meetings were held on May 30, 2017 and August 10, 2017, the necessary quorum was present at the meetings. The composition of the Committee and details of attendance of members of the Committee at the meetings are as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Shri Mahendra G. Patel	Executive Director	2	2
Shri Rajnikant G. Patel	Executive Director	2	2
Shri Ishwarbhai A. Patel	Independent Director	2	2

8. Independent Directors:

Pursuant to the provisions of Section 149 and Schedule IV of the Companies Act, 2013 read with the provisions of Regulation 25 (3) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 the Independent Directors holds at-least one meeting in the year without the presence of non-independent Directors.. The terms and conditions of their appointment have been posted on the website of the Company i.e. www.lincolnpharma.com

The Independent Directors met on January 31, 2018 and inter alia, discussed the following:

- Evaluation of performance of Non-independent Directors including chairman of the company and the Board of Directors as a whole;
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors except Shri Kishor M. Shah attended the meeting.

9. **Management Discussion and Analysis:**

Introduction

Indian Pharmaceutical Industry is the largest provider of cost-effective generic medicines to the developed world. The Country lead pharmaceutical export to the world, owing to a range of medicine exports and has possibly the largest number of USFDA approved Pharmaceuticals manufacturing facilities.

Indian economy is the seventh largest in the world in terms of nominal GDP. The Make in India. Move will further strengthen the local manufacturing Industry across the country there by utilising the available resources to the maximum.

I. **Industry structure and developments.**

The Government of India unveiled “Pharma Vision-2020” aimed at making India a Global Leader in End-to-End drug manufacturing.

Approval time for new facilities has been reduced to boost investments. By FY-2020, India is likely to be among the top three Pharmaceuticals by incremental growth and sixth largest market globally absolute size.

II. **Opportunities and Threats.**

The Government of India is focusing on bolstering growth and investment in the Indian Pharmaceuticals Industry. It allows 100% FDI (Foreign Direct Investment) under the automatic route (without prior permission) in the Pharmaceuticals sector. FDI favourably impacts the pharma Industry by providing access to more capital/funds for investing in R&D. The environment for domestic Pharma Companies remains challenging. With more products coming under price control and other pressure such as government legislation to ban certain fixes close combination drugs, the pharma market is under pressure.

The Company manages the risk through careful market research for selection of new products, planning and continues monitoring. The company’s Research and Development (R &D) Department has developed many new Formulation.

III. **Segment–wise or product-wise performance.**

Our Company is presenting different segments likes Cardiac, Diabetic, Anti-malarial, Anti-biotic, Anti-fungal, Cephalosporin’s, Analgesic, Anaesthetics, Anti-pyretic, GIT products, Vitamin-Minerals & Iron preparations. Our Company’s main focus is on Cardiac and Diabetic Segments as we have till now achieved a good growth in these segments. Now our presence has been expanded with more number of Doctors and Hospitals. In our existing forte in Respiratory segment we have expanded our basket with new set of products, so we are expecting extensive growth in this.

IV. **Outlook.**

Indian Pharmaceutical market size is expected to grow significantly. The Government is also taking relevant steps to reduce cost of medicine and bring down healthcare expense. India’s economic growth is expected to accelerate, backed by improved investor confidence and better policy reforms. The Government’s continuing fiscal consolidation and gradual improvement in rural demand are expected to drive growth, going forward. The Country’s growth rate is likely to touch 7.40% in 2018, driven by a rebound consumption demand post demonetisation.

V. **Risks and concerns.**

The company has in place mechanism to inform the board about the risk assessment and minimisation procedure and periodical review to ensure that management control risk through means of a properly defined framework. The company has formulated and adopted risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirement of the company.

VI. **Internal control systems and their adequacy.**

Your Company’s internal systems are adequate and commensurate with the size of operation. These controls ensure that transactions are authorised, recorded and reported on time. The Company maintains a system of internal control including suitable monitoring procedure in various functional areas. . The Internal Audit department carried out audits in different area of Company’s operations. Post audit reviews were carried out to ensure that audit recommendations were implemented. The Audit Committee of the Board of Directors reviewed the audit programme and findings of the Internal Audit Departments.

VII. **Discussion on Financial performance with respect to operational performance.**

Financial Performance of the Company is remained excellent in the term profit after tax. Profit after tax increase by 19.50% for the year ended March 31, 2018 compared previous year ended March 31, 2017.

VIII. **Material developments in Human Resources / Industrial Relation**

The Management consistently encourages a culture of employee recognition and motivation. This is achieved through the company’s well designed polices and processes that recognise and reward the contribution of teams through various employee benefit schemes Learning and Development has provided various learning platforms which include training programmes and self-learning modules to meet the development need of employees to help build their skills, knowledge, & capability.

10. General Body Meetings

A. Location, Date and Time where the last three Annual General Meetings were held:

Annual General Meeting				
Financial Year Ended	**Venue**	**Date**	**Time**	**Particulars of Special Resolution passed**
31-03-2017	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	29-09-2017	10:30 A.M	1. Re-Appointment of Shri Mahendra G. Patel as a Managing Director of the Company, 2. Re-Appointment of Shri Rajnikant G. Patel as a Jt. Managing Director of the Company, 3. Re-Appointment of Shri Hashmukh I. Patel as a Whole-Time Director of the Company, 4. Revision in Remuneration of Shri Munjal M. Patel, Whole-Time Director of the Company, 5. Revision in Remuneration of Shri Ashish R. Patel, Whole-Time Director of the Company, 6. Approval for keeping the registers, returns etc at a place other than the registered office of the Company pursuant to the provisions of Section 94 of the Companies Act, 2013.
31-03-2016	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	30-09-2016	10:30 A.M	None
31-03-2015	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	30-09-2015	10:30 A.M	1. Approval of Related Party Transactions u/s 188 of Companies Act, 2013.

B. **Whether any special resolution passed last year through postal ballot**

No

C. **Whether any special resolution is proposed to be conducted through postal ballot**

No

11. Means of Communication:

Quarterly Results	The results are published in the English and Gujarati Newspapers.
Newspapers wherein results normally published	The Economic Times , English and Gujarati Edition
Any website, where displayed	**Company's website-**www.lincolnpharma.com and **Websites of Stock Exchanges** i.e. BSE-www.bseindia.com and NSE-www.nseindia.com
Whether it also displays official news releases	Yes
The presentations made to institutional investors or to the analysts	The company has not made any presentation to institutions investors or to analysts during the year under review.
Website	The Company's website contains a separate section namely "Investor Relation" where the useful information for the Shareholders is available.

12. General Shareholder Information

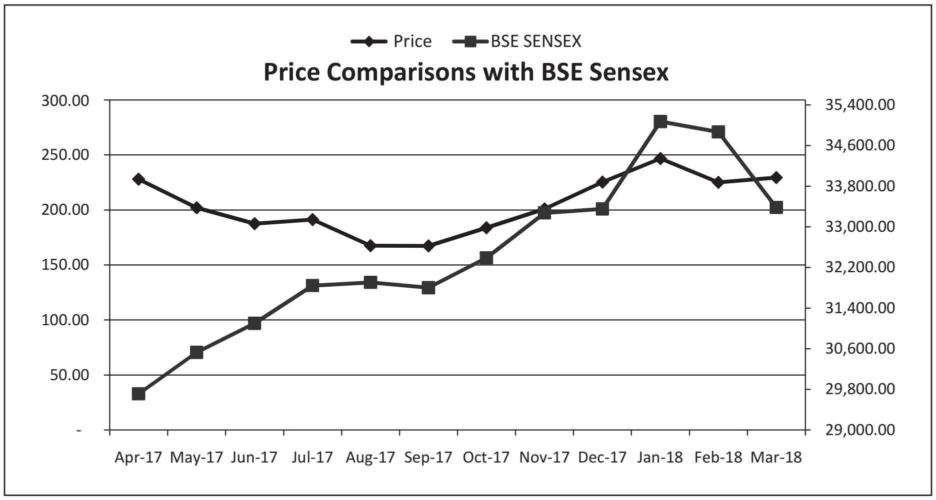
24th AGM with Date, Time and Venue	Saturday, September 29, 2018 at 10:30 A.M. "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.
Financial Year	Commencing on April 01, 2018 and Ending on March 31, 2019
Dividend Payment Date	Within Statutory period of 30 days from the date of approval of Members at the Annual General meeting. (i.e. on or before October 29, 2018)

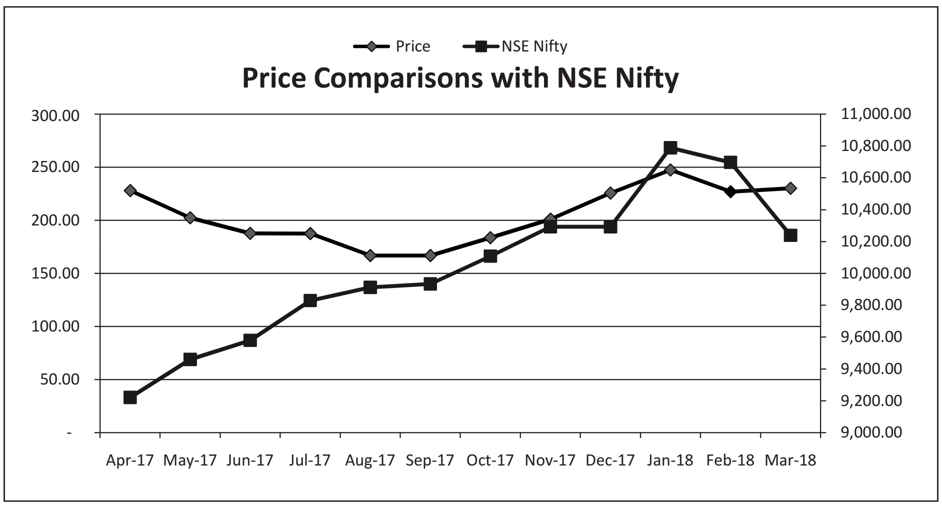
Listing on Stock Exchanges with Scrip Code	1. BSE Ltd. (BSE) - 531633 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. 2. NSE Ltd. (NSE) - LINCOLN Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
Payment of Listing Fees	The Company confirms that Annual listing fees for both the Stock Exchanges where Shares of the Company are listed have been paid.
In case the securities are suspended from trading, the Directors Report shall explain the reason thereof;	Not Applicable
Registrar and Share Transfer Agent	**LINK INTIME INDIA PRIVATE LIMITED** Corporate Office: 5th Floor, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's collage corner, Off C. G. Road, Navrangpura, Ahmedabad - 380009.
Share Transfer System	The process of transfer / transmission / transposition etc. of equity shares in physical form including dispatch of the share certificates is completed within a period of 15 days if the documents are in order in all respects.
Dematerialization of shares and liquidity;	As on March 31, 2018, 1,98,36,290 Equity shares (99.18%) are held in dematerialised form by the shareholders.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	Not Applicable
commodity price risk or foreign exchange risk and hedging activities;	Not Applicable
Plant Locations;	The Company's plant is located at 10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol, District-Gandhinagar, Gujarat.
Address for Correspondence	**LINCOLN PHARMACEUTICALS LIMITED** "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad–380060. **Ph. No.:** +91-79-67778000; **Fax No.:** +91-79-67778062 **E-mail:**info@lincolnpharma.com;**Website:**www.lincolnpharma.com

a) **Market Share Price Data of the Company's shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the Financial Year 2017-18:**

SN	Month – Year	BSE Limited (₹)		NSE Limited (₹)	
		High Price	Low Price	High Price	Low Price
1	April, 2017	241.95	214.00	242.20	213.70
2	May, 2017	235.10	169.00	235.45	169.10
3	June, 2017	200.25	175.00	200.20	175.00
4	July, 2017	202.50	180.00	202.40	172.70
5	August, 2017	187.20	148.00	188.70	145.00
6	September, 2017	183.50	151.05	183.50	150.00
7	October, 2017	201.70	166.00	202.00	165.00
8	November, 2017	211.00	191.00	211.00	191.05
9	December, 2017	244.00	206.45	244.85	206.35
10	January, 2018	274.80	218.75	274.90	219.65
11	February, 2018	248.20	202.05	248.90	204.95
12	March, 2018	249.00	209.75	248.60	211.45

b) Share Performance of the Company :





c) The Distribution of Shareholdings as on March 31, 2018 is as under:

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
1-500	11,438	83.87	15,36,120	7.68
501-1000	1,126	8.26	9,02,275	4.51
1001-2000	496	3.64	7,57,856	3.79
2001-3000	184	1.35	4,68,892	2.34
3001-4000	70	0.51	2,56,338	1.28
4001-5000	76	0.56	3,47,635	1.74
5001-10,000	119	0.87	8,58,185	4.29
10,001 and above	128	0.94	1,48,72,699	74.36
TOTAL	**13,637**	**100.00**	**2,00,00,000**	**100.00**

d) **Share-Holding Pattern as on March 31, 2018:**

Sr. No.	Category	No. of Shares	(%)
1	Promoters & Promoter group	64,28,979	32.14%
2	Mutual Funds/ UTI	0	0.00%
3	Financial Institutions/Banks	12,405	0.06%
4	Bodies Corporate	29,64,062	14.82%
5	NRIs (Repatriable)	2,90,162	1.45%
6	NRI (Non-Repatriable)	5,81,334	2.91%
7	Individuals / HUF	95,50,728	47.75%
9	Clearing Members	1,53,463	0.77%
10	Central Government (IEPF)	18,867	0.09%
	Total	**2,00,00,000**	**100.00%**

e) **Financial Reporting for the Quarter Ending (tentative and subject to change):**

Annual General Meeting	On or Before September 30, 2018
Results for Quarter Ending June 30, 2018	On or Before August 14, 2018
Results for Quarter Ending September 30, 2018	On or Before November 14, 2018
Results for Quarter Ending December 31, 2018	On or Before February 14, 2019
Results for Year Ending March 31, 2019	On or Before May 30, 2019

13. Other Disclosures.

i. Related Party Transactions:

All transactions entered into with Related Parties as defined under the Act and SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 during the Financial Year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of section 188 of the Act. There were no materially significant transactions with related parties during the Financial Year which were in the conflict of interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.lincolnpharma.com

ii. Compliance by the Company:

There has been no instance of non-compliance by the Company, no penalties or strictures being imposed on the Company by the Stock Exchanges or SEBI or any statutory authority or any matter related to capital market during the last three years.

iii. Vigil Mechanism / Whistle Blower Policy:

In accordance with the provisions of Section 177 (9) of the Companies Act, 2013 and the Rules made there under read with SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, Company has established a vigil mechanism termed as Whistle Blower Policy, for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism / Whistle Blower Policy is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. As per the policy no person has been denied the access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy is made available on the website of the Company i.e. www.lincolnpharma.com.

iv. Details of compliance with mandatory requirements:

Mandatory requirements:

The Company complies with the mandatory requirements of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 with regard to Corporate Governance. The Company has partially adopted the non-mandatory requirements of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

v. Policy for determining 'material' subsidiaries:

The Company has formulated a policy for determining the Material Subsidiaries which is also placed on the website of the Company i.e. www.lincolnpharma.com.

vi. **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable

vii. **The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:**

A. The Auditors' Reports on Statutory Financial Statements of the Company are Un-Qualified.

B. Shri Kishor M. Shah is the Chairman of the Company and Shri Mahendrabhai G. Patel-Managing Director and Shri Rajnikant G. Patel is Jt. Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.

14. Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practising Company Secretaries carry out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised from (held with NSDL and CDSL) and total number of shares in physical form.

15. Declaration of compliance of Code of Conduct:

Pursuant to the provisions of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015, and according to the information provided / available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2017-2018. The Code of Conduct is also posted on the website of the Company i.e www.lincolnpharma.com

16. Disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI [Listing Obligations and Disclosure Requirements], 2015:

The Company have complied with the requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI [Listing Obligation and disclosure Requirements] Regulation, 2015.

SECRETARIAL AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
LINCOLN PHARMACEUTICALS LIMITED
"LINCOLN HOUSE", Science City Road, Sola, Ahmedabad, Gujarat – 380 060, INDIA

The Corporate Governance Report prepared by Lincoln Pharmaceuticals Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

FOR RAHUL AGARWAL & ASSOCIATES
COMPANY SECRETARIES

RAHUL AGARWAL
PROPRIETOR
ACS : 35598, COP : 13202

Date : May 30, 2018
Place : Ahmedabad

INDEPENDENT AUDITORS' REPORT

To
The Members
Lincoln Pharmaceuticals Limited
Ahmedabad

1. **Report on the Standalone Ind AS Financial Statements**

   We have audited the accompanying standalone Ind AS financial statements of **Lincoln Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Standalone Financial Statements**

   The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

   We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

   We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. **Opinion**

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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 the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. **Report on Other Legal and Regulatory Requirements**

   1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
   2. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 its standalone Ind AS financial statements – Refer Note 42 to the financial statements;

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

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

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

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

Place : Ahmedabad
Date : 30/05/2018

ANNEXURE-A TO THE AUDITORS REPORT

Referred to in paragraph 5(i) of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2018.**

1. **In respect of Fixed Assets:**

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

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

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

2. **In respect of Inventories :**

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

3. **In respect of Loans granted during the year:**

The Company has granted unsecured loans to party covered in the Register maintained under section 189 of the Companies Act, 2013. The details in respect of clause (iii) (a) to (c) of the Order are as under:-

(a) The terms and conditions of the grant of such loans are prima facie not prejudicial to the interest of the company.

(b) The principal amount of loan has been repaid as per stipulated terms and such party is regular in payment of interest.

(c) There is no overdue amount of loans granted to parties covered in the Register maintained under section 189 of the Companies Act, 2013.

4. **Loans, Investments and guarantees:**

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

5. **Acceptance of Deposits:**

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

6. Cost Records:

We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. 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, Central Sales Tax, Goods and Service Tax, service tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of income tax, service tax, duty of customs, duty of excise, value added tax, central sales tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Financial Year	Amount (in Rs.)	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand	2012-13	4,10,360	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax Demand	2013-14	19,94,850	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax Demand	2014-15	27,42,080	Commissioner of Income Tax (Appeals)

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

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

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

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

12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the Company. Hence, paragraph 3(xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.

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

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

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

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

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

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

Place : Ahmedabad
Date : 30/05/2018

ANNEXURE "B"

To The Independent Auditor's Report of Even Date on The Standalone Financial Statements of Lincoln Pharmaceuticals Limited

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 Pharmaceuticals Limited** as of **31st March 2018**, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Ahmedabad
Date : 30/05/2018

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	826,120,340	676,970,365	625,256,765
(b) Capital work-in-progress	6	2,911,549	66,308,714	27,291,102
(c) Other Intangible assets	7	3,354,920	3,748,508	2,556,666
(d) Financial Assets				
(i) Investments	8	277,362,979	257,362,979	257,362,979
(ii) Loans	9	225,714,555	214,334,336	195,739,995
(e) Other non-current assets	10	22,174,275	59,669,619	15,305,405
Total Non - Current Assets		1,357,638,618	1,278,394,521	1,123,512,912
2 Current assets				
(a) Inventories	11	364,912,255	318,716,973	246,679,087
(b) Financial Assets				
(i) Investments	12	109,710,489	102,451,191	Nil
(ii) Trade receivables	13	960,196,967	792,318,205	745,016,896
(iii) Cash and cash equivalents	14	64,487,243	29,349,422	29,823,893
(iv) Other Bank balances	15	18,962,866	24,539,296	21,616,439
(v) Other Financial assets	16	9,443,408	9,335,309	8,881,241
(c) Current Tax Assets (Net)	17	Nil	4,144,628	Nil
(d) Other current assets	18	374,728,927	258,329,417	252,238,393
Total Current Assets		1,902,442,155	1,539,184,441	1,304,255,949
Total Assets (1+2)		**3,260,080,773**	**2,817,578,962**	**2,427,768,861**
B EQUITY AND LIABILITIES				
1 Equity				
(a) Share capital	19	200,000,000	200,000,000	163,108,000
(b) Other Equity	20	1,995,403,112	1,695,804,276	1,251,819,575
Total equity		2,195,403,112	1,895,804,276	1,414,927,575
LIABILITIES				
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	61,326,545	71,109,104	86,468,110
(ii) Other financial liabilities	22	37,222,050	36,511,043	34,585,654
(b) Deferred tax liabilities (Net)	23	58,513,242	50,453,525	39,138,125
Total Non - Current Liabilities		157,061,837	158,073,672	160,191,889
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	485,470,905	441,275,179	498,422,245
(ii) Trade payables	25	351,005,968	249,418,350	287,627,214
(iii) Other financial liabilities	26	50,607,637	63,916,752	50,506,928
(b) Other current liabilities	27	7,932,342	3,670,765	3,404,926
(c) Provisions	28	332,078	5,419,968	3,568,060
(d) Current Tax Liabilities (Net)	29	12,266,894	Nil	9,120,024
Total Current Liabilities		907,615,824	763,701,014	852,649,397
Total Equity and Liabilities (1+2+3)		**3,260,080,773**	**2,817,578,962**	**2,427,768,861**
Summary of Significant Acounting Policies	4			

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

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

Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	Note No.	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
	Continuing Operations			
I	Revenue from operations	30	3,255,119,402	3,080,571,396
II	Other Income	31	58,037,621	24,548,682
III	**Total Income (I + II)**		**3,313,157,023**	**3,105,120,078**
IV	**EXPENSES**			
	(a) Cost of materials consumed	32	635,923,342	568,485,764
	(b) Purchases of stock-in-trade	33	1,068,623,092	1,219,872,962
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	7,065,025	(61,596,597)
	(d) Excise duty		5,576,471	37,774,712
	(e) Employee benefit expense	35	475,080,227	350,507,901
	(f) Finance costs	36	42,646,597	54,127,212
	(g) Depreciation and amortisation expense	37	43,992,990	38,516,654
	(h) Other expenses	38	603,268,958	540,017,440
	Total Expenses		**2,882,176,702**	**2,747,706,048**
V	**Profit/(loss) before tax (III- IV)**		**430,980,321**	**357,414,030**
VI	**Tax Expense**			
	(a) Current tax	39	95,849,154	71,855,400
	(b) Deferred tax liabilty / (assets)	39	7,565,990	11,530,308
	Total tax expense		**103,415,144**	**83,385,708**
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**327,565,177**	**274,028,322**
VIII	**Profit/(loss) for the year (VII)**		**327,565,177**	**274,028,322**
IX	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans	40	1,413,409	(620,976)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	40	(493,726)	214,907
X	**Total Other Comprehensive Income**		**919,683**	**(406,069)**
XI	**Total comprehensive income for the year (VIII+X)**		**328,484,860**	**273,622,253**
XII	**Basic & diluted earnings per share of face value of ₹10 each Fully Paid up**			
	(a) Basic	51	16.38	15.32
	(b) Diluted	51	16.38	15.32

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Cash flow from operating activities		
Profit before tax	430,980,321	357,414,030
Adjustments for :		
Depreciation and amortisation expense (except lease hold land)	43,992,990	38,516,654
Amortisation of lease premium	216,000	216,000
Finance costs	42,646,597	54,127,212
Provision for expected credit Loss	9,510,374	(1,193,731)
Bad-debt written off	9,845,220	7,131,501
MTM (gain) / loss on fair valuation of derivative financial instruments	1,658,477	470,372
Loss on sale of assets (net)	323,459	59,277
Interest income	(17,443,994)	(18,329,085)
Dividend income	(2,064)	(2,064)
Share of profit from subsidiaries	(829,128)	(977,290)
Commission income from financial guarantee issued	(1,081,217)	(1,081,217)
(Gain) / loss on fair valuation of mutual funds	(9,259,298)	(451,191)
Profit on sale of mutual funds	(48,085)	(18,796)
Operating profit before working capital changes	**510,509,652**	**435,881,673**
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(46,195,282)	(72,037,886)
(Increase)/Decrease in Trade receivables	(187,234,354)	(53,239,079)
(Increase)/Decrease in Other Bank Balance	5,576,430	(2,922,858)
(Increase)/Decrease in Loans (Non-Current Financial Asset)	(1,271,412)	(9,190,800)
(Increase)/Decrease in Other Current Financial Assets	(90,638)	52,850
(Increase)/Decrease in Other Current Assets	(116,399,509)	(6,091,025)
Increase/(Decrease) in Trade Payable	101,587,616	(38,208,861)
Increase/(Decrease) in Other Financial Liabitlies (Current + Non Current)	(2,618,318)	10,890,559
Increase/(Decrease) in Other Current Liabitlies	4,261,577	265,839
Increase/(Decrease) in Provisions (Current Liabilities)	(3,674,481)	1,230,932
Cash flow generated from operations	**264,451,282**	**266,631,345**
Direct taxes Paid (net)	(86,896,600)	(88,634,735)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**177,554,682**	**177,996,610**
Cash flows from investing activities		
Purchase of Property, Plant and Equipments	(92,464,099)	(166,094,179)
Proceeds from sale of Property, Plant and Equipments	2,269,000	170,000
Interest received	7,335,186	8,925,544
Dividend received	2,064	2,064
Investment in mutual funds (net)	2,048,085	(101,981,204)
Investment in equity instruments of subsidiary	(20,000,000)	Nil
NET CASH FLOW (USED) IN INVESTING ACTIVITIES (B)	**(100,809,764)**	**(258,977,775)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Cash flows from financing activities		
Proceeds of Long Term Borrowings	Nil	Nil
Repayment of Long-term borrowings	(14,408,771)	(15,533,690)
Proceeds of Short Term Borrowings	Nil	Nil
Repayment of Short-term borrowings	44,195,726	(57,147,067)
Money Received against share warrants	Nil	226,885,800
Dividend Paid on equity shares (incl. deferred tax)	(28,747,453)	(19,571,136)
Finance costs Paid	(42,646,597)	(54,127,212)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(41,607,096)**	**80,506,695**
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	**35,137,822**	**(474,470)**
Cash and cash equivalents at the beginning of the year	29,349,423	29,823,893
Cash and cash equivalents at the end of the year	**64,487,244**	**29,349,423**

Notes:

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

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Cash on hand	4,208,144	1,299,388	1,944,325
Balances with Bank - In Current Account	60,279,099	28,050,034	27,879,568
Total Cash and cash equivalents (Refer Note 14)	**64,487,243**	**29,349,422**	**29,823,893**

(ii) 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.

(iii) Previous Periods' / Years' figures have been re-grouped / Re-Classified where necessary to make it comparable with the current period.

See accompanying notes forming part of the Financial Statements

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2018

Equity Share Capital

Particulars	Note No.	Amount ₹
Balance as on 1st April, 2016	19	163,108,000
Changes during the year		36,892,000
Balance as on 31st March, 2017	**19**	**200,000,000**
Changes during the year		Nil
Balance as on 31st March, 2018	**19**	**200,000,000**

Other Equity **Amount in ₹**

Particulars	Note No.	Reserves and Surplus			Capital Reserve	Money received against share warrants	Equity Securities Premium	Total
		Retained Earnings		General Reserve				
		Profit and Loss	Other Comprehensive Income					
Balance as at 1st April, 2016	**20**	**732,653,422**	**371,953**	**59,121,600**	**3,500,000**	**75,628,600**	**380,544,000**	**1,251,819,575**
Profit for the year		274,028,322	Nil	Nil	Nil	Nil	Nil	274,028,322
Other comprehensive income for the year (net of Tax)		Nil	(406,069)	Nil	Nil	Nil	Nil	(406,069)
Payment of Dividends		(16,310,800)	Nil	Nil	Nil	Nil	Nil	(16,310,800)
Tax on Dividends		(3,320,552)	Nil	Nil	Nil	Nil	Nil	(3,320,552)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Share Capital issued during the year		Nil	Nil	Nil	Nil	(75,628,600)	Nil	(75,628,600)
Received during the year		Nil	Nil	Nil	Nil	Nil	265,622,400	265,622,400
Balance as at 31st March, 2017	**20**	**982,050,391**	**(34,116)**	**64,121,600**	**3,500,000**	**Nil**	**646,166,400**	**1,695,804,276**
Profit for the year		327,565,177	Nil	Nil	Nil	Nil	Nil	327,565,177
Other comprehensive income for the year (net of Tax)		Nil	919,683	Nil	Nil	Nil	Nil	919,683
Payment of Dividends		(24,000,000)	Nil	Nil	Nil	Nil	Nil	(24,000,000)
Tax on Dividends		(4,886,023)	Nil	Nil	Nil	Nil	Nil	(4,886,023)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	**20**	**1,275,729,545**	**885,567**	**69,121,600**	**3,500,000**	**Nil**	**646,166,400**	**1,995,403,112**

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate information:

The Lincoln Pharmaceuticals Limited ('the Company') is a listed company, incorporated on January 20, 1995 under the provisions of the Companies Act 1956, having it registered office in the Ahmedabad, Gujarat, India. The shares of the company are listed on BSE and NSE. The Company is engaged in the business of manufacturing and trading of pharmaceutical products. The Company has manufacturing plant located in state of Gujarat.

The financial statements are approved for issue by the Company's Board of Directors on May 30, 2018.

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.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rules there under ('Indian GAAP' or 'previous GAAP'). 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, 2018 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. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. Refer Note 45 for an explanation of the transition from previous GAAP to Ind AS.

3. Basis of preparation:

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

a. Employee defined benefit plans – Plan assets - Note No. 43.

b. Financial Instruments recognied at FVTPL or FVTOCI - Note No. 46.

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 these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities in coming financial years are specified here-in-after:

Useful lives of property, plant and equipment

The Company is providing depreciation at the rates derived based on the useful life specified under Schedule-II to the Companies Act, 2013. The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Major provisions recognized in financial statement and related accounting policy are specified as under:

Measurement of defined benefit obligations - Refer Note 4(xiv), 28, and 43 Current / Deferred tax liabilities - Refer Note 4(xv), and 23 Allowances for expected credit losses - Refer Note 4(xi) and 13.

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 is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of customers’ return, trade discounts, rebates, value added taxes, goods and service tax and any other claims in respect of sale.

Sale of Goods

Revenue from the sale of goods is recognised when 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 retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Other Operating revenue:

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

Insurance Claim:

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

iii) Property, Plant & Equipment:

Property, Plant & Equipment

Freehold land is carried at historical cost. All other Property, Plant and Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when 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. 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 profit or loss.

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 or sale, 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

Properties in the course of construction (CWIP) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Transition to Ind-AS:

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Depreciation on Property, Plant & Equipment:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property, plant and equipment is provided over the useful lives specified under Schedule II to the Companies Act, 2013.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Buildings	30/60
Computer	3/6
Electrical Installation	10
Furniture & Fixtures	10
Office Equipments	5
Plant & Machinery	5 to 22
Vehicle	5/10
Intangible Assets	5

v) Intangible Assets and Amortization:

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives, commencing from the date the asset is available to the Company for its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any

vi) Impairment of Property, Plant & Equipment and intangible assets :

At the end of each reporting period, the Company reviews the carrying amounts of its Property, Plant & Equipment and intangible assets 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Carrying amount equals to cost less accumulated depreciation and accumulated impairment losses recognised previously.

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 recognised immediately in profit or loss.

vii) Borrowing Costs:

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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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 profit or loss in the period in which they are incurred.

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

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

Finished Goods and Work-in-progress

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

Stock in Trade

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

ix) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Operating lease payments for lands are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

x) Government Grants and Subsidies:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

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.

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

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

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.

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')

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

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

All financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

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

b. Subsequent measurement

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

i) Financial liabilities measured at amortised cost.

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

i) Financial liabilities measured at amortised cost :

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

c. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instruments

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

Derivative financial instruments

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

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

Offsetting of financial instruments

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

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

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

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

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

xii) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

xiii) Foreign currency Transactions

The functional currency of Lincoln Parenteral Limited is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss

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 Cover employee's salary, Provision for the same is made in the year in which service are render by employee.

b. Defined benefit plans

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

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

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

xv) Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 asset to be recovered.

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.

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

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

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.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

xvi) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

xvii) Earnings per equity share:

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

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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) Cenvat, Service Tax, Vat & GST:

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

The CENVAT/GST credits so taken are utilized for payment of excise duty/GST on goods manufactured. The unutilized CENVAT/ GST credit is carried forward in the books. The VAT/GST credits so taken are utilized for payment of tax on goods sold. The unutilized VAT/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 40 for segment information presented.

xxi) Statement of Cash flows:

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

xxii) Operating Cycle:

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Ind AS 1- ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

Note 5: Property, Plant and Equipment

(Amt. in ₹)

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on April 1, 2016	**113,613,836**	**145,937,931**	**323,799,546**	**12,761,702**	**19,493,493**	**935,614**	**4,682,203**	**4,032,439**	**625,256,765**
Addition during the year	1,460,750	4,198,309	68,574,984	3,521,603	8,227,804	574,841	411,451	2,240,116	89,209,859
Deduction during the year	Nil	Nil	Nil	Nil	867,865	Nil	Nil	Nil	867,865
Gross Carrying Value as on March 31, 2017	**115,074,586**	**150,136,240**	**392,374,531**	**16,283,305**	**26,853,432**	**1,510,455**	**5,093,654**	**6,272,556**	**713,598,758**
Addition during the year	32,304,333	95,880,180	49,527,950	6,512,819	8,133,002	318,775	426,754	1,398,183	194,501,995
Deduction during the year	Nil	Nil	200,000	Nil	7,248,405	Nil	Nil	Nil	7,448,405
Gross Carrying Value as on March 31, 2018	**147,378,919**	**246,016,420**	**441,702,480**	**22,796,124**	**27,738,029**	**1,829,229**	**5,520,408**	**7,670,739**	**900,652,348**
Accumulated depreciation as on April 1, 2016	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Addition during the year	Nil	5,392,477	23,111,432	2,277,822	3,563,931	235,602	587,557	2,098,160	37,266,981
Deduction during the year	Nil	Nil	Nil	Nil	638,588	Nil	Nil	Nil	638,588
Accumulated depreciation as on March 31, 2017	**Nil**	**5,392,477**	**23,111,432**	**2,277,822**	**2,925,343**	**235,602**	**587,557**	**2,098,160**	**36,628,393**
Addition during the year	Nil	6,241,158	26,430,965	2,841,848	4,012,407	277,930	636,779	2,318,474	42,759,561
Deduction during the year	Nil	Nil	13,872	Nil	4,842,074	Nil	Nil	Nil	4,855,946
Accumulated depreciation as on March 31, 2018	**Nil**	**11,633,635**	**49,528,525**	**5,119,670**	**2,095,676**	**513,532**	**1,224,336**	**4,416,634**	**74,532,008**
Net Carrying Value as on April 1, 2016	113,613,836	145,937,931	323,799,546	12,761,702	19,493,493	935,614	4,682,203	4,032,439	625,256,765
Net Carrying Vaue as on March 31, 2017	115,074,586	144,743,763	369,263,099	14,005,483	23,928,089	1,274,852	4,506,097	4,174,396	676,970,365
Net Carrying Value as on March 31, 2018	147,378,919	234,382,785	392,173,955	17,676,454	25,642,353	1,315,697	4,296,072	3,254,105	826,120,340

Notes:

i. **Deemed cost of Property, Plant & Equipment as at April 1, 2016 is as under:** **(Amount in ₹)**

Particulars	Gross block	Accumulated Depreciation	Written down value
Free Hold Land	113,613,836	Nil	113,613,836
Buildings	179,568,471	33,630,540	145,937,931
Plant and Equipment	373,576,945	49,777,398	323,799,546
Furniture and Fixtures	25,627,760	12,866,058	12,761,702
Vehicles	34,610,241	15,116,748	19,493,493
Office Equipments	7,619,359	6,683,745	935,614
Electrical Installation	12,002,622	7,320,419	4,682,203
Computer	26,103,088	22,070,649	4,032,439
Total	**772,722,322**	**147,465,557**	**625,256,765**

In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost on transition date owing to exemption given in Para D7AA of Ind AS 101 -First time adoption of Indian Accounting Standards. (refer Note 45 to financial statement)

ii. Assets pledged as security:

Refer Note. 21 & 24 for disclosure of asses pledged as security.

iii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2018 - Nil (for the year ended March 31, 2017: Nil).

iv. Contractual obligations:

Refer Note. 41 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

Note 6 : Capital Work in Progress

Particulars	Amount in ₹
Balance at April 1, 2016	**27,291,102**
Addition during the year	42,725,835
Capitalised during the year	3,708,223
Balance at March 31, 2017	**66,308,714**
Addition during the year	61,824,095
Capitalised during the year	125,221,260
Balance at March 31, 2018	**2,911,549**

Note 7 : Other Intangilble Assets **(Amt. in ₹)**

Particulars	Computer Software	Patents	Total
Gross Carrying Value as on April 1, 2016	**2,416,666**	**140,000**	**2,556,666**
Addition during the year	2,441,515	Nil	2,441,515
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2017	**4,858,181**	**140,000**	**4,998,181**
Addition during the year	839,841	Nil	839,841
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2018	**5,698,022**	**140,000**	**5,838,022**
Accumulated amortisation as on April 1, 2016	**Nil**	**Nil**	**Nil**
Addition during the year	1,209,673	40,000	1,249,673
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2017	**1,209,673**	**40,000**	**1,249,673**
Addition during the year	1,193,429	40,000	1,233,429
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2018	**2,403,102**	**80,000**	**2,483,102**
Net Carrying Value as on April 1, 2016	2,416,666	140,000	2,556,666
Net Carrying Vaue as on March 31, 2017	3,648,508	100,000	3,748,508
Net Carrying Value as on March 31, 2018	3,294,920	60,000	3,354,920

Notes:

Deemed cost of Intangible assets as on April 1, 2016 are stated as under: **(Amount in ₹)**

Particulars	Gross block	Accumulated Amortisation	Written down value
Computer Software	21,097,690	18,681,024	2,416,666
Patents	200,000	60,000	140,000
Total	**21,297,690**	**18,741,024**	**2,556,666**

In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of intangible asstes as deemed cost on transition date owing to exemption given in Para D7AA of Ind AS 101 -First time adoption of Indian Accounting Standards. (refer Note 45 to financial statement)

8 **Non Current Investments**

	Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
(a)	**Investments in Subsidiary at amortised cost**			
A	**Investment in Equity instruments: (unquoted)**			
i	**Lincoln Parenteral Limited:**			
	Equity Share Capital (9858450 shares as on March 31, 2018, 9858450 shares as on March 31, 2017 and 9858450 shares as on April 1, 2016) of face value ₹ 10 each	199,252,187	199,252,187	199,252,187
ii	**Savebux Finance & Investment Private Limited:** Equity Share Capital (2000000 shares as on March 31, 2018, Nil shares as on March 31, 2017 and Nil shares as on April 1, 2016) of face value ₹ 10 each	20,000,000	Nil	Nil
B	**Investment in Other Equity Instruments:**			
i	**Lincoln Parenteral Limited:**			
	Equity Component of Financial Instruments issued in favour of subsidiary (Refer note i to this schedule)			
	Interest free security deposits	54,619,446	54,619,446	54,619,446
	Financial Guarantee	2,973,346	2,973,346	2,973,346
C	**Investment in Limited Liability Partnership:**			
i	**Zullinc Healthcare LLP (Refer note ii to this schedule)**	500,000	500,000	500,000
		277,344,979	**257,344,979**	**257,344,979**
(b)	**Investments in other equity instruments at amortised cost (unquoted)**			
	Navnirman Co operative Bank Limited (320 shares as on 31-03-2018, 320 shares as on 31-03-2017 and 320 shares as on 01-04-2016) of face value ₹ 25 each fully paid-up	8,000	8,000	8,000
(c)	**Investments in government securities at amortised cost (unquoted)**			
	National Saving Certificate	10,000	10,000	10,000
	Total	**277,362,979**	**257,362,979**	**257,362,979**
	Aggregate amount of unqouted investment - At cost	219,270,187	199,270,187	199,270,187

Note:

i Equity Component of Financial instrument comprises of following:

i. Recognition of notional commission premium on fair valuation of financial guarantee,

ii. Recognition of equity component of interest free security deposit given to subsidiary.

ii Investment in Zullinc Healthcare LLP includes fixed capital contribution made by the Company. The Company has also invested in Current Capital of the said LLP. Being current in nature and can be withdrawn at any time by the company, the same is being classified under “other current financial asset”. (Refer Note 16)

9 **Non-Current Loans**

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Unsecured, considered good			
Security Deposits	146,692,903	138,811,036	131,329,441
Loans to related parties	Nil	328,285	Nil
Inter-Corporate Loans	16,197,163	16,205,917	12,321,379
Loans to others	62,824,490	58,989,098	52,089,175
Total	**225,714,555**	**214,334,336**	**195,739,995**

10 Other Non-Current Assets

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Unsecured, considered good			
Prepayment charges	3,402,000	3,618,000	3,834,000
Advances for Capital Goods	728,219	45,466,531	4,401,000
Advance Income Tax :			
Advance tax deposited	89,899,428	110,413,214	43,778,507
Less: Income tax liability for the same	(71,855,372)	(99,828,126)	(36,708,102)
Advance Income Tax (net)	18,044,056	10,585,088	7,070,405
Total	**22,174,275**	**59,669,619**	**15,305,405**

11 Inventories

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Raw materials	90,793,033	55,138,204	46,083,830
Work-in-Process	57,532,381	16,215,098	24,387,363
Finished Stock	39,741,707	66,665,267	58,143,892
Packing Material	38,966,160	21,360,682	19,973,767
Stock in Trade	137,878,974	159,337,722	98,090,235
Total	**364,912,255**	**318,716,973**	**246,679,087**

12 Current Investments

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Investment in mutual fund at fair value through profit and loss			
SBI Savings Fund - Direct Plan - Growth (3,947,201 units as on 31-03-2018, 4,026,145 units as on 31-03-2017 and Nil units as on 01-04-2016)	109,710,489	102,451,191	Nil
Total	**109,710,489**	**102,451,191**	**Nil**

13 Trade receivables

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Trade Receivables (Unsecured)			
Considered Good	960,196,967	797,113,011	751,554,526
Considered Doubtful	14,854,273	549,093	Nil
	975,051,240	**797,662,104**	**751,554,526**
Less: Allowance for Expected Credit losses	14,854,273	5,343,900	6,537,631
Total	**960,196,967**	**792,318,205**	**745,016,896**

Notes:

i. Details of receivables from firms / private companies in which directors of the company are partners/directors:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Receivables from firms / private companies in which directors of the company are partners / directors	Nil	133,736,490	133,724,863

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:**

Allowance Movement for Trade Receivables	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Balance at the beginning of the year	5,343,900	6,537,631	Nil
Add : Expected credit loss allowance made during the year	14,854,273	Nil	6,537,631
Less : Reversal of allowance made during the year	5,343,900	1,193,731	Nil
Closing Balance	**14,854,273**	**5,343,900**	**6,537,631**

14 Cash & Cash Equivalents

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Cash on hand	4,208,144	1,299,388	1,944,325
Bank Balance	60,279,099	28,050,034	27,879,568
Total	**64,487,243**	**29,349,422**	**29,823,893**

15 Other Bank Balances

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Margin Money Deposit	17,778,640	23,493,640	20,630,998
Bank Balances Earmarked for Dividend	1,184,226	1,045,656	985,441
Total	**18,962,866**	**24,539,296**	**21,616,439**

16 Other Current Financial Assets

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Current Capital Account in Zullinc Healthcare LLP (Refer Note 8)	9,316,598	8,487,470	7,510,180
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	811,666	1,282,038
Others	126,811	36,173	89,023
Total	**9,443,408**	**9,335,309**	**8,881,241**

17 Current Tax Assets (Net)

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Advance Income Tax :			
Advance tax deposited	Nil	76,000,000	Nil
Less: Income tax liability for the same	Nil	(71,855,372)	Nil
Total	**Nil**	**4,144,628**	**Nil**

18 Other Current Assets

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Advances For Goods	246,499,176	138,179,572	145,043,919
Loans and advance to employees	2,584,096	1,499,528	2,320,339
Prepaid Expenses	11,465,730	4,266,332	3,072,995
Balances with Statutory Authorities	114,179,925	114,383,985	101,801,139
Total	**374,728,927**	**258,329,417**	**252,238,393**

19 Equity Share Capital

Particulars		As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
[i]	Authorised Share Capital:			
	20,000,000 Equity shares of ₹10 each (as at March 31, 2017 : 20,000,000 equity shares & as at April 01, 2016 : 20,000,000 equity shares of ₹ 10 each)	200,000,000	200,000,000	200,000,000
[ii]	Issued, Subscribed & Paid-up Capital :			
	20,000,000 equity shares of ₹ 10 each fully paid (as at March 31, 2016 : 20,000,000 equity shares & as at April 01, 2016 : 16,310,800 equity shares of ₹10 each)	200,000,000	200,000,000	163,108,000
Total		**200,000,000**	**200,000,000**	**163,108,000**

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018, March 31, 2017 and April 1, 2016 is set out below:-

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	20,000,000	200,000,000	16,310,800	163,108,000	16,310,800	163,108,000
Addition	Nil	Nil	3,689,200	36,892,000	Nil	Nil
Deletion	Nil	Nil	Nil	Nil	Nil	Nil
Shares at the end	**20,000,000**	**200,000,000**	**20,000,000**	**200,000,000**	**16,310,800**	**163,108,000**

(b) The details of shareholders holding more than 5% shares is set out below.

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	1,400,000	7.00%	1,400,000	7.00%	1,380,000	8.46%

The company has only one type of equity share of ₹ 10 each listed on BSE & NSE. Each of the share holders has right give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

The company has not issued any shares in pursuant to a contract without receiving the payment in cash during the last five years. The company has also not issued any bonus share during last five years.

During the year ended March 31, 2017, Company has allotted 36,89,200 Equity Shares pursuant to Conversion of Warrants of Face Value of ₹ 10/- per share each at price of ₹ 82/- per share (including premium of ₹ 72/- per share) on 27th October, 2016.

20 Other Equity

	Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
a)	**Capital Reserve**			
	Balance as per last financial Statement	3,500,000	3,500,000	3,500,000
	Add: Addition during the year	Nil	Nil	Nil
	Closing Balance	**3,500,000**	**3,500,000**	**3,500,000**
b)	**Money received against share warrants**			
	Balance as per last financial Statement	Nil	75,628,600	75,628,600
	Less: Share Capital issued during the year	Nil	(75,628,600)	Nil
	Closing Balance	**Nil**	**Nil**	**75,628,600**
c)	**Equity Securities Premium**			
	Balance as per last financial Statement	646,166,400	380,544,000	380,544,000
	Add: Share premium received during the year	Nil	265,622,400	Nil
	Closing Balance	**646,166,400**	**646,166,400**	**380,544,000**
d)	**General Reserve**			
	Balance as per last financial Statement	64,121,600	59,121,600	59,121,600
	Add: Transfer from Statement of Profit & Loss	5,000,000	5,000,000	Nil
	Closing Balance	**69,121,600**	**64,121,600**	**59,121,600**
e)	**Retained Earnings**			
	Profit and Loss:			
	Balance as per last financial Statement	982,050,391	732,653,422	705,017,751
	Add : Profit for the year	327,565,177	274,028,322	Nil
	Add: Items of Profit and Loss recognised directly in retained earnings on account of transition	Nil	Nil	27,635,670
	Less: Transfer to General reserve	(5,000,000)	(5,000,000)	Nil
	Less: Final Dividend Paid	(24,000,000)	(16,310,800)	Nil
	Less: Tax on Final Dividend	(4,886,023)	(3,320,552)	Nil
	Net Surplus in the statement of profit and loss (i)	**1,275,729,545**	**982,050,391**	**732,653,422**
	Other Comprehensive Income:			
	Balance as per last financial Statement	(34,116)	371,953	371,953
	Add: Remeasurement of Defined benefit plans (including deferred tax)	919,683	(406,069)	Nil
	Net Surplus in the statement of other comprehensive income (ii)	**885,567**	**(34,116)**	**371,953**
	Total Retained Earnings (i + ii)	**1,276,615,112**	**982,016,276**	**733,025,375**
	Total	**1,995,403,112**	**1,695,804,276**	**1,251,819,575**

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

Equity Security Premium: The amount received in excess of face value of the equity shares is recognised in equity security premium. Being realised in cash, the same can be utilised by the company for issuance of bonus shares.

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 was realised in cash and can be utilised by the company for issuance of bonus shares.

Money received against share warrants: Money received against share warrants includes amount received from members for issuance of further capital. The same was utilised to issue further capital during the year ended March 31, 2017.

21 Non-Current Borrowings

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Secured Borrowing			
Term Loan from Banks	69,230,769	84,615,385	100,000,000
Less : Current maturities of long-term debt (Note: 26)	11,538,462	15,384,615	15,384,615
Closing Balance	**57,692,307**	**69,230,770**	**84,615,385**
Vehicle Loan	5,267,362	4,291,517	4,440,592
Less : Current maturities of long-term debt (Note: 26)	1,633,124	2,413,183	2,587,867
Closing Balance	**3,634,238**	**1,878,334**	**1,852,725**
Total …..	**61,326,545**	**71,109,104**	**86,468,110**

Notes:

i. The company has availed the secured term loan from Yes Bank for windmill which is secured against exclusive hypothecation charge on windmill & personal gurranty of Three Promoter directors. The loan is payable in 84 monthly instalment. Interest on said loan shall be payble at Yes Bank Limited Base Rate + 0.15% from time to time.

ii. Vehicle Loan includes loans from bank and finance companies.The Repayment period of these loans ranges from 12 to 36 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.

iii. Yearwise repayment schedules:

Years	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
FY 2016-17	Nil	Nil	17,972,482
FY 2017-18	Nil	17,797,798	17,028,548
FY 2018-19	13,171,587	12,584,472	11,747,254
FY 2019-20	16,852,155	16,216,940	15,384,615
FY 2020-21	16,071,869	15,384,615	15,384,615
FY 2021-22	16,864,060	15,384,615	15,384,615
FY 2022-23	11,538,461	11,538,461	11,538,461
Total	**74,498,131**	**88,906,902**	**104,440,592**

22 Other Non Current Financial Liabilites

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Trade Deposits	36,411,138	34,618,914	31,612,308
Liability for financial guarantee contracts	810,913	1,892,129	2,973,346
Total …..	**37,222,050**	**36,511,043**	**34,585,654**

23 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Deferred Tax Liabilities			
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	72,337,917	79,465,627	75,125,735
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	359,630	Nil	14,628
Total Deferred Tax Liabilities	**72,697,546**	**79,465,627**	**75,140,363**
Deferred Tax Assets			
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeding years u/s 43B on Payment basis	Nil	346,023	Nil
Allowance for Expected Credit Losses	5,190,677	1,849,417	2,262,543
Unused Tax Credit	8,993,629	26,816,662	33,739,695
Total Deferred Tax Assets	**14,184,306**	**29,012,102**	**36,002,238**
Net Deferred Tax Liability	**58,513,242**	**50,453,525**	**39,138,125**

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 Losses	Unused Tax Credit
At April 01, 2016 *	**(75,125,735)**	**(14,628)**	**2,262,543**	**33,739,695**
Charged/(credited):				
- to profit or loss	4,339,892	(145,744)	413,126	6,923,033
- to other comprehensive income	Nil	(214,907)	Nil	Nil
At March 31, 2017 *	**(79,465,627)**	**346,023**	**1,849,417**	**26,816,662**
Charged/(credited):				
- to profit or loss	(7,127,710)	211,926	(3,341,260)	17,823,033
- to other comprehensive income	Nil	493,726	Nil	Nil
At March 31, 2018 *	**(72,337,917)**	**(359,630)**	**5,190,677**	**8,993,629**

* Figures in bracket denotes Deferred Tax Liability.

24 Current Borrowings

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Secured Borrowing			
From Bank (Repayable on Demand)	432,292,282	361,287,525	410,428,904
Unsecured Borrowing			
From Bank (Repayable on Demand)	52,581,165	68,502,654	77,993,342
From Related Party	597,458	11,485,000	10,000,000
Total	**485,470,905**	**441,275,179**	**498,422,245**

Security :

Secured demand loans form Bank includes working capital loan from State Bank of India. This loan is secured against :

i) Primary Security :

Hypothication of entire current assets of the company

ii) Collateral Security :

Charge over entire fixed assets of the company including

1. Plot No. 137 of TP Scheme No, 42 land admeasuring area about 850 sq. mtrs and Final Plot No. 138 of TP Scheme No. 42 land admeasuring area about 1397 sq. mtrs. Both situated at Mouje Sola, Taluka Daskroi in registration disctrict Ahmedabad and sub district Ahmedabad-2(Wadaj).
2. Piece & Parcel of freehold land situated lying and being at Mouje Khatraj, Taluka Kalol, District Mehsana bearing sub plots No. 9/A/1, 9/A/2, 10, 12/A, 12/B & 13 of Block No. 95 of Mouje Khatraj of Kalol taluka admeasuing 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd. and
3. Hypothication of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three promoter directors.

25 Trade payables

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Payable to Micro and Small Enterprise	Nil	Nil	Nil
Payable to others	351,005,968	249,418,352	287,627,214
Total	**351,005,968**	**249,418,352**	**287,627,214**

Notes:

i. There were no overdue amounts/interest payble to Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date or any time during the year.

ii. 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.

26 Other Current Financial Liabilites

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Current Maturity of long term borrowings (Note : 21)	13,171,586	17,797,798	17,972,482
Unpaid dividend	1,184,226	1,045,656	985,441
Creditors for Property, Plant & Equipment	29,071,641	34,329,382	28,689,044
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	846,811	Nil	Nil
Credit Balance in Current Account	4,277,050	9,723,486	459,962
Employee Benefits Payable	2,056,324	1,020,430	2,400,000
Total	**50,607,637**	**63,916,752**	**50,506,928**

27 Other Current Liabilities

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Other Statutory dues	7,336,462	3,670,765	3,404,926
Other Payables	595,880	Nil	Nil
Total	**7,932,342**	**3,670,765**	**3,404,926**

28 Current Provisions

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Provision for Gratuity (refer note 43)	332,078	5,419,968	3,568,060
Total	**332,078**	**5,419,968**	**3,568,060**

29 Current Tax Liabilities (Net)

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Provision For Income tax	92,700,000	Nil	63,120,024
Less: Advance Payment of Income Tax	(80,433,106)	Nil	(54,000,000)
Total	**12,266,894**	**Nil**	**9,120,024**

30 Revenue from operation

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Sale of Products:		
Finished Goods	3,174,850,177	2,978,202,929
Sale of services:		
Job Work Charges	24,123,070	2,721,360
Other Operating Revenue:		
Export Incentive	55,079,338	99,575,160
Scrap Sales	1,066,817	71,948
	56,146,155	**99,647,108**
Total	**3,255,119,402**	**3,080,571,396**

31 Other Income

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Interest Income:		
Interest from bank	7,335,187	8,925,544
Interest income on financial assets recognised at amortised cost	10,108,807	9,403,542
Interest from others	272,522	302,334
Dividend Income	2,064	2,064
Share of profit from subsidiaries	829,128	977,290
Commission on Financial Guarantee issued	1,081,217	1,081,217
Gain or loss on fair valuation of mutual funds	9,259,298	451,191
Short term Capital Gain on sale of mutual funds	48,085	18,796
Foreign Exchange Gain	28,693,143	2,504,883
Profit on sale of assets	181,500	Nil
Miscellaneous Income	226,671	881,822
Total	**58,037,621**	**24,548,682**

32 Cost of Materials Consumed

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Raw Material		
Inventory at the beginning of the year	55,138,204	46,083,830
Add: Purchase	483,596,131	428,908,800
Less: Inventory at the end of the year	90,793,033	55,138,204
Cost of Consumption of Raw Material	**447,941,302**	**419,854,426**
Packing Materials		
Inventory at the beginning of the year	21,360,682	19,973,767
Add: Purchase	205,587,518	150,018,253
Less: Inventory at the end of the year	38,966,160	21,360,682
Cost of Consumption of Packing Materials	**187,982,040**	**148,631,338**
Total	**635,923,342**	**568,485,764**

33 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Purchase of stock in trade	1,068,623,092	1,219,872,962
Total	**1,068,623,092**	**1,219,872,962**

34 Change In Inventories Of Finished Goods,Work In Progress And Stock In Trade

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Stock in trade		
Stock at the Beginning of the financial year	159,337,722	98,090,235
Stock at the End of the financial year	137,878,974	159,337,722
Trading Goods	**21,458,748**	**(61,247,487)**
Finished Goods		
Stock at the Beginning of the financial year	66,665,267	58,143,892
Stock at the End of the financial year	39,741,707	66,665,267
Finished Goods	**26,923,560**	**(8,521,375)**
Work in Progress		
Stock at the Beginning of the financial year	16,215,098	24,387,363
Stock at the End of the financial year	57,532,381	16,215,098
Work in Progress	**(41,317,283)**	**8,172,265**
Summary		
Stock at the Beginning of the financial year	242,218,087	180,621,490
Stock at the End of the financial year	235,153,062	242,218,087
Change in inventory	**7,065,025**	**(61,596,597)**

35 Employee Benefit Expense

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Salary, Wages & Bonus	425,553,683	327,423,659
Contribution to Provident Fund & Other Funds	19,594,045	12,981,703
Staff welfare Expenses	29,932,499	10,102,539
Total	**475,080,227**	**350,507,901**

36 Finance Costs

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Interest Expense	38,666,434	46,644,606
Other Borrowing Cost	3,980,163	7,482,606
Total	**42,646,597**	**54,127,212**

37 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Depreciation on Property, Plant & Equipment	42,759,561	37,266,981
Depreciation on Intangible Assets	1,233,429	1,249,673
Total	**43,992,990**	**38,516,654**

38 Other Expenses

Particulars	**Year Ended March 31, 2018 ₹**	**Year Ended March 31, 2017 ₹**
Power and Fuel	66,711,230	58,216,075
Labour Charges	79,321,904	60,962,778
Loading & Unloading Charges	219,515	27,334
Stores And Spares Consumption	7,021,003	9,146,288
Factory Expenses	5,648,938	9,503,003
Laboratory & Testing Charges	24,702,185	22,395,293
Provision for excise on closing inventory	(2,474,920)	996,694
Repairs & Maintenance:		
Building	3,628,477	4,805,784
Machinery	1,751,415	75,555
Other assets	7,964,741	7,691,422
	13,344,633	**12,572,761**
Loss On Sales Of Assets	504,959	59,277
Loss on sale of export licence	1,717,298	2,887,444
Amortisation of Lease Premium	216,000	216,000
Computer Expense	2,715,444	2,301,423
Rent	2,303,582	2,917,803
Rate & Taxes	16,687,602	22,939,658
Auditors' Remuneration (refer note 49)	900,000	900,000
Legal and Registration Expense	24,067,432	24,676,011
Professional & Consulting Fees	48,654,758	17,563,147
Inspection Fees	3,096,549	1,992,588
Conveyance & Vehicle Expense	5,821,437	4,335,368
Travelling Expense	47,292,218	45,448,694
Transportation Expense	24,512,008	22,947,061
Donation	898,006	338,000
Insurance	290,586	979,543
Office Expense	5,167,236	6,041,339
Post & Telephone Expense	4,366,230	4,441,730
Stationery, Printing & Xerox	4,801,398	3,278,905
Security Expense	3,722,634	2,958,391
CSR Expense	5,657,000	4,200,000
MTM Loss on Fair Valuation of Derivative contracts	1,658,477	470,372
Advertisement Expense	2,426,035	592,811
Sales Promotion & Marketing Expense	136,049,155	119,712,731
Sales Commission Expense	43,534,216	55,198,338
Bad debt Written off	9,845,220	7,131,501
Expected credit loss expenses	9,510,374	(1,193,731)
Miscellaneous Expense	2,358,619	12,862,810
Total	**603,268,958**	**540,017,440**

39 Income tax recognised in profit or loss

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Current tax	92,700,000	71,855,400
Tax expense related to prior period	3,149,154	Nil
	95,849,154	**71,855,400**
Deferred tax liability / (assets)	7,565,990	11,530,308
	7,565,990	**11,530,308**
Total	**103,415,144**	**83,385,708**

Income tax reconciliation

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Profit before tax	**430,980,321**	**357,414,030**
Tax expenses reported during the year	103,415,144	83,385,708
Income tax expenses calculated at 34.608%	149,153,669	123,693,847
Difference	**(45,738,525)**	**(40,308,139)**
Permanent disallowances	4,486,803	5,037,828
Income not taxable under Income tax	(7,381,401)	Nil
Tax benefit available in respect of scientific research	(39,265,874)	(37,612,826)
Effect on deferred tax balances due to change in income tax rate	476,150	Nil
MAT Credit recognised	Nil	(2,165,935)
Utilisation of MAT Credit	(7,203,357)	(6,923,033)
Adjustment of current tax of prior years	3,149,154	Nil
Other Items	Nil	1,355,827
Total	**(45,738,525)**	**(40,308,139)**

40 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	1,413,409	(620,976)
(ii) Income tax relating to these items that will not be reclassifed to profit and loss		
Deferred tax impact on actuarial gain/(loss)	(493,726)	214,907
Total	**919,683**	**(406,069)**

41. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,524,813	45,466,531	5,014,313
Advance paid against such contracts	728,219	45,466,531	4,401,000
Remaining outstanding commitment	**796,594**	**Nil**	**613,313**

42. Contingent Liabilities

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Income Tax demands disputed in appeal by the Company / Income Tax Authorities. Against which amount of ₹ 7,038,810/-, 3,431,000/- and Nil has been deposited respectively during the year ended March 31, 2018, March 31, 2017 and April 1, 2016	12,186,100	24,934,790	3,559,393
Corporate guarantee given by the company to banks on behalf of subsidiary	140,000,000	140,000,000	140,000,000
Outstanding amount of Bill discounted	72,874,448	39,593,716	Nil

43. 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 ₹ 14,643,892/- (March 31, 2017: ₹ 10,259,103/-) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

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

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

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

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
In Income Statement	4,043,755	1,987,037
In Other Comprehensive (Income) / loss	1,413,409	(620,976)
Total Expenses Recognized	**5,457,164**	**1,366,061**

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Current Service Cost	2,249,058	1,699,094
Past Service Cost	1,387,116	Nil
Net Interest Cost	407,581	287,943
Expenses Recognized in the Statement of Profit and Loss	**4,043,755**	**1,987,037**

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Actuarial (gains) / losses on Obligation for the period	(1,528,803)	470,265
Return on plan assets, excluding amount recognized in net interest expense	115,394	150,711
Components of defined benefit costs recognized in other comprehensive income	**(1,413,409)**	**620,976**

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Present Value of Obligation	(15,587,199)	(13,205,044)	(10,864,569)
Fair value of plan assets	15,255,120	7,785,076	7,296,509
Surplus / (Deficit)	(332,079)	(5,419,968)	(3,568,060)
Net (Liability) recognized in the Balance sheet	**(332,079)**	**(5,419,968)**	**(3,568,060)**

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Present Value of Obligation as at the beginning	13,205,044	10,864,569	5,721,486
Current Service Cost	2,249,058	1,699,094	709,983
Interest Expense or Cost	993,019	876,771	454,286
Re-measurement (or Actuarial) (gain) / loss arising from:			
- change in financial assumptions	(525,967)	656,622	(123,246)
- change in demographic assumptions	(1,080,883)	Nil	Nil
- experience variance	78,047	(186,357)	(456,934)
Past Service Cost	1,387,116	Nil	4,558,994
Benefits Paid	(718,235)	(705,655)	Nil
Present Value of Obligation as at the end of the year	**15,587,199**	**13,205,044**	**10,864,569**

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Fair value of Plan Assets at the beginning of the year	7,785,076	7,296,509	6,060,209
Interest Income	585,438	588,828	481,181
Contribution by Employer	7,000,000	67,595	766,494
(Benefit paid from the Fund)	Nil	(17,145)	Nil
Return on Plan Assets, Excluding Interest Income	(115,394)	(150,711)	(11,375)
Fair Value of Plan Assets at the end of the year	**15,255,120**	**7,785,076**	**7,296,509**

C. **Actuarial Assumptions**

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Discount Rate	7.88%	7.52%	7.94%
Expected rate of salary increase	6.50%	6.50%	6.50%
Expected Return on Plan Assets	7.88%	7.52%	7.94%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	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.	2.00%	2.00%
Retirement Age	58 Years	58 Years	58 Years

D. **Sensitivity Analysis**

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Defined Benefit Obligation (Base)	15,587,199	13,205,044

Particulars	Year Ended March 31, 2018 ₹		Year Ended March 31, 2017 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,547,545	(1,300,791)	1,376,896	(1,147,877)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(1,327,662)	1,553,518	(1,167,925)	1,377,177
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(164,450)	138,398	(87,282)	69,786

E. **Maturity Profile of Project Benefit Obligation**

Particulars	Gratuity		
	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Weighted average duration (based on discounted cash flows)	12	18	18

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity		
	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
1 year	4,027,965	3,596,400	3,589,616
2 to 5 years	2,265,422	1,829,088	1,291,352
6 to 10 years	4,052,188	2,786,390	2,299,912

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.

During the year company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost

44. Segment Reporting

The Company's operations pre-dominantly relates to manufacturing and sale of pharmaceutical products. The Company has considered the only one reporting segment in accordance with the requirement of Ind AS 108 - Operating Segments.

The Board of Directors ("BOD") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators of this single operating segment. The BOD reviews revenue and gross profit as the performance indicator for this single operating segment. Accordingly, it constitutes as a single reportable operating segment.

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

Entity-wide disclosures

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

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
India	2,011,050,677	1,887,883,052
Outside India	1,244,068,725	1,192,688,344
Total	**3,255,119,402**	**3,080,571,396**

(ii) Bifurecation of total assets of the company by geographical area on the basis of location of the asset:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
India	2,941,916,219	2,401,764,605	1,967,128,044
Outside India	318,164,555	415,814,357	460,640,817
Total	**3,260,080,773**	**2,817,578,962**	**2,427,768,861**

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

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
No. of customers contibuting 10% or more of total revenue (individually)	Nil	Nil
Amount of revenue	Nil	Nil
% of total revenue	Nil	Nil

45 Transition to Ind-AS

These financial statements, for the year ended March 31, 2018, are the first financials of the Company being prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read together with relevant rules of the Companies (Accounts) Rules, 2014 (Indian GAAP). Therefore, comparative information is reclassified / remeasured so as to comply with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, Statement of Profit and Loss, is set out here-in-after.

However, this principle is subject to the certain mandatory exceptions and optional exemptions availed by the Company in line with principles of Ind AS 101 as detailed below:

45.1 Exemptions and exceptions availed

I Optional exemptions

1 Property, Plant and Equipment (PPE) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

2 Past business combinations:

The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

3 Investments in Subsidiaries:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in subsidiaries, associates and joint ventures, as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that value as its deemed cost as at the date of transition. Accordingly the company has considered the Previous GAAP carrying amount of Investments in subsidiaries as deemed cost as at the transition date.

II Mandatory Exceptions

1 Estimates

The estimates as at April 1, 2016 and as at March 31, 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the impairment of financial assets based on the risk exposure and application of ECL model where application of Indian GAAP did not require any estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS, reflect conditions at April 1, 2016, the date of transition to Ind AS and as at March 31, 2017.

2 Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

3 De-recognition of financial assets and liabilities:

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

4 Classification and measurement of government grants:

The Company has elected to apply the classification and measurement provisions of Ind AS 109 and Ind AS 20 prospectively from the date of transition to Ind AS. Accordingly provisions of Ind AS 20 shall apply to government grants which are received after the date of transition to Ind AS.

45.2 Reconciliation of Balance Sheet as at 1st April, 2016

Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	11	629,090,765	(3,834,000)	625,256,765
(b) Capital work-in-progress		27,291,102	Nil	27,291,102
(c) Other Intangible assets		2,556,666	Nil	2,556,666
(d) Financial Assets				
(i) Investments	1 & 2	199,770,187	57,592,792	257,362,979
(ii) Loans	1 & 3	252,214,845	(56,474,850)	195,739,995
(e) Other non-current assets	11	11,471,405	3,834,000	15,305,405
Total Non - Current Assets (1)		**1,122,394,970**	**1,117,942**	**1,123,512,912**
Current assets				
(a) Inventories		246,679,087	Nil	246,679,087
(b) Financial Assets				
(i) Investments		Nil	Nil	Nil
(ii) Trade receivables	3	751,554,527	(6,537,631)	745,016,896
(iii) Cash and cash equivalents		29,823,893	Nil	29,823,893
(iv) Other Bank balances		21,616,439	Nil	21,616,439
(v) Other Financial assets	4 & 5	89,023	8,792,218	8,881,241
(c) Current Tax Assets (Net)		Nil	Nil	Nil
(d) Other current assets		252,238,393	Nil	252,238,393
Total Current Assets (2)		**1,302,001,362**	**2,254,587**	**1,304,255,949**
Total Assets (1+2)		**2,424,396,332**	**3,372,529**	**2,427,768,861**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital		163,108,000	Nil	163,108,000
(b) Other Equity	3, 4, 5, 7 & 8	1,223,811,952	28,007,623	1,251,819,575
Total equity (1)		**1,386,919,952**	**28,007,623**	**1,414,927,575**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		86,468,110	Nil	86,468,110
(ii) Other financial liabilities	2	31,612,308	2,973,346	34,585,654
(b) Deferred tax liabilities (Net)	7	50,475,008	(11,336,883)	39,138,125
Total Non - Current Liabilities (2)		**168,555,426**	**(8,363,537)**	**160,191,889**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		498,422,245	Nil	498,422,245
(ii) Trade payables	5	284,267,419	3,359,795	287,627,214
(iii) Other financial liabilities		50,506,928	Nil	50,506,928
(b) Other current liabilities	8	23,036,278	(19,631,352)	3,404,926
(c) Provisions		3,568,060	Nil	3,568,060
(d) Current Tax Liabilities (Net)		9,120,024	Nil	9,120,024
Total Current Liabilities (3)		**868,920,954**	**(16,271,557)**	**852,649,397**
Total Equity and Liabilities (1+2+3)		**2,424,396,332**	**3,372,529**	**2,427,768,861**

45.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	11	680,588,364	(3,618,000)	676,970,365
(b) Capital work-in-progress		66,308,714	Nil	66,308,714
(c) Other Intangible assets		3,748,508	Nil	3,748,508
(d) Financial Assets				
(i) Investments	1 & 2	199,770,187	57,592,793	257,362,979
(ii) Loans	1 & 3	261,405,645	(47,071,309)	214,334,336
(e) Other non-current assets	11	56,051,619	3,618,000	59,669,619
Total Non - Current Assets (1)		**1,267,873,037**	**10,521,484**	**1,278,394,521**
Current assets				
(a) Inventories		318,716,973	Nil	318,716,973
(b) Financial Assets				
(i) Investments	6	102,000,000	451,191	102,451,191
(ii) Trade receivables	3	797,113,012	(4,794,807)	792,318,205
(iii) Cash and cash equivalents		29,349,422	Nil	29,349,422
(iv) Other Bank balances		24,539,296	Nil	24,539,296
(v) Other Financial assets	4 & 5	36,173	9,299,136	9,335,309
(c) Current Tax Assets (Net)		4,144,628	Nil	4,144,628
(d) Other current assets		258,329,417	Nil	258,329,417
Total Current Assets (2)		**1,534,228,921**	**4,955,520**	**1,539,184,441**
Total Assets (1+2)		**2,802,101,958**	**15,477,004**	**2,817,578,962**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital		200,000,000	Nil	200,000,000
(b) Other Equity	1 to 7	1,666,641,355	29,162,921	1,695,804,276
Total equity (1)		**1,866,641,355**	**29,162,921**	**1,895,804,276**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		71,109,104	Nil	71,109,104
(ii) Other financial liabilities	2	34,618,913	1,892,130	36,511,043
(b) Deferred tax liabilities (Net)	7	67,952,440	(17,498,915)	50,453,525
Total Non - Current Liabilities (2)		**173,680,457**	**(15,606,785)**	**158,073,672**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		441,275,179	Nil	441,275,179
(ii) Trade payables	5	247,497,482	1,920,868	249,418,350
(iii) Other financial liabilities		63,916,752	Nil	63,916,752
(b) Other current liabilities		3,670,765	Nil	3,670,765
(c) Provisions		5,419,968	Nil	5,419,968
(d) Current Tax Liabilities (Net)		Nil	Nil	Nil
Total Current Liabilities (3)		**761,780,146**	**1,920,868**	**763,701,014**
Total Equity and Liabilities (1+2+3)		**2,802,101,958**	**15,477,004**	**2,817,578,962**

45.4 Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
I	Revenue from operations		3,042,796,684	37,774,712	3,080,571,396
II	Other Income	1, 2, 5 & 6	12,635,443	11,913,239	24,548,682
III	**Total Income (I + II)**		**3,055,432,127**	**49,687,951**	**3,105,120,078**
IV	**EXPENSES**				
	(a) Cost of materials consumed		568,485,764	Nil	568,485,764
	(b) Purchases of stock-in-trade	5	1,219,925,101	(52,139)	1,219,872,962
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		(61,596,597)	Nil	(61,596,597)
	(d) Excise duty	10	Nil	37,774,712	37,774,712
	(e) Employee benefit expense	9 & 15	351,126,117	(618,216)	350,507,901
	(f) Finance costs		54,127,212	Nil	54,127,212
	(g) Depreciation and amortisation expense	11	38,732,654	(216,000)	38,516,654
	(h) Other expenses	3, 4 & 5	542,463,440	(2,446,000)	540,017,440
	Total Expenses		**2,713,263,691**	**34,442,357**	**2,747,706,048**
V	**Profit/(loss) before tax (III- IV)**		**342,168,436**	**15,245,594**	**357,414,030**
VI	**Tax Expense**				
	(1) Current tax		71,855,400	Nil	71,855,400
	(2) Deferred tax	7	17,477,432	(5,947,124)	11,530,308
	Total tax expense		**89,332,832**	**(5,947,124)**	**83,385,708**
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**252,835,604**	**21,192,718**	**274,028,322**
VIII	**Profit/(loss) for the period (VII)**		**252,835,604**	**21,192,718**	**274,028,322**
IX	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit liabilities / (asset)	9	Nil	(620,976)	(620,976)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	9	Nil	214,907	214,907
	Total Other Comprehensive Income		**Nil**	**(406,069)**	**(406,069)**
X	**Total comprehensive income for the period (VIII+IX)**		**252,835,604**	**20,786,649**	**273,622,253**

45.5 Impact of Ind As adjustment on statement of cash flow for the year ended 31st March, 2017

Particulars	Footnote Reference	Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
Net Cash Flow from operating activities		149,841,283	28,155,327	177,996,610
Net Cash Flow from investing activities		(240,085,974)	(18,891,801)	(258,977,775)
Net Cash Flow from financing activities		87,049,283	(6,542,588)	80,506,695
Net increase / (decrease) in cash and cash equivalents	1 to 12	(3,195,408)	2,720,938	(474,470)
Cash and cash equivalents as at April 1, 2016		31,569,745	(1,745,852)	29,823,893
Cash and cash equivalents as at March 31, 2017		**28,374,338**	**975,084**	**29,349,422**

45.6 Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017

Particulars	Footnote Reference	As at March 31, 2017	As at April 01, 2016
Total Equity (Shareholder's Fund) as per previous GAAP		1,866,641,355	1,386,919,951
Ind AS Adjustments			
Interest recognized on non-current financial assets	1	9,403,542	Nil
Measurement of Financial Guarantee Issued	2	1,081,217	Nil
Provision of Expected Credit Loss on trade receivable	3	(4,794,807)	(6,537,631)
Impairment Loss on financial asset	3	(1,855,404)	(1,855,404)
Fair Value Gain / (loss) on Forward Contracts	4	811,665	1,282,038
Adjustment in respect of Prior Period Income	5	6,566,602	4,150,385
Change in fair value of current investments classified through FVTPL	6	451,191	Nil
Adjustment to Deferred Tax	7	17,498,915	11,336,884
Deferrement of Dividend Liability	8	Nil	19,631,352
Total Equity as per Ind AS		**1,895,804,276**	**1,414,927,575**

45.7 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Footnote Reference	As at March 31, 2017
Profit after tax as per previous GAAP		252,835,603
Adjustments:		
Interest recognized on non-current financial assets	1	9,403,542
Measurement of Financial Guarantee Issued	2	1,081,217
Provision of Expected Credit Loss on trade receivable	3	1,742,824
Fair Value Gain / (Loss) on Forward Contracts	4	(470,372)
Adjustment in respect of Prior Period Income	5	2,416,217
Change in fair value of current investments classified through FVTPL	6	451,190
Adjustment to Deferred Tax	7	6,162,032
Recalssification of net actuarial (gain)/ loss on employee defined benefit	9	620,976
Others		(214,907)
Profit after tax as per Ind As		**274,028,322**
Other Comprehensive Income	9	(406,069)
Total Comprehensive income for the period under Ind As		**273,622,253**

Footnotes:

1 **Interest free security deposits given to subsidiary company:**

Under previous GAAP, interest free security deposit given to the subsidary company (which is refundable in cash on completion of term) was recorded at its transaction value. Under Ind AS, this deposit is required to be recognised at fair value. Accordingly on transition date, the company has measured the security deposit at its fair value. The fair value of this deposit is determined using a market interest rate for an equivalent deposit, if given to non-related party. The difference between fair value and transaction value of security deposit has been recognised as an investment in equity of the subsidary company.

Subsequently, the security deposit is recognised at amortised cost till repayment. The company recognises interest income for the same over the life of the deposit using internal rate of return. Equity component of this deposit (which is classified under Investment) is not remeasured subsequently.

2 **Financial guarantee given to banks on behalf of subsidiary company:**

Under previous GAAP, financial guarantee provided by the company to the banks on behalf of the subsidary company, was not recognised. The same was disclosed as a part of “Contingent Liabilities”. Under Ind AS, on intial recognition, this guarantee is required to be recognised at fair value. Accordingly the company has recognised this guarantee at fair value, as an investment in equity of the subsidary company. Simultenously, the company has recognised the guarantee liability with the same value under ”non-current financial liability”. Fair value is determined using a market rate for an equivalent financial guarantee, if given for a non-related party.

Subsequently the financial guarantee liability is being amortised on straight line basis over the term of guarantee while the equity component of guarantee (which is classified under Investment) is not remeasured."

3 Provision of Expected Credit Loss and impairment loss on trade receivable

Under previous GAAP, provisions were made for specific receivables if collection was doubtful. Under Ind AS 109, the Company has applied expected credit loss model for recognising impairment of financial assets. Under expected credit loss model, the company has adopted simplified approach (provision is made on the basis of provision matrix).

The company has recognised the amount of expected credit losses (or reversal) in statement of profit or loss, that is required to adjust the closing balances of loss allowance at the reporting date.

Further on transition date, the company has also identified certain financial assets wherein credit risk associated with such assets is very high. Probability of recoverability of such assets were very negligible and hence the same is treated as loss assets. The company has provided full impairment loss for the same.

4 Fair Value Gain / (loss) on Forward Contracts:

Under the previous GAAP the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, was amortised as expense or income over the life of the contract. Under the Ind AS, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss.

5 Prior Period Expenses

Under Previous GAAP, prior period items were reflected as part of current year expense or income in the statement of profit & loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented.

Company has mainly 2 type of prior period items which is adjusted as per above principle on account of transition to Ind-AS:

i. Prior period expenses (expenses which relate to earlier period):

The prior period expenses of ₹ 3,359,795/- have been adjusted against opening equity resulting in to decrease in other equity as on the transition date i.e. 1st April, 2016 and increase in profit before tax for the year ended 31st March, 2017.

In the similar way, the company has charged ₹ 1,920,868/- to statement of profit and loss for the year ended 31st March, 2017 resulting in to decrease in profit before tax (under the previous GAAP, the same reflected as prior period expenses in the statement of profit and loss for the year ended 31st March, 2018).

ii. Share of profit receivable from subsidiary:

Under previous GAAP, share of profit receivable from Zullinc Healthcare LLP was not recognised in the books of the company. Under Ind-AS, the same is recognised resulting into increase in opening equity by ₹ 7,510,180/- on the transition date i.e. 1st April, 2016 and increase in profit before tax for the year ended 31st March, 2017 by ₹ 977,290/-.

6 Change in fair value of current investments classified through FVTPL

Under previous GAAP, the company accounted for short term investments in mutual funds as investment measured at cost. As per Ind AS, investments in liquid mutual funds have been revalued at fair value. The resulting fair value changes of these investments have been recognised in profit and loss.

7 Deferred Tax Adjustments:

Tax adjustments include deferrred tax impact on account of differences between previous GAAP and Ind AS which mainly includes expected credit loss allowance and employee benefit obligations.

Further under Ind AS, the company has also recognised deferred tax asset on previously unrecognised tax credits.

8 Deferrement of Dividend Liability

Under previous GAAP, the Company used to provide for proposed dividend including distribution tax as and when the same is declared by the Board of directors considering the same as adjusting event. Under Ind As, declaration of dividend by Board of Directors would be considered as non-adjusting event and the same would be provided once it is approved by the shareholders in their general meeting.

9 Remeasurement of post employment benefit obligations

As per Ind AS, remeasurement of defined benefit plans have been disclosed under "Other Comprehensive Income" (OCI), which was being debited to statement of profit and loss under previous GAAP. The impact of tax on the same is also adjusted to "Other Comprehensive Income" only.

10 Excise Duty

Under previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

11 Prepayment Charges

Under previous GAAP, the prepayment charges paid for lease-hold land was recognised under "Property, Plant and Equipment". Under Ind-AS, being operating lease, the same is re-classified to "Other non-current assets". In the similar way, amotisation expense of the said lease is re-classified from "Depreciation and Amortisation Expenses" to "other expenses".

12 Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

46 Fair Value Measurements

Financial instrument by category and their fair value

As at March 31, 2018	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								
Investments								
Non Current	Nil	Nil	277,362,979	277,362,979	Nil	Nil	Nil	Nil
Current	109,710,489	Nil	Nil	109,710,489	109,710,489	Nil	Nil	109,710,489
Non Current Loans	Nil	Nil	225,714,555	225,714,555	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	960,196,967	960,196,967	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	64,487,243	64,487,243	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	18,962,866	18,962,866	Nil	Nil	Nil	Nil
Other Current Financial Assets	Nil	Nil	9,443,408	9,443,408	Nil	Nil	Nil	Nil
Total Financial Assets	**109,710,489**	**Nil**	**1,556,168,019**	**1,665,878,508**	**109,710,489**	**Nil**	**Nil**	**109,710,489**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	61,326,545	61,326,545	Nil	Nil	Nil	Nil
Current	Nil	Nil	485,470,905	485,470,905	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current	810,913	Nil	36,411,138	37,222,050	Nil	Nil	810,913	810,913
Current	846,811	Nil	49,760,826	50,607,637	Nil	Nil	846,811	846,811
Trade Payables	Nil	Nil	351,005,968	351,005,968	Nil	Nil	Nil	Nil
Total Financial Liabilties	**1,657,724**	**Nil**	**983,975,382**	**985,633,105**	**Nil**	**Nil**	**1,657,724**	**1,657,724**

As at March 31, 2017	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								
Investments								
Non Current	Nil	Nil	257,362,979	257,362,979	Nil	Nil	Nil	Nil
Current	102,451,191	Nil	Nil	102,451,191	102,451,191	Nil	Nil	102,451,191
Non Current Loans	Nil	Nil	214,334,336	214,334,336	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	792,318,205	792,318,205	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	29,349,422	29,349,422	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	24,539,296	24,539,296	Nil	Nil	Nil	Nil
Other Current Financial Assets	811,666	Nil	8,523,643	9,335,309	Nil	Nil	811,666	811,666
Total Financial Assets	**103,262,857**	**Nil**	**1,326,427,882**	**1,429,690,739**	**102,451,191**	**Nil**	**811,666**	**103,262,857**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	71,109,104	71,109,104	Nil	Nil	Nil	Nil
Current	Nil	Nil	441,275,179	441,275,179	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current	1,892,129	Nil	34,618,914	36,511,043	Nil	Nil	1,892,129	1,892,129
Current	Nil	Nil	63,916,752	63,916,752	Nil	Nil	Nil	Nil
Trade Payables	Nil	Nil	249,418,350	249,418,350	Nil	Nil	Nil	Nil
Total Financial Liabilties	**1,892,129**	**Nil**	**860,338,299**	**862,230,428**	**Nil**	**Nil**	**1,892,129**	**1,892,129**

As at April 01, 2016	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								
Investments								
Non Current	Nil	Nil	257,362,979	257,362,979	Nil	Nil	Nil	Nil
Current	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Current Loans	Nil	Nil	195,739,995	195,739,995	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	745,016,896	745,016,896	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	29,823,893	29,823,893	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	21,616,439	21,616,439	Nil	Nil	Nil	Nil
Other Current Financial Assets	1,282,038	Nil	7,599,203	8,881,241	Nil	Nil	1,282,038	1,282,038
Total Financial Assets	**1,282,038**	**Nil**	**1,257,159,405**	**1,258,441,443**	**Nil**	**Nil**	**1,282,038**	**1,282,038**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	86,468,110	86,468,110	Nil	Nil	Nil	Nil
Current	Nil	Nil	498,422,245	498,422,245	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current	2,973,346	Nil	31,612,308	34,585,654	Nil	Nil	2,973,346	2,973,346
Current	Nil	Nil	50,506,928	50,506,928	Nil	Nil	Nil	Nil
Trade Payables	Nil	Nil	287,627,214	287,627,214	Nil	Nil	Nil	Nil
Total Financial Liabilties	**2,973,346**	**Nil**	**954,636,806**	**957,610,152**	**Nil**	**Nil**	**2,973,346**	**2,973,346**

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/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

47 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. Company's 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 financial instruments and non-derivative financial instruments.

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

i) Trade Receivables:

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

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 forecast 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. As of March 31, 2018, March 31, 2017 and April 1, 2016; the Company had unutilized credit limits from banks of Rs. 100,123,224/-, 101,952,439/- and 20,001,830/- respectively. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2018	**Carrying Amount**	**Contractual Cash Flows**				
		On demand or within 1 year	**Over 1 year within 2 years**	**Over 3 years within 5 years**	**Over 5 years**	**Total**
Borrowings:						
Non Current	61,326,545	Nil	16,852,155	44,474,390	Nil	61,326,545
Current	485,470,905	485,470,905	Nil	Nil	Nil	485,470,905
Other Financial Liabilities:						
Non Current	37,222,050	Nil	37,222,050	Nil	Nil	37,222,050
Current	50,607,637	50,607,637	Nil	Nil	Nil	50,607,637
Trade Payables	351,005,968	351,005,968	Nil	Nil	Nil	351,005,968
Total	**985,633,105**	**887,084,510**	**54,074,205**	**44,474,390**	**Nil**	**985,633,105**

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2017	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	71,109,104	Nil	12,584,472	46,986,171	11,538,461	71,109,104
Current	441,275,179	441,275,179	Nil	Nil	Nil	441,275,179
Other Financial Liabilities:						
Non Current	36,511,043	Nil	36,511,043	Nil	Nil	36,511,043
Current	63,916,752	63,916,752	Nil	Nil	Nil	63,916,752
Trade Payables	249,418,350	249,418,350	Nil	Nil	Nil	249,418,350
Total	**862,230,428**	**754,610,282**	**49,095,514**	**46,986,171**	**11,538,461**	**862,230,428**

(Amount in ₹)

Contractual maturities of financial liabilities as at April 1, 2016	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	86,468,110	Nil	17,028,549	42,516,485	26,923,076	86,468,110
Current	498,422,245	498,422,245	Nil	Nil	Nil	498,422,245
Other Financial Liabilities:						
Non Current	34,585,654	Nil	31,612,308	2,973,346	Nil	34,585,654
Current	50,506,928	50,506,928	Nil	Nil	Nil	50,506,928
Trade Payables	287,627,214	287,627,214	Nil	Nil	Nil	287,627,214
Total	**957,610,152**	**836,556,388**	**48,640,857**	**45,489,831**	**26,923,076**	**957,610,152**

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 and commodity risk.

a) Currency Risk

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

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

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2018, the Company had entered into derivative contracts of ₹ 83,855,760/- to hedge exposure to fluctuations in foreign currency risk. The below sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

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

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

Particulars	Currency	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
a) Trade Receivables (Against Export)	USD	4,413,864	5,972,606	6,944,379
	INR	287,095,823	387,255,398	460,640,817
	EURO	385,362	412,418	Nil
	INR	31,068,731	28,558,959	Nil
b) Trade Payables (Against import Nil including capital import)	USD	13,600	(65,825)	(24,150)
	INR	884,600	(4,268,001)	(1,601,940)
Net Statement of Financial Exposure (a + b)	USD	4,427,464	5,906,781	6,920,229
	INR	287,980,423	382,987,397	459,038,878
	EURO	385,362	412,418	Nil
	INR	31,068,731	28,558,959	Nil

Note - Figures in bracket denotes credit balance.

ii) **Foreign Currency Risk Sensitivity**

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

Particulars	Year Ended March 31, 2018 ₹		Year Ended March 31, 2017 ₹	
	5% Increase	**5% Decrease**	**5% Increase**	**5% Decrease**
USD	14,399,021	(14,399,021)	19,149,370	(19,149,370)
EURO	1,553,437	(1,553,437)	1,427,948	(1,427,948)
Total	**15,952,458**	**(15,952,458)**	**20,577,318**	**(20,577,318)**

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.

Long-term borrowings expose the company to risk of changes in interest rates as the Company had External Commercial Borrowings (ECB) carrying a variable interest rate. In order to hedge interest rate risk arising out of variable interest rate ECBs, company has entered into Interest Rate swaps.

For other borrowings, Company's treasury department monitors the interest rate movement and manages the interest rate risk based on its policies.

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

i) **Exposure to interest rate risk**

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Fixed Rate Borrowings	5,267,362	4,291,517	4,440,592
Variable Rate Borrowings	554,701,674	525,890,563	598,422,245
Total	**559,969,036**	**530,182,081**	**602,862,837**

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 21 and 24 of these financial statements.

ii) **Interest Rate Sensitivity**

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

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
50bp increase would decrease the profit before tax by	(2,773,508)	(2,629,453)
50bp decrease would increase the profit before tax by	2,773,508	2,629,453

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, 2018, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

48 Capital Management:

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

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

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

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Debt	546,797,450	512,384,282	584,890,355
Cash and bank balances	(83,450,110)	(53,888,718)	(51,440,332)
Net debt	**463,347,340**	**458,495,564**	**533,450,024**
Equity	2,195,403,112	1,895,804,276	1,414,927,575
Net debt to equity ratio	21.00%	24.00%	38.00%

49 Details of Payment to Auditors

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Payment to auditors:		
To Statutory Auditor:		
Audit fee	600,000	600,000
Taxation matters	300,000	300,000
To Internal Auditor:		
Internal Audit Fee	Nil	300,000
Total …..	**900,000**	**1,200,000**

50. Research and development expenditure:

The Company's in house R&D unit has been approved by Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, New Delhi. The Company's in house R&D unit is also approved for weighted deduction U/S 35 (2AB) of the Income Tax act, 1961.

Details of Capital & Revenue Expenditure of R&D unit incurred during the year is as below:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Capital	Revenue	Capital	Revenue
Plant & Machinary	35,314,069	Nil	26,174,956	Nil
R&D Building	Nil	Nil	84,354	Nil
Electrical Equipment	359,000	Nil	13,465	Nil
Furniture & Fixture	43,604	Nil	Nil	Nil
Personnel Expenses	Nil	28,942,390	Nil	23,339,944
Material Consumption	Nil	10,400,115	Nil	3,168,808
Manufacturing expense	Nil	22,653,987	Nil	20,420,534
Depreciation	Nil	9,894,491	Nil	9,266,595
Administration Expenses	Nil	8,919,340	Nil	6,049,742
Total	**35,716,673**	**80,810,324**	**26,272,776**	**62,245,622**

51. Earnings Per Share (EPS)

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Net Profit / (Loss) for calculation of basic / diluted EPS	327,565,177	274,028,322
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	20,000,000	17,881,751
Basic and Diluted Earnings/(Loss) Per Share	16.38	15.32
Nominal Value of Equity Shares	16.38	15.32

A. Reconcilation on Amount of EPS

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	16.38	15.32
Total basic earnings per share attributable to the equity holders of the company	**16.38**	**15.32**
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	16.38	15.32
Total diluted earnings per share attributable to the equity holders of the company	**16.38**	**15.32**

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	327,565,177	274,028,322
(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	327,565,177	274,028,322

C. **Weighted average number of shares used as the denominator**

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,000,000	17,881,751
(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	20,000,000	17,881,751

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

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share	(0.14)	(0.13)
(b) Diluted earnings per share	(0.14)	(0.13)

52. Related Parties Disclosures

(i) List of related parties:

Name of related party	Nature of relationship
Lincoln Parenteral Limited	Subsidiary
Zullinc Healthcare LLP	Subsidiary
Savebux Finance & Investment Private Limited	Subsidiary (w.e.f. October 4, 2017)
Avis Travels	Entity controlled by Key Managerial Personnel
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel
Downtown Travels LLP	Entity controlled by Key Managerial Personnel
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel
Shree Corporation	Entity controlled by Key Managerial Personnel
Ashish R Patel HUF	Entity controlled by Key Managerial Personnel
Mahendra G Patel HUF	Entity controlled by Key Managerial Personnel
Munjal M Patel HUF	Entity controlled by Key Managerial Personnel
Ashish R Patel	Key Managerial Personnel
Hasmukh I Patel	Key Managerial Personnel
Mahendra G Patel	Key Managerial Personnel
Munjal M Patel	Key Managerial Personnel
Rajnikant G Patel	Key Managerial Personnel
Kailashben M Patel	Relative of Key Managerial Personnel
Kalpanaben R Patel	Relative of Key Managerial Personnel

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

Transactions with related parties during the year:

Name of related party	Nature of Transaction	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Lincoln Parenteral Limited	Purchase of goods	283,667,437	197,144,050
	Sale of goods	4,395,240	12,666,283
	Jobwork charges	1,791,088	1,447,588
	Interest income	10,108,807	9,403,542
	Sale of services (Job Work Charges)	57,322	Nil
	Guarantee commission income	1,081,217	1,081,217
Zullinc Healthcare LLP	Advance given	3,100,000	Nil
	Advance settled	3,100,000	Nil
	Sale of goods	1,620,820	268,664,095
	Share of profit	829,128	977,290
Savebux Finance & Investment Private Limited	Investment in equity instruments	20,000,000	Nil
Avis Travels	Travelling expenses	9,392,586	13,014,336
Downtown Finance Pvt Ltd	Interest expenses	663,842	1,781,864
	Loan repaid	14,185,000	Nil
	Loan taken	3,028,285	Nil
	Advance taken (bill discounting)	Nil	51,518
	Advance repaid (bill discounting)	Nil	2,492,252
Downtown Travels LLP	Travelling expenses	723,987	1,209,989
Downtown Travels Pvt Ltd	Loan repaid	Nil	728,399
Sunmed Corporation LLP	Purchase	Nil	23,260
	Commission	1,850,000	Nil
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	3,500,000	650,702
Shree Corporation	Commission	1,850,000	Nil
	Advance given	242,500	Nil
Ashish R Patel HUF	Commission	1,500,000	Nil
Mahendra G Patel HUF	Advance given	950,000	Nil
Munjal M Patel HUF	Commission	600,000	Nil
	Advance given	380,000	Nil
Ashish R Patel	Remuneration	3,210,841	1,603,168
Hasmukh I Patel	Remuneration	2,288,302	1,357,742
	Commission	Nil	500,000
Mahendra G Patel	Remuneration	1,811,719	1,357,742
	Rent	665,000	Nil
Munjal M Patel	Remuneration	2,003,605	1,327,838
Rajnikant G Patel	Remuneration	336,795	1,357,742
	Commission	1,500,000	Nil
Kailashben M Patel	Rent	1,180,000	Nil
Kalpanaben R Patel	Commission	1,500,000	Nil

Balances outstanding at each reporting date:

Name of related party	Nature of Amount	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Lincoln Parenteral Limited:				
Investment in equity instruments	Non-current investments	256,844,979	256,844,979	256,844,979
Investment in other equity instruments	Non-current investments	57,592,792	57,592,792	57,592,792
Security deposits	Non-current loans	144,892,903	134,784,095	125,380,554
Liability for financial guarantee contracts	Non-current financial liability	(810,913)	(1,892,129)	(2,973,346)
Advances given	Trade payables	130,602,072	96,896,965	34,770,000
Outstanding receivable	Trade receivables	Nil	Nil	(3,393,879)
Zullinc Healthcare LLP:				
Investment in equity instruments	Non-current investments	500,000	500,000	500,000
Share of profit receivable	Other current financial assets	9,316,598	8,487,470	7,510,180
Outstanding receivable	Trade receivables	133,724,863	133,736,490	Nil
Savebux Finance & Investment Private Limited:				
Investment in equity instruments	Non-current investments	20,000,000	Nil	Nil
Downtown Finance Pvt Ltd:				
Intercorporate deposits	Current borrowings	(597,458)	(11,485,000)	(10,000,000)
Loans given	Non-current loans	Nil	328,285	Nil
Outstanding payables	Trade payables	Nil	Nil	(2,322,056)
Sunmed corporation LLP:				
Advance to suppliers	Other current assets	11,125,000	9,950,000	9,950,000
Outstanding receivables	Trade receivables	(589,835)	(589,835)	(410,002)
Outstanding payables	Trade payables	Nil	Nil	(18,661,752)
Avis Travels	Trade payables	(320,130)	(561,041)	(290,562)
Downtown Travels LLP	Trade payables	(507,408)	(482,857)	Nil
Downtown Travels Pvt. Ltd.	Trade payables	Nil	Nil	(728,399)
Mahendra G Patel HUF	Trade payables	950,000	Nil	Nil
Munjal M Patel HUF	Trade payables	380,000	Nil	Nil
Mahendra G Patel	Trade payables	86,500	Nil	(87,600)
Munjal M Patel	Trade payables	175,815	207,082	(89,910)
Kailashben M Patel	Trade payables	(612,000)	Nil	Nil
Hasmukh I Patel	Trade payables	Nil	Nil	(87,600)

Note: Figures in bracket denotes credit balance.

(iii) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013:

Particulars	Purpose	Closing Balance		
		As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Loans & Advances in the nature of Loans to Subsidiaries				
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	144,892,903	134,784,095	125,380,554
Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount				
Downtown Finance Pvt Ltd	Business Purpose	Nil	328,285	Nil

Particulars	Purpose	Maxium Amount Outstanding	
		Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Loans & Advances in the nature of Loans to Subsidiaries			
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	144,892,903	134,784,095
Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount			
Downtown Finance Pvt Ltd	Business Purpose	Nil	328,285

53. Corporate Social Responsibility

Details of amount required to be spent by the company towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 is stated as below:

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Gross amount required to be spent by the company during the year	5,622,344	4,117,884
Amount Spent during the year on		
(i) Construction/ Acquisition of any assets		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
(ii) On purpose other than (i) above		
In Cash	5,657,000	4,200,000
Yet to be paid	Nil	Nil

54. The Goods and Service Tax (GST) Act, 2017 has been implemented with effect from July 1, 2017 which replaced major Indirect taxes in India. Accordingly, the Company is liable to GST with effect from July 1, 2017. The revenue from July to March, 2018 is net of such GST. However, the revenue from April to June 2017 and previous year is inclusive of excise duty. Accordingly, Revenue and Excise duty on sale of goods for the current year and previous year are not comparable to that extent.

55. The Board of Directors of the company proposed dividend of ₹ 1.50/- (@ 15%) per share of Face Value of ₹ 10/- each, subject to the approval of Shareholders at the Ensuring Annual General Meeting.

56. Subsequent Events:

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

57. Previous Periods' / Years' figures have been re-grouped / Re-Classified where necessary to make it comparable with the current period.

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

INDEPENDENT AUDITORS' REPORT

To
The Members
Lincoln Pharmaceuticals Limited
Ahmedabad

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **Lincoln Pharmaceuticals Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013(hereinafter referred to as "the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by 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 the Ind AS, of the Consolidated state of affairs of the group as at 31st March, 2018 and its Consolidated profit including other comprehensive income, Consolidated cash flows and its Consolidated changes in equity for the year ended on that date.

5. Other Matters

We did not audit the financial statements / financial information of its two subsidiaries whose financial statements/financial information reflect total assets of Rs. 170,322,984/- as at 31st March, 2018, total revenues of Rs.306,324,789/- and net cash flows amounting to Rs.615,074/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements; in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on other Legal and Regulatory requirement below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

6. Report on Other Legal and Regulatory Requirements

1. 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 relating to preparation of the aforesaid consolidated Ind As financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

   d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the holding Company and its Subsidiary as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors of the Group Companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

   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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements in Note 43;

      ii. The Group 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 Holding Company and its Subsidiary Companies.

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

(J. T. Shah)
Place : Ahmedabad **Partner**
Date : 30/05/2018 **[M.No.3983]**

Annexure “A” To The Independent Auditor’s Report of Even Date on The Consolidated Financial Statements of Lincoln Pharmaceuticals Limited

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

In Conjunction with our audit of Consolidated Ind AS financial statements of the Company for the year ended 31st March,2018, we have audited the internal financial controls over financial reporting of **Lincoln Pharmaceuticals Limited** (hereinafter referred to as the “Holding Company”) and its Subsidiary Companies as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding and its Subsidiary Companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanation given to us, Holding and its Subsidiary Companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Ahmedabad
Date : 30/05/2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	1,070,143,123	931,104,721	886,096,979
(b) Capital work-in-progress	6	2,911,549	66,308,714	27,291,102
(c) Goodwill on consolidation	7	92,256,360	92,256,360	92,256,360
(d) Other Intangible assets	7	3,354,920	3,748,508	2,556,666
(e) Financial Assets				
(i) Investments	8	870,626	870,626	870,626
(ii) Loans	9	90,498,213	87,573,966	251,953,260
(f) Other non-current assets	10	28,954,224	61,036,563	19,643,764
Total Non - Current Assets		1,288,989,015	1,242,899,458	1,280,668,757
2 Current assets				
(a) Inventories	11	454,114,612	373,060,301	274,819,256
(b) Financial Assets				
(i) Investments	12	109,710,489	102,451,191	Nil
(ii) Trade receivables	13	1,094,407,979	906,695,386	797,596,931
(iii) Cash and cash equivalents	14	65,679,016	31,156,268	32,558,341
(iv) Other Bank balances	15	80,193,818	85,612,146	92,298,515
(v) Loans	16	188,544	2,693,556	243,500
(vi) Other financial assets	17	193,971	855,342	10,712,092
(c) Current Tax Assets (Net)	18	Nil	7,359,810	Nil
(d) Other current assets	19	378,873,510	300,610,271	268,323,470
Total Current Assets		2,183,361,939	1,810,494,271	1,476,552,105
Total Assets (1+2)		**3,472,350,954**	**3,053,393,729**	**2,757,220,862**
B EQUITY AND LIABILITIES				
1 Equity				
(a) Share capital	20	200,000,000	200,000,000	163,108,000
(b) Other Equity	21	2,042,179,512	1,723,849,129	1,272,642,982
Equity attributable to equity holders of the company		2,242,179,512	1,923,849,129	1,435,750,982
(c) Non-controlling interest	22	3,265,090	2,999,620	2,895,933
Total equity		2,245,444,602	1,926,848,749	1,438,646,915
LIABILITIES				
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	69,268,978	123,836,372	194,353,000
(ii) Other financial liabilities	24	36,411,138	34,618,914	31,612,308
(b) Deferred tax liabilities (Net)	25	71,877,853	59,220,773	44,921,963
Total Non - Current Liabilities		177,557,969	217,676,059	270,887,271
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	26	485,470,905	450,440,890	524,043,754
(ii) Trade payables	27	434,760,351	324,558,777	398,000,794
(iii) Other financial liabilities	28	101,162,706	123,814,666	103,119,587
(b) Other current liabilities	29	9,296,345	3,911,766	5,516,876
(c) Provisions	30	332,078	5,419,968	3,568,060
(d) Current Tax Liabilities (Net)	31	18,325,998	722,854	13,437,605
Total Current Liabilities		1,049,348,383	908,868,921	1,047,686,676
Total Equity and Liabilities (1+2+3)		**3,472,350,954**	**3,053,393,729**	**2,757,220,862**
Summary of Significant Acounting Policies	4			

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	Note No.	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
	Continuing Operations			
I	Revenue from operations	32	3,616,370,772	3,653,405,772
II	Other Income	33	54,537,192	27,342,685
III	**Total Income (I + II)**		**3,670,907,964**	**3,680,748,457**
IV	**EXPENSES**			
	(a) Cost of materials consumed	34	915,530,425	536,116,874
	(b) Purchases of stock-in-trade	35	1,039,398,376	1,706,178,498
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(29,760,983)	(66,355,069)
	(d) Excise duty		10,227,868	50,825,634
	(e) Employee benefit expense	37	511,477,678	375,905,549
	(f) Finance costs	38	54,110,066	66,614,829
	(g) Depreciation and amortisation expense	39	61,118,065	55,148,426
	(h) Other expenses	40	646,335,517	582,970,040
	Total Expenses		**3,208,437,012**	**3,307,404,781**
V	**Profit/(loss) before tax (III- IV)**		**462,470,952**	**373,343,676**
VI	**Tax Expense**			
	(a) Current tax	41	103,847,159	77,503,039
	(c) Deferred tax liabilty / (assets)	41	12,129,711	14,504,944
	Total tax expense		**115,976,870**	**92,007,983**
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**346,494,082**	**281,335,693**
VIII	**Profit/(loss) for the year (VII)**		**346,494,082**	**281,335,693**
IX	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	42	1,515,164	(594,441)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	42	(527,370)	206,134
X	**Total Other Comprehensive Income**		987,795	(388,307)
XI	**Total comprehensive income for the year (VIII+X)**		**347,481,876**	**280,947,386**
	Profit for the year attributable to			
	Equity holders of the company		346,229,576	281,232,257
	Non-controlling interest		264,506	103,436
	Other comprehensive income attributable to			
	Equity holders of the company		986,830	(388,558)
	Non-controlling interest		964	251
	Total comprehensive income attributable to			
	Equity holders of the company		347,216,406	280,843,699
	Non-controlling interest		265,470	103,687
XII	**Basic & diluted earnings per share of face value of ₹10 each Fully Paid up**			
	(a) Basic		17.31	15.73
	(b) Diluted		17.31	15.73

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

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

Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

C0NSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Cash flow from operating activities		
Profit before tax	462,470,952	373,343,676
Adjustments for :		
Depreciation and amortisation expense (except lease hold land)	61,118,065	55,148,426
Amortisation of lease premium	216,000	216,000
Finance costs	54,110,066	66,614,829
Provision for expected credit Loss	11,102,294	(427,744)
Bad-debt written off	9,845,220	7,131,501
MTM (gain) / loss on fair valuation of derivative financial instruments	771,121	1,867,786
loss on sale of assets (net)	323,459	59,277
Interest income	(11,817,167)	(23,127,071)
Dividend income	(2,064)	(2,064)
(Gain) / loss on fair valuation of mutual funds	(9,259,298)	(451,191)
Profit on sale of mutual funds	(48,085)	(18,796)
Operating profit before working capital changes	**578,830,563**	**480,354,629**
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(81,054,311)	(98,241,045)
(Increase)/Decrease in Trade receivables	(208,660,108)	(115,802,212)
(Increase)/Decrease in Other Bank Balance	5,418,328	6,686,369
(Increase)/Decrease in Loans (Current + Non-Current)	(419,235)	161,929,238
(Increase)/Decrease in Other Current Financial Assets	(129,699)	7,264,477
(Increase)/Decrease in Other Current Assets	(78,161,484)	(32,260,267)
Increase/(Decrease) in Trade Payable	110,201,571	(73,442,015)
Increase/(Decrease) in Other Financial Liabitlies (Current + Non Current)	(3,780,143)	11,796,763
Increase/(Decrease) in Other Current Liabitlies	5,384,579	(1,605,110)
Increase/(Decrease) in Provisions (Current Liabilities)	(3,674,481)	1,230,932
Cash flow generated from operations	**323,955,580**	**347,911,759**
Direct taxes Paid (net)	(92,476,438)	(97,497,924)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**231,479,142**	**250,413,835**
Cash flows from investing activities		
Purchase of Property, Plant and Equipments	(99,010,594)	(176,158,474)
Proceeds from sale of Property, Plant and Equipments	2,269,000	170,000
Interest received	11,817,167	23,127,071
Dividend received	2,064	2,064
Investment in mutual funds (net)	2,048,085	(101,981,204)
NET CASH FLOW (USED) IN INVESTING ACTIVITIES (B)	**(82,874,278)**	**(254,840,543)**

C0NSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Cash flows from financing activities		
Proceeds of Long Term Borrowings	Nil	Nil
Repayment of Long-term borrowings	(66,968,925)	(62,915,992)
Proceeds of Short Term Borrowings	35,030,015	Nil
Repayment of Short-term borrowings	Nil	(73,602,865)
Money Received against share warrants	Nil	226,885,800
Dividend Paid on equity shares (incl. deferred tax)	(28,747,453)	(19,571,136)
Finance costs Paid	(53,395,753)	(67,771,172)
NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)	**(114,082,116)**	**3,024,635**
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	**34,522,748**	**(1,402,073)**
Cash and cash equivalents at the beginning of the year	31,156,268	32,558,341
Cash and cash equivalents at the end of the year	**65,679,016**	**31,156,268**

Notes:

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

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Cash on hand	5,100,499	2,920,577	3,656,696
Balances with Bank - In Current Account	60,578,517	28,235,691	28,901,645
Total Cash and cash equivalents (Refer Note 14)	**65,679,016**	**31,156,268**	**32,558,341**

(ii) 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.

(iii) Previouse Periods' / Years' figures have been re-grouped / Re-Classified where necessary to make it comparable with the current period.

See accompanying notes forming part of the Financial Statements

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

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

Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2018

Equity Share Capital

Particulars	Note No.	Amount ₹
Balance as on 1st April, 2016	20	163,108,000
Changes during the year		36,892,000
Balance as on 31st March, 2017	20	200,000,000
Changes during the year		Nil
Balance as on 31st March, 2018	**20**	**200,000,000**

Other Equity — **Amount in ₹**

Particulars	Note No.	Reserves and Surplus			Capital Reserve	Money received against share warrants	Equity Securities Premium	Non-Controlling Interest	Total
		Retained Earnings		General Reserve					
		Profit and Loss	Other Comprehensive Income						
Balance as at 1st April, 2016	**21 & 22**	**749,949,329**	**399,453**	**62,621,600**	**3,500,000**	**75,628,600**	**380,544,000**	**2,895,933**	**1,275,538,915**
Profit for the year		281,232,257	Nil	Nil	Nil	Nil	Nil	103,436	281,335,693
Other comprehensive income for the year (net of Tax)		Nil	(388,558)	Nil	Nil	Nil	Nil	251	(388,307)
Payment of Dividends		(16,310,800)	Nil	Nil	Nil	Nil	Nil	Nil	(16,310,800)
Tax on Dividends		(3,320,552)	Nil	Nil	Nil	Nil	Nil	Nil	(3,320,552)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil	Nil
Share Capital issued during the year		Nil	Nil	Nil	Nil	(75,628,600)	Nil	Nil	(75,628,600)
Received during the year		Nil	Nil	Nil	Nil	Nil	265,622,400	Nil	265,622,400
Balance as at 31st March, 2017	**21 & 22**	**1,006,550,234**	**10,895**	**67,621,600**	**3,500,000**	**Nil**	**646,166,400**	**2,999,620**	**1,726,848,749**
Profit for the year		346,229,576	Nil	Nil	Nil	Nil	Nil	264,506	346,494,082
Other comprehensive income for the year (net of Tax)		Nil	986,830	Nil	Nil	Nil	Nil	964	987,795
Payment of Dividends		(24,000,000)	Nil	Nil	Nil	Nil	Nil	Nil	(24,000,000)
Tax on Dividends		(4,886,023)	Nil	Nil	Nil	Nil	Nil	Nil	(4,886,023)
Transfer to General Reserve		(5,000,000)	Nil	5,000,000	Nil	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	**21&22**	**1,318,893,787**	**997,725**	**72,621,600**	**3,500,000**	**Nil**	**646,166,400**	**3,265,090**	**2,045,444,602**

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

(J.T.SHAH)
Partner
(M.No.3983)
Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

1. **Corporate information:**

The consolidated financial statements relate to Lincoln Pharmaceuticals Limited ("the Company") and its subsidiary Companies. Lincoln Pharmaceuticals Limited is a listed company, incorporated on January 20, 1995 under the provisions of the Companies Act 1956, having it registered office in the Ahmedabad, Gujarat, India. The shares of the company are listed on BSE and NSE. The Company is engaged in the business of manufacturing and trading of pharmaceutical products. The Company and its subsidiaries constitute "the Group". The details of the subsidiaries along with nature of business are as under:

Subsidiary Name	Nature of Business	% of Voting Power by the Holding Company (Refer Note 52)	Accounting Period
Lincoln Parenteral Limited	Manufacturing and Trading of Pharmaceutical Products	98.58%	Considered for the period: April 1, 2016 to March 31, 2017 and April 1, 2017 to March 31, 2018
Zullinc Healthcare LLP	Manufacturing and Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2016 to March 31, 2017 and April 1, 2017 to March 31, 2018
Savebux Finance & Investment Private Limited	Non-Banking Financial Company	100%	Considered for the period: October 9, 2017 to March 31, 2018

The consolidated financial statements are approved for issue by the Company's Board of Directors on May 30, 2018.

2. **Statement of compliance:**

The consolidated 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.

Upto the year ended March 31, 2017, the group prepared its consolidated financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with rules thereunder ('Indian GAAP' or 'previous GAAP'). The current consolidated financial statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and notes forming part of consolidated financial statement as at March 31, 2018, 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. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2016. Previous period numbers in the consolidated financial statements have been restated to Ind AS. Refer Note 47 for an explanation of the transition from previous GAAP to Ind AS.

3. **Basis of preparation and principles of Consolidation:**

i) **Basis of preparation:**

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

a. Employee defined benefit plans – Plan assets - Note No. 45.

b. Financial Instruments recognied at FVTPL or FVTOCI - Note No. 48.

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 Group 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.

ii) **Principles of consolidation:**

A. Subsidiaries are those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

B. The group combines the financial statements of the parent and its subsidiaries line by line adding together the book value of like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

C. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

a. the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

b. potential voting rights held by the Company, other vote holders or other parties;

c. rights arising from other contractual arrangements; and

d. any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

D. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

E. The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented. The estimates and assumptions used in accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Management believes that the estimates used in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities in coming financial years are specified here-in-after:

Useful lives of property, plant and equipment

The Group is providing depreciation at the rates derived based on the useful life specified under Schedule-II to the Companies Act, 2013. The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

Major provisions recognized in consolidated financial statement and related accounting policy are specified as under:

Measurement of defined benefit obligations - Refer Note 30, 42, and 45,

Current / Deferred tax liabilities - Refer Note 25, and 41.

Allowances for expected credit losses - Refer Note 13 and 40.

Other estimates:

The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group 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 is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of customers' return, trade discounts, rebates, value added taxes, goods & service taxes and any other claims in respect of sale.

Sale of Goods

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

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

Other Operating revenue:

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

iii) Property, Plant & Equipment:

Property, Plant & Equipment

Freehold land is carried at historical cost. All other Property, Plant and Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to consolidated statements of profit and 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 profit or loss.

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

Properties in the course of construction (CWIP) for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Transition to Ind-AS:

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Depreciation on Property, Plant & Equipment:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property, plant and equipment is provided over the useful lives specified under Schedule II to the Companies Act, 2013.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Buildings	30/60
Computer	3/6
Electrical Installation	10
Furniture & Fixtures	10
Office Equipments	5
Plant & Machinery	5 to 22
Vehicle	5/15
Intangible Assets	5

v) Intangible Assets and Amortization:

Intangible assets purchased are measured at cost or fair value as on the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives, commencing from the date the asset is available to the Group for its intended use.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

An item of intangible asset is de-recognised upon disposal or transfer 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 intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

vi) Impairment of Property, Plant & Equipment and intangible assets :

At the end of each reporting period, the Group reviews the carrying amounts of its Property, Plant & Equipment and intangible assets 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Carrying amount equals to cost less accumulated depreciation and accumulated impairment losses recognised previously.

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 recognised immediately in consolidate statement of profit and loss.

vii) Borrowing Costs:

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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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 consolidated statement of profit and loss in the period in which they are incurred.

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

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

Finished Goods and Work-in-progress

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

Stock in Trade

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

ix) Leases:

In respect of assets taken on lease, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases.

Operating lease payments for lands are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

x) Government Grants and Subsidies:

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in consolidated statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to consolidated statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in consolidated statement of profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

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 Group measures a financial asset (which are not measured at fair value) through profit and 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 Group classifies its financial assets in the above mentioned categories based on:

a) The Group'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 and loss. The losses arising from impairment are recognised in the profit and loss.

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

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in profit and loss.

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

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

A financial asset is measured at fair value through profit and loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Group 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')

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

c. Derecognition

The Group 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 consolidated statement of profit and loss.

d. Impairment

The Group 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 Group 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 Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. As a practical expedient, the Group 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 Group 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.

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 Group 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

All financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

The Group'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 and loss.

i) Financial liabilities measured at amortised cost :

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

c. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instruments

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

Derivative financial instruments

The Group 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 Group 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 Group's assumptions about pricing by market participants.

xii) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xiii) Foreign currency Transactions

The functional currency of Group is Indian rupee.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss

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 Group make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the Cover employee's 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 consolidated statement of changes in equity and in consolidated balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognized immediately in consolidated statement of profit and loss as past service cost.

xv) Income Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 asset to be recovered.

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.

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

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

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

Current and deferred tax for the period

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

xvi) Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

xvii) Earnings per equity share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group after adjusting for diluted earning, by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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 Group's Board of Directors.

xix) Cenvat, Service Tax, Vat & GST:

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

The CENVAT/GST credits so taken are utilized for payment of excise duty/GST on goods manufactured. The unutilized CENVAT/GST credit is carried forward in the books. The VAT/GST credits so taken are utilized for payment of tax on goods sold. The unutilized VAT/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 consolidated financial statements. Operating segments are reported in a manner consistent with the internal reporting to the CODM.

Accordingly, the Board of Directors of the Group is CODM for the purpose of segment reporting. Refer note 40 for segment information presented.

xxi) Statement of Cash flows

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

xxii) Operating cycle

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Ind AS 1- 'Presentation of consolidated financial statements' and Schedule III to the Companies Act,2013.

xxiii) Business Combination, Goodwill on Consolidation and Non-controlling Interest:

Business Combination:

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. Acquisition related costs are recognised in consolidated Statement of Profit and Loss as incurred.

Goodwill on Consolidation:

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. The unamortised carrying value of goodwill is tested for impairment as at each balance sheet date.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling Interest:

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Note 5: Property, Plant and Equipment

(Amount in ₹)

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on April 1, 2016	**114,063,836**	**228,600,392**	**498,744,562**	**15,528,402**	**19,493,493**	**935,614**	**4,682,203**	**4,048,476**	**886,096,979**
Addition during the year	1,460,750	9,185,455	72,730,795	4,304,559	8,227,804	574,841	411,451	2,240,116	99,135,772
Deduction during the year	Nil	Nil	Nil	Nil	867,865	Nil	Nil	Nil	867,865
Gross Carrying Value as on March 31, 2017	**115,524,586**	**237,785,847**	**571,475,358**	**19,832,961**	**26,853,432**	**1,510,455**	**5,093,654**	**6,288,593**	**984,364,885**
Addition during the year	32,304,333	96,735,032	53,959,497	8,239,922	8,133,002	318,775	426,754	1,398,183	201,515,497
Deduction during the year	Nil	Nil	200,000	Nil	7,248,405	Nil	Nil	Nil	7,448,405
Gross Carrying Value as on March 31, 2018	**147,828,919**	**334,520,879**	**625,234,855**	**28,072,883**	**27,738,029**	**1,829,229**	**5,520,408**	**7,686,776**	**1,178,431,977**
Accumulated depreciation as on April 1, 2016	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Addition during the year	Nil	8,242,519	36,526,530	2,643,122	3,563,931	235,602	587,557	2,099,491	53,898,752
Deduction during the year	Nil	Nil	Nil	Nil	638,588	Nil	Nil	Nil	638,588
Accumulated depreciation as on March 31, 2017	**Nil**	**8,242,519**	**36,526,530**	**2,643,122**	**2,925,343**	**235,602**	**587,557**	**2,099,491**	**53,260,164**
Addition during the year	Nil	9,235,281	40,062,376	3,340,170	4,012,407	277,930	636,779	2,319,693	59,884,636
Deduction during the year	Nil	Nil	13,872	Nil	4,842,074	Nil	Nil	Nil	4,855,946
Accumulated depreciation as on March 31, 2018	**Nil**	**17,477,800**	**76,575,034**	**5,983,292**	**2,095,676**	**513,532**	**1,224,336**	**4,419,184**	**108,288,854**
Net Carrying Value as on April 1, 2016	114,063,836	228,600,392	498,744,562	15,528,402	19,493,493	935,614	4,682,203	4,048,476	886,096,979
Net Carrying Vaue as on March 31, 2017	115,524,586	229,543,328	534,948,828	17,189,839	23,928,089	1,274,852	4,506,097	4,189,102	931,104,721
Net Carrying Value as on March 31, 2018	147,828,919	317,043,079	548,659,820	22,089,591	25,642,353	1,315,697	4,296,072	3,267,592	1,070,143,123

Notes:

i. **Deemed cost of Property, Plant & Equipment as at April 1, 2016 is as under:**

(Amount in ₹)

Particulars	Gross block	Accumulated Depreciation	Written down value
Free Hold Land	114,063,836	Nil	114,063,836
Buildings	278,231,255	49,630,863	228,600,392
Plant and Equipment	587,867,785	89,123,222	498,744,562
Furniture and Fixtures	30,222,562	14,694,160	15,528,402
Vehicles	34,610,241	15,116,748	19,493,493
Office Equipments	7,619,359	6,683,745	935,614
Electrical Installation	12,002,622	7,320,419	4,682,203
Computer	26,681,358	22,632,882	4,048,476
Total	**1,091,299,018**	**205,202,039**	**886,096,979**

In accordance with Ind-AS transitional provisions, the group opted to consider previous GAAP carrying value of property, plant and equipment as deemed cost on transition date owing to exemption given in Para D7AA of Ind AS 101 -First time adoption of Indian Accounting Standards. (refer Note 47 to financial statement)

ii. Assets pledged as security:

Refer Note. 23 & 26 for disclosure of assets pledged as security.

iii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2018 - Rs. Nil/- (for the year ended March 31, 2017: Rs. Nil/-).

iv. Contractual obligations:

Refer Note. 43 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

Note 6 : Capital Work in Progress

Particulars	**Amount in ₹**
Balance at April 1, 2016	**27,291,102**
Addition during the year	42,725,835
Capitalised during the year	3,708,223
Balance at March 31, 2017	**66,308,714**
Addition during the year	61,824,095
Capitalised during the year	125,221,260
Balance at March 31, 2018	**2,911,549**

Note 7 : Other Intangilble Assets **(Amt. in ₹)**

Particulars	**Computer Software**	**Patents**	**Total Intangible Asset**	**Goodwill on Acquisition**
Gross Carrying Value as on April 1, 2016	**2,416,666**	**140,000**	**2,556,666**	**92,256,360**
Addition during the year	2,441,515	Nil	2,441,515	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2017	**4,858,181**	**140,000**	**4,998,181**	**92,256,360**
Addition during the year	839,841	Nil	839,841	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2018	**5,698,022**	**140,000**	**5,838,022**	**92,256,360**
Accumulated amortisation as on April 1, 2016	Nil	Nil	Nil	Nil
Addition during the year	1,209,673	40,000	1,249,673	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2017	**1,209,673**	**40,000**	**1,249,673**	**Nil**
Addition during the year	1,193,429	40,000	1,233,429	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2018	**2,403,102**	**80,000**	**2,483,102**	**Nil**
Net Carrying Value as on April 1, 2016	2,416,666	140,000	2,556,666	92,256,360
Net Carrying Vaue as on March 31, 2017	3,648,508	100,000	3,748,508	92,256,360
Net Carrying Value as on March 31, 2018	3,294,920	60,000	3,354,920	92,256,360

Notes:

Deemed cost of Intangible assets as on April 1, 2016 are stated as under: **(Amount in ₹)**

Particulars	**Gross block**	**Accumulated Amortisation**	**Written down value**
Computer Software	21,097,690	18,681,024	2,416,666
Patents	200,000	60,000	140,000
Total Intangible Assets	**21,297,690**	**18,741,024**	**2,556,666**
Goodwill on consolidation	**92,256,360**	**Nil**	**92,256,360**

In accordance with Ind-AS transitional provisions, the group opted to consider previous GAAP carrying value of intangible asstes as deemed cost on transition date owing to exemption given in Para D7AA of Ind AS 101 -First time adoption of Indian Accounting Standards. (refer Note 47 to financial statement)

8 **Non Current Investments**

	Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
(a)	**Investments in Subsidiary at amortised cost (unquoted)**			
	Investment in Other Equity Instruments:			
	Lincoln Parenteral Limited			
	Equity Component of Financial Instruments issued in favour of subsidiary (Refer note: 47.6 of these consolidated financial statements)			
	Interest security deposits	773,138	773,138	773,138
	Financial Guarantee	42,088	42,088	42,088
		815,226	**815,226**	**815,226**
(b)	**Investments in other equity instruments at amortised cost (unquoted)**			
	Navnirman Co operative Bank Limited (1056 shares as on 31-03-2018, 1056 shares as on 31-03-2017 and 1056 shares as on 01-04-2016) of face value Rs. 25 each	26,400	26,400	26,400
(c)	**Investments in government securities at amortised cost (unquoted)**			
	National Saving Certificate	29,000	29,000	29,000
	Total	**870,626**	**870,626**	**870,626**
	Aggregate amount of qouted investment - At cost	Nil	Nil	Nil
	Aggregate amount of unqouted investment - At cost	870,626	870,626	870,626

9 **Non-Current Loans**

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Unsecured, considered good			
Security Deposits	1,800,000	4,026,941	5,948,887
Loans to related parties	Nil	328,285	Nil
Inter-Corporate Loans	16,197,163	16,205,917	12,321,379
Loans to others	72,501,050	67,012,823	233,682,994
Total	**90,498,213**	**87,573,966**	**251,953,260**

10 **Other Non-Current Assets**

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Unsecured, considered good			
Prepayment charges	3,402,000	3,618,000	3,834,000
Advances for Capital Goods	1,374,903	46,833,475	5,145,000
Advance Income Tax :			
Advance Payment of Income Tax	96,032,693	110,413,214	50,028,866
Less: Provision For Income tax	(71,855,372)	(99,828,126)	(39,364,102)
Advance Income Tax (net)	24,177,321	10,585,088	10,664,764
Total	**28,954,224**	**61,036,563**	**19,643,764**

11 Inventories

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Raw materials	131,406,622	97,718,768	67,219,707
Work-in-Process	83,980,514	24,511,591	27,038,839
Finished Stock	61,882,342	70,131,538	62,496,708
Packing Material	38,966,160	21,360,682	19,973,767
Stock in Trade	137,878,974	159,337,722	98,090,235
Total	**454,114,612**	**373,060,301**	**274,819,256**

12 Current Investments

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Investment in mutual fund at fair value through profit and loss			
SBI Savings Fund - Direct Plan - Growth (3,947,201 units as on 31-03-2018, 4,026,145 units as on 31-03-2017 and Nil units as on 01-04-2016)	109,710,489	102,451,191	Nil
Total	**109,710,489**	**102,451,191**	**Nil**

13 Trade receivables

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Trade Receivables (Unsecured)			
Considered Good	1,096,774,822	912,265,114	804,143,496
Considered Doubtful	14,854,273	549,093	Nil
	1,111,629,095	**912,814,207**	**804,143,496**
Less: Allowance for Expected Credit losses	17,221,116	6,118,821	6,546,565
Total	**1,094,407,979**	**906,695,386**	**797,596,931**

Notes:

i. Details of receivables from firms / private companies in which directors of the company are partners/directors:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Receivables from firms / private companies in which directors of the company are partners / directors	Nil	Nil	Nil

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:

Allowance Movement for Trade Receivables	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Balance at the beginning of the year	6,118,821	6,546,565	Nil
Add : Expected credit loss allowance made during the year	16,446,194	765,987	6,546,565
Less : Reversal of allowance made during the year	5,343,900	1,193,731	Nil
Closing Balance	**17,221,116**	**6,118,821**	**6,546,565**

14 Cash & Cash Equivalents

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Cash on hand	5,100,499	2,920,577	3,656,696
Bank Balance (In Current Account)	60,578,517	28,235,691	28,901,645
Total	**65,679,016**	**31,156,268**	**32,558,341**

15 Other Bank Balances

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	61,230,951	61,072,849	70,682,076
Margin Money Deposit	17,778,640	23,493,640	20,630,998
Bank Balances Earmarked for Dividend	1,184,226	1,045,656	985,441
Total	**80,193,818**	**85,612,146**	**92,298,515**

16 Loans

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Unsecured and considered good			
Loans to Employees	188,544	193,556	243,500
Loans to Others	Nil	2,500,000	Nil
Total	188,544	2,693,556	243,500

17 Other Current Financial Assets

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	20,596	811,666	3,403,939
Advances receivable in cash	Nil	Nil	7,219,130
Others	173,375	43,676	89,023
Total	**193,971**	**855,342**	**10,712,092**

18 Current Tax Assets (Net)

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
Advance Payment of Income Tax	Nil	84,425,798	Nil
Less: Provision For Income tax	Nil	(77,065,988)	Nil
Total	**Nil**	**7,359,810**	**Nil**

19 Other Current Assets

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Advances recoverable in cash or kind	239,694,003	167,941,523	152,933,929
Prepaid Expenses	12,243,037	5,643,552	3,276,974
Balances with Statutory Authorities	126,464,359	126,911,944	111,885,250
Gratuity Fund	466,991	113,252	227,316
Others	5,121	Nil	Nil
Total	**378,873,510**	**300,610,271**	**268,323,470**

20 Equity Share Capital

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
[i] Authorised Share Capital:			
20,000,000 Equity shares of ₹10 each (as at March 31, 2017 : 20,000,000 equity shares & as at April 01, 2016 : 20,000,000 equity shares of ₹ 10 each)	200,000,000	200,000,000	200,000,000
[ii] Issued, Subscribed & Paid-up Capital :			
20,000,000 equity shares of ₹ 10 each fully paid (as at March 31, 2016 : 20,000,000 equity shares & as at April 01, 2016 : 16,310,800 equity shares of ₹10 each)	200,000,000	200,000,000	163,108,000
Total	**200,000,000**	**200,000,000**	**163,108,000**

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018, March 31, 2017 and April 1, 2016 is set out below:-

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	20,000,000	200,000,000	16,310,800	163,108,000	16,310,800	163,108,000
Addition	Nil	Nil	3,689,200	36,892,000	Nil	Nil
Deletion	Nil	Nil	Nil	Nil	Nil	Nil
Shares at the end	**20,000,000**	**200,000,000**	**20,000,000**	**200,000,000**	**16,310,800**	**163,108,000**

(b) The details of shareholders holding more than 5% shares is set out below.

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	1,400,000	7.00%	1,400,000	7.00%	1,380,000	8.46%

The company has only one type of equity share of ₹ 10 each listed on BSE & NSE. Each of the share holders has right give one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

The company has not issued any shares in pursuant to a contract without receiving the payment in cash during the last five years. The company has also not issued any bonus share during last five years.

During the year ended March 31, 2017, Company has allotted 3,689,200 Equity Shares pursuant to Conversion of Warrants of Face Value of ₹ 10/- per share each at price of ₹ 82/- per share (including premium of ₹ 72/- per share) on 27th October, 2016.

21 Other Equity

	Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
a)	**Capital Reserve**			
	Balance as per last financial Statement	3,500,000	3,500,000	3,500,000
	Add: Addition during the year	Nil	Nil	Nil
	Closing Balance	**3,500,000**	**3,500,000**	**3,500,000**
b)	**Money received against share warrants**			
	Balance as per last financial Statement	Nil	75,628,600	75,628,600
	Less: Share Capital issued during the year	Nil	(75,628,600)	Nil
	Closing Balance	**Nil**	**Nil**	**75,628,600**
c)	**Equity Securities Premium**			
	Balance as per last financial Statement	646,166,400	380,544,000	380,544,000
	Add: Share premium received during the year	Nil	265,622,400	Nil
	Closing Balance	**646,166,400**	**646,166,400**	**380,544,000**
d)	**General Reserve**			
	Balance as per last financial Statement	67,621,600	62,621,600	62,621,600
	Add: Transfer from Statement of Profit & Loss	5,000,000	5,000,000	Nil
	Closing Balance	**72,621,600**	**67,621,600**	**62,621,600**
e)	**Retained Earnings**			
i)	**Profit and Loss:**			
	Balance as per last financial Statement	1,006,550,234	749,949,329	719,819,200
	Add : Profit for the year	346,229,576	281,232,257	Nil
	Add: Items of Profit and Loss recognised directly in retained earnings on account of transition	Nil	Nil	30,130,129
	Less: Transfer to General reserve	(5,000,000)	(5,000,000)	Nil
	Less: Final Dividend Paid	(24,000,000)	(16,310,800)	Nil
	less: Tax on Final Dividend	(4,886,023)	(3,320,552)	Nil
	Net Surplus in the statement of profit and loss (i)	**1,318,893,786**	**1,006,550,234**	**749,949,329**
ii)	**Other Comprehensive Income:**			
	Balance as per last financial Statement	10,895	399,453	Nil
	Add: Remeasurement of Defined benefit plans (including deferred tax)	986,831	(388,558)	399,453
	Net Surplus in the statement of other comprehensive income (ii)	**997,726**	**10,895**	**399,453**
iii)	**Equity Portion of Financial Instruments:**			
	Financial Guarantee given by the company on behalf of subsidiary	Nil	Nil	773,138
	Interest free Security Deposits given by the company to subsidiary	Nil	Nil	42,088
	Less: Transfer to non-controlling interest	Nil	Nil	(815,226)
	Closing Balance	**Nil**	**Nil**	**Nil**
	Total Retained Earnings (i + ii + iii)	**1,319,891,512**	**1,006,561,129**	**750,348,782**
	Total	**2,042,179,512**	**1,723,849,129**	**1,272,642,982**

Capital Reserve: Capital reserve was realised in cash and can be utilised by the company for issuance of bonus shares.

Money received against share warrants: Money received against share warrants includes amount received from members for issuance of further capital. The same was utilised to issue further capital during the year ended March 31, 2017.

Equity Security Premium: The amount received in excess of face value of the equity shares is recognised in equity security premium. Being realised in cash, the same can be utilised by the company for issuance of bonus shares.

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.

22 Minority Interest

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Minority interest attributable to 1.4155% of share holders of Lincoln Parenteral Ltd			
Balance as per last financial Statement	2,999,620	2,895,933	1,936,672
Add: Items of Profit and Loss recognised directly on account of transition	Nil	Nil	143,649
Add: Remeasurement of Defined benefit plans (including deferred tax) recognised directly on account of transition	Nil	Nil	386
Add: Equity Portion of Financial instruments transferred by share holders of the company			
(i) Financial Guarantee given by the company on behalf of subsidiary	Nil	Nil	773,138
(ii) Interest free Security Deposits given by the company to subsidiary	Nil	Nil	42,088
Add : Profit for the year	264,506	103,436	Nil
Add: Remeasurement of Defined benefit plans (including deferred tax)	964	251	Nil
Total	**3,265,090**	**2,999,620**	**2,895,933**

23 Non-Current Borrowings

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Secured Borrowing			
Term Loan from Banks	122,125,152	190,069,921	252,836,839
Less : Current maturities of long-term debt (Note: 28)	56,490,411	68,111,883	60,336,564
Closing Balance	**65,634,741**	**121,958,038**	**192,500,275**
Vehicle Loan	5,267,362	4,291,517	4,440,592
Less : Current maturities of long-term debt (Note: 28)	1,633,124	2,413,183	2,587,867
Closing Balance	**3,634,238**	**1,878,334**	**1,852,725**
Total	**69,268,978**	**123,836,372**	**194,353,000**

Notes:

A Secured Borrowing: The group has availed 2 type of term loans, details of which is stated as under:

i Secured term loan from Yes Bank is availed for windmill which is secured against exclusive hypothecation charge on windmill & personal gurranty of three Promoter directors.

The loan is payable in 84 monthly instalment. Interest on said loan shall be payble at Yes Bank Limited Base Rate + 0.15% from time to time.

ii Foreign currency External Commercial Borrowings (ECB Loan) is availed from ICICI Bank for project purpose. The same is payable in half-yealy instalments equated 2 instalments of USD 406,604 each and carries an interest rate of Bank's Margin + 6-month LIBOR from time to time.

Said ECB loan is secured against following:

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

b. Mortgage of factory land,

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

d. Corporate guarantee of holding company.

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

B Vehicle Loans: It includes loans from bank and finance companies. The Repayment period of these loans ranges from 12 to 36 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.

C. **Yearwise repayment schedules:**

Years	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
FY 2016-17	Nil	Nil	62,924,431
FY 2017-18	Nil	70,525,067	69,755,817
FY 2018-19	58,123,535	57,536,421	56,699,203
FY 2019-20	24,794,588	24,159,374	23,327,049
FY 2020-21	16,071,869	15,384,615	15,384,615
FY 2021-22	16,864,060	15,384,615	15,384,615
FY 2022-23	11,538,462	11,371,347	13,801,700
Total	**127,392,513**	**194,361,439**	**257,277,431**

24 Other Non Current Financial Liabilites

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Trade Deposits	36,411,138	34,618,914	31,612,308
Total	**36,411,138**	**34,618,914**	**31,612,308**

25 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Deferred Tax Liabilities			
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	98,671,193	103,506,310	96,241,973
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	449,152	22,236	28,091
Total Deferred Tax Liabilities	**99,120,345**	**103,528,546**	**96,270,064**
Deferred Tax Assets			
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	Nil	346,023	Nil
Allowance for Expected Credit Losses	5,973,226	2,105,629	2,265,497
Unused tax credit	21,269,266	39,092,299	40,930,341
Unabsorbed depreciation	Nil	2,763,822	8,152,263
Total Deferred Tax Assets	**27,242,492**	**44,307,774**	**51,348,101**
Net Deferred Tax Liability	**71,877,853**	**59,220,773**	**44,921,963**

A Movement of deferred tax liability:

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At April 01, 2016	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Compre. Income	Note - i Deferred Tax At March 31, 2017
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	(96,241,973)	(7,264,337)	Nil	(103,506,310)
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	(28,091)	145,744	206,134	323,787
Allowance for Expected Credit Losses	2,265,497	(159,868)	Nil	2,105,629
Unused tax credit	40,930,341	(1,838,042)	Nil	39,092,299
Unabsorbed depreciation	8,152,263	(5,388,441)	Nil	2,763,822
Total	**(44,921,963)**	**(14,504,944)**	**206,134**	**(59,220,773)**

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At April 01, 2017	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Compre. Income	Note - i Deferred Tax At March 31, 2019
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	(103,506,310)	4,835,118	Nil	(98,671,193)
Unpaid liability allowable on payment basis in succeding years u/s. 43B of the Income tax Act, 1961	323,787	(245,569)	(527,370)	(449,152)
Allowance for Expected Credit Losses	2,105,629	3,867,597	Nil	5,973,226
Unused tax credit	39,092,299	(17,823,033)	Nil	21,269,266
Unabsorbed depreciation	2,763,822	(2,763,822)	Nil	Nil
Total	**(59,220,773)**	**(12,129,711)**	**(527,370)**	**(71,877,853)**

i Figures in bracket denotes deferred tax liability.

ii Figures in bracket denotes creation of deferred tax liability or reversal of deferred tax asset.

B The Group has recognized deferred tax asset on unabsorbed depreciation as below:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Tax losses that can be carried forwarded without any expiration (i.e. unabsorbed depreciation)	**Nil**	**8,359,261**	**24,656,756**
Tax losses that can be carried forwarded up to certain time limit (i.e. business loss)	Nil	Nil	Nil
Total tax losses	**Nil**	**8,359,261**	**24,656,756**
Tax losses for which deferred tax asset has been recognized	Nil	8,359,261	24,656,756
Tax losses for which no deferred tax asset has been recognized	Nil	Nil	Nil
Potential tax benefit @ 33.063% on unused tax losses for which no tax asset has been recognized as above	Nil	Nil	Nil

26 Current Borrowings

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Secured Borrowing			
From Bank (Repayable on Demand)	432,292,282	370,453,236	436,050,413
Unsecured Borrowing			
From Bank (Repayable on Demand)	52,581,165	68,502,654	77,993,342
From Related Party	597,458	11,485,000	10,000,000
Total …..	**485,470,905**	**450,440,890**	**524,043,754**

Security :

Secured demand loans form Bank includes working capital loan. This loan is secured against :

i) Primary Security :

Hypothication of entire current assets of the Group.

ii) Collateral Security :

Charge over entire fixed assets of the Group including

1. Plot No. 137 of TP Scheme No, 42 land admeasuring area about 850 sq. mtrs and Final Plot No. 138 of TP Scheme No. 42 land admeasuring area about 1397 sq. mtrs. Both situated at Mouje Sola, Taluka Daschroi in registration disctrict Ahmedabad and sub district Ahmedabad-2(Wadaj).
2. Piece & Parcel of freehold land situated lying and being at Mouje Khatraj, Taluka Kalol, District Mehsana bearing subplots No. 9/A/1, 9/A/2, 10, 12/A, 12/B & 13 of Block No. 95 of Mouje Khatraj of Kalol taluka admeasuing 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd. and
3. Hypothication of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three promoter directors.

27 Trade payables

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Payable to Micro and Small Enterprise	Nil	Nil	Nil
Payable to others	434,760,351	324,558,777	398,000,794
Total	**434,760,351**	**324,558,777**	**398,000,794**

Notes:

i. There were no overdue amounts/interest payble to Micro, Small and Medium Enterprises Develpoment Act, 2006 as at the Balance Sheet date or any time during the year.

ii. 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.

28 Other Current Financial Liabilites

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Current Maturity of long term borrowings (Note : 23)	58,123,535	70,525,067	62,924,431
Interest accured but not due on borrowings	4,429,721	3,715,407	4,871,751
Unpaid dividend	1,184,226	1,045,656	985,441
Creditors for Property, Plant & Equipment	29,302,948	34,813,944	28,689,044
Employee Benefit Payable	2,297,098	1,225,607	3,001,342
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	1,283,883	1,303,832	2,028,319
Credit Balance in Current Account	4,377,559	11,033,020	465,393
Others	163,736	152,133	153,867
Total	**101,162,706**	**123,814,666**	**103,119,587**

29 Other Current Liabilities

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Advance received from customers	Nil	3,911,766	Nil
Other Statutory dues	8,700,465	Nil	5,516,876
Other Payables	595,880	Nil	Nil
Total	**9,296,345**	**3,911,766**	**5,516,876**

30 Current Provisions

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Provision for Employee Benefits (Gratuity)	332,078	5,419,968	3,568,060
Total	**332,078**	**5,419,968**	**3,568,060**

31 Current Tax Liabilities (Net)

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Provision For Income tax	103,259,104	8,973,581	69,437,605
Less: Advance Payment of Income Tax	(84,933,106)	(8,250,727)	(56,000,000)
Total	**18,325,998**	**722,854**	**13,437,605**

32 Revenue from operation

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Sale of Products:		
Finished Goods	3,508,367,684	3,509,773,057
Sale of services:		
Job Work Charges	51,856,933	43,985,607
Other Operating Revenue:		
Export Incentive	55,079,338	99,575,160
Scrap Sales	1,066,817	71,948
	56,146,155	**99,647,108**
Total	**3,616,370,772**	**3,653,405,772**

33 Other Income

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Interest Income:		
Interest from bank	11,544,645	22,824,737
Interest from others	272,522	302,334
Dividend Income	2,064	2,064
Gain or loss on fair valuation of mutual funds	9,259,298	451,191
Short term Capital Gain on sale of mutual funds	48,085	18,796
Foreign Exchange Gain	29,389,111	2,504,883
Profit on sale of assets	181,500	Nil
Gain on Fair Valuation of Derivative contracts	887,356	Nil
Miscellaneous Income	2,952,611	1,238,680
Total	**54,537,192**	**27,342,685**

34 Cost of Materials Consumed

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Raw Material		
Inventory at the beginning of the year	97,718,768	67,219,707
Add: Purchase	762,041,926	410,974,368
Add: Other direct purchase costs	Nil	7,781,024
Less: Inventory at the end of the year	132,212,309	97,718,768
Cost of Consumption of Raw Material	**727,548,385**	**388,256,331**
Packing Materials		
Inventory at the beginning of the year	21,360,682	19,973,767
Add: Purchase	205,587,518	149,247,459
Add: Other direct purchase costs	Nil	Nil
Less: Inventory at the end of the year	38,966,160	21,360,682
Cost of Consumption of Packing Materials	**187,982,040**	**147,860,544**
Total	**915,530,425**	**536,116,874**

35 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Purchase of stock in trade	1,039,398,376	1,706,178,498
Total	**1,039,398,376**	**1,706,178,498**

36 Change In Inventories Of Finished Goods,Work In Progress And Stock In Trade

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Stock in trade		
Stock at the Beginning of the financial year	159,337,722	98,090,235
Stock at the End of the financial year	177,620,681	159,337,722
Trading Goods	**(18,282,959)**	**(61,247,487)**
Finished Goods		
Stock at the Beginning of the financial year	70,131,538	62,496,708
Stock at the End of the financial year	22,140,639	70,131,538
Finished Goods	**47,990,899**	**(7,634,830)**
Work in Progress		
Stock at the Beginning of the financial year	24,511,591	27,038,839
Stock at the End of the financial year	83,980,514	24,511,591
Work in Progress	**(59,468,923)**	**2,527,248**
Summary		
Stock at the Beginning of the financial year	253,980,851	187,625,782
Stock at the End of the financial year	283,741,834	253,980,851
Change in inventory	**(29,760,983)**	**(66,355,069)**

37 Employee Benefit Expense

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Salary, Wages & Bonus Expense	424,357,809	351,868,787
Contribution to Provident Fund & Other Funds	20,608,052	13,934,223
Staff welfare Expenses	66,511,817	10,102,539
Total	**511,477,678**	**375,905,549**

38 Finance Costs

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Interest Paid to Bank	44,801,237	56,490,138
Interest Paid to Others	33,111	103,950
Other Borrowing Cost	9,275,718	10,020,741
Total	**54,110,066**	**66,614,829**

39 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Depreciation of Property, Plant & Equipment	59,884,636	53,898,753
Depreciation of Intangible Assets	1,233,429	1,249,673
Total	**61,118,065**	**55,148,426**

40 Other Expenses

Particulars	**Year Ended March 31, 2018 ₹**	**Year Ended March 31, 2017 ₹**
Power and Fuel	68,182,685	59,249,035
Labour Charges	93,545,206	78,300,103
Loading & Unloading Charges	219,515	27,334
Stores And Spares Consumption	10,810,555	15,986,228
Factory Expenses	8,028,090	11,543,140
Laboratory & Testing Charges	24,702,185	22,395,293
Provision for excise on closing inventory	(2,474,920)	996,694
Repairs & Maintenance:		
Building	4,929,163	5,679,185
Machinery	5,609,362	2,881,665
Other assets	7,964,741	7,691,422
	18,503,266	**16,252,272**
Loss On Sales Of Assets	504,959	59,277
Loss on sale of export licence	1,717,298	2,887,444
Amortisation of Lease Premium	216,000	216,000
Computer Expense	2,715,444	2,301,423
Rent	2,303,582	2,917,803
Rate & Taxes	21,246,203	29,184,722
Auditors' Remuneration (Refer Note 49)	1,100,000	935,000
Legal and Registration Expense	24,067,432	24,678,886
Professional & Consulting Fees	50,213,702	18,746,796
Inspection Fees	3,096,549	1,992,588
Conveyance & Vehicle Expense	5,821,437	4,335,368
Travelling Expense	48,714,746	46,553,696
Transportation Expense	24,728,046	23,260,224
Donation	898,006	349,000
Insurance	485,903	1,211,526
Office Expense	5,167,236	6,041,339
Post & Telephone Expense	4,366,230	4,441,730
Stationery, Printing & Xerox	5,077,272	3,533,045
Security Expense	3,722,634	2,958,391
CSR Expense	5,657,000	4,200,000
MTM Loss on Fair Valuation of Derivative contracts	1,658,477	1,867,786
Advertisement Expense	2,426,035	592,811
Sales Promotion & Marketing Expense	136,049,155	119,712,731
Sales Commission Expense	49,157,263	55,541,902
Bad debt Written off	9,845,220	7,131,501
Allowance for expected credit loss expenses	11,102,294	(427,744)
Miscellaneous Expense	2,760,815	12,996,696
Total	**646,335,517**	**582,970,040**

41 Income tax recognised in profit or loss

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Current tax	103,311,902	77,503,039
Tax expense related to prior period	535,257	Nil
	103,847,159	**77,503,039**
Deferred tax liability / (assets)	12,129,711	14,504,944
	12,129,711	14,504,944
Total	**115,976,870**	**92,007,983**

Income tax reconciliation

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Profit before tax	**462,470,952**	**373,343,676**
Tax expenses reported during the year	115,976,870	92,007,983
Income tax expenses calculated at 34.608%	160,051,947	129,206,779
Difference	**(44,075,077)**	**(37,198,796)**
Permanent disallowances	4,499,439	9,039,745
Other deductible exepenses	Nil	(363,944)
Income not taxable under Income tax	(3,515,200)	Nil
Tax benefit available in respect of scientific research	(39,265,874)	(37,612,826)
Effect on deferred tax balances due to change in income tax rate	476,150	364,921
MAT Credit recognised	Nil	2,919,057
Utilisation of MAT Credit	(10,085,611)	(6,923,033)
Utilisation of unabsorbed depreciation	(2,763,822)	(5,388,441)
Adjustment of current tax of prior years	5,763,051	Nil
Other Items	816,789	765,725
Total	**(44,075,078)**	**(37,198,796)**

42 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	1,515,164	(594,441)
(ii) Income tax relating to these items that will not be reclassifed to profit and loss		
Deferred tax impact on actuarial gain/(loss)	(527,370)	206,134
Total	**987,795**	**(388,306)**

43. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,171,497	46,833,475	5,758,313
Advance paid against such contracts	1,374,903	46,833,475	5,145,000
Remaining outstanding commitment	**796,594**	**Nil**	**613,313**

44. Contingent Liabilities

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Income Tax demands disputed in appeal by the Group / Income Tax Authorities. Against which amount of Rs. 7,038,810/-, 3,431,000/- and Nil has been deposited respectively during the year ended March 31, 2018, March 31, 2017 and April 1, 2016	12,186,100	24,934,790	3,559,393
Corporate guarantee given by the company to banks on behalf of subsidiary	140,000,000	140,000,000	140,000,000
Outstanding amount of Bill discounted	72,874,448	39,593,716	Nil

45. Details of Employee Benefits:

(a) Defined Contribution Plans

The Group 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 Group. Both the employees and the Group 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. 15,397,017/- (March 31, 2017: Rs. 10,994,766/-) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

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

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

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

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
In Income Statement	4,304,207	2,203,894
In Other Comprehensive (Income) / loss	(1,515,164)	594,441
Total Expenses Recognized	**2,789,043**	**2,798,335**

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Current Service Cost	2,518,083	1,934,295
Past Service Cost	1,387,116	Nil
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	399,008	269,599
Expenses Recognized in the Statement of Profit and Loss	**4,304,207**	**2,203,894**

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Actuarial (gains) / losses on Obligation for the period	(1,644,525)	420,428
Return on plan assets, excluding amount recognized in net interest expense	129,361	174,013
Components of defined benefit costs recognized in other comprehensive income	**(1,515,164)**	**594,441**

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Present Value of Obligation	(17,109,941)	(14,478,112)	(11,928,471)
Fair value of plan assets	17,244,853	9,171,396	8,587,727
Surplus / (Deficit)	134,912	(5,306,716)	(3,340,744)
Net (Liability) recognized in the Balance sheet	**134,912**	**(5,306,716)**	**(3,340,744)**
Provision for Employee Benefits (Gratuity) as per Note: 30	(332,078)	(5,419,968)	(3,568,060)
Gratuity Fund as per Note : 19	466,991	113,252	227,316
Net (Liability) recognised in the balance sheet	**134,913**	**(5,306,716)**	**(3,340,744)**

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Present Value of Obligation as at the beginning	14,478,112	11,928,471	6,547,460
Current Service Cost	2,518,083	1,934,295	910,448
Interest Expense or Cost	1,089,390	962,628	519,868
Re-measurement (or Actuarial) (gain) / loss arising from:			
- change in financial assumptions	(675,268)	724,561	(138,245)
- change in demographic assumptions	(1,080,883)	Nil	Nil
- experience variance	111,626	(304,133)	(470,054)
Past Service Cost	1,387,116	Nil	4,558,994
Benefits Paid	(718,235)	(767,710)	Nil
Present Value of Obligation as at the end of the year	**17,109,941**	**14,478,112**	**11,928,471**

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Fair value of Plan Assets at the beginning of the year	9,171,396	8,587,726	6,913,518
Interest Income	690,382	693,029	548,934
Contribution by Employer	7,512,436	81,799	1,124,050
(Benefit paid from the Fund)	Nil	(17,145)	Nil
Return on Plan Assets, Excluding Interest Income	(129,361)	(174,013)	1,224
Fair Value of Plan Assets at the end of the year	**17,244,853**	**9,171,396**	**8,587,726**

C. Actuarial Assumptions

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Discount Rate	7.88%	7.52%	7.94%
Expected rate of salary increase	6.50%	6.50%	6.50%
Expected Return on Plan Assets	7.88%	7.52%	7.94%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	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.	2.00%	2.00%
Retirement Age	58 Years	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Defined Benefit Obligation (Base)	17,109,941	14,478,112

Particulars	Year Ended March 31, 2018 ₹		Year Ended March 31, 2017 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,716,892	(1,442,439)	1,533,551	(1,277,798)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(1,472,155)	1,723,417	(1,300,166)	1,533,944
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(182,308)	153,373	(98,161)	78,401

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity		
	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Weighted average duration (based on discounted cash flows)	12	18	18

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity		
	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
1 year	4,258,368	3,697,742	3,672,348
2 to 5 years	2,569,743	2,141,873	1,596,777
6 to 10 years	4,518,756	3,215,055	2,525,639

E. **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 Group 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.

During the year Group has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 lakhs to 20 lakhs. Change in liability (if any) due to this scheme change is recognised as past service cost

46. Segment Reporting

Upto the year ended March 31, 2017, the Group's operations pre-dominantly relates to manufacturing and sale of pharmaceutical products. During the year ended March 31, 2018, the Group has formed wholly owned subsidiary and enters into Non-Banking Finance Business. Being first year of the incorporation, the group has not earned any income from Non-Banking Finance Business and hence the Group has considered the only one reporting segment i.e. "manufacturing and sale of pharmaceutical products" in accordance with the requirement of Ind AS 108 - Operating Segments.

Further the Board of Directors (""BOD"") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of this single operating segment. The BOD reviews revenue and gross profit as the performance indicator for this single operating segment. Accordingly, it constitutes as a single reportable operating segment.

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

Entity-wide disclosures

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

Particulars	**Year Ended March 31, 2018 ₹**	**Year Ended March 31, 2017 ₹**
India	2,372,302,046	2,460,717,428
Outside India	1,244,068,725	1,192,688,344
Total	**3,616,370,772**	**3,653,405,772**

(ii) Bifurecation of total assets of the group by geographical area on the basis of location of the asset:

Particulars	**As at March 31, 2018 ₹**	**As at March 31, 2017 ₹**	**As at April 1, 2016 ₹**
India	3,154,186,399	2,637,579,373	2,296,580,044
Outside India	318,164,555	415,814,357	460,640,817
Total	**3,472,350,954**	**3,053,393,729**	**2,757,220,862**

(iii) Details of Customers Contibuting 10% or more of Total Revenue

Particulars	**Year Ended March 31, 2018 ₹**	**Year Ended March 31, 2017 ₹**
No. of customers contibuting 10% or more of total revenue (individually)	Nil	Nil
Amount of revenue	Nil	Nil
% of total revenue	Nil	Nil

47 Transition to Ind-AS

These consolidated financial statements, for the year ended March 31, 2018, are the first consolidated financials of the group being prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the group has prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 read together with relevant rules of the Companies (Accounts) Rules, 2014 (Indian GAAP). Therefore, comparative information is reclassified / remeasured so as to comply with Ind AS.

Accordingly, the group has prepared its consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. The group has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

An explanation of how the transition from previous GAAP to Ind AS has affected the group's consolidated balance sheet, consolidated statement of Profit and Loss, and consolidated statement of cash flows is set out here-in-after.

However, this principle is subject to the certain mandatory exceptions and optional exemptions availed by the group in line with principles of Ind AS 101 as detailed below:

47.1 Exemptions and exceptions availed

I Optional exemptions

1 Property, Plant and Equipment (PPE) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38: Intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

2 Past business combinations:

The group has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

3 Investment in Subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investments in subsidiaries, associates and joint ventures, as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that value as its deemed cost as at the date of transition. Accordingly the group has considered the Previous GAAP carrying amount of Investments in subsidiaries as deemed cost as at the transition date.

II Mandatory Exceptions

1 Estimates

The estimates as at April 1, 2016 and as at March 31, 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the impairment of financial assets based on the risk exposure and application of ECL model where application of Indian GAAP did not require any estimation.

The estimates used by the group to present these amounts in accordance with Ind AS, reflect conditions at April 1, 2016, the date of transition to Ind AS and as at March 31, 2017.

2 Classification and measurement of financial assets

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing as on the transition date. Accordingly, the group has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

3 De-recognition of financial assets and liabilities:

The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

4 Classification and measurement of government grants:

The group has elected to apply the classification and measurement provisions of Ind AS 109 and Ind AS 20 prospectively from the date of transition to Ind AS. Accordingly provisions of Ind AS 20 shall apply to government grants which are received after the date of transition to Ind AS.

47.2 Reconciliation of Balance Sheet as at 1st April, 2016

Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	12	889,930,979	(3,834,000)	886,096,979
(b) Capital work-in-progress		27,291,102	Nil	27,291,102
(c) Goodwill on consolidation		92,256,360	Nil	92,256,360
(d) Other Intangible assets		2,556,666	Nil	2,556,666
(e) Financial Assets				
(i) Investments	1 & 2	55,400	815,226	870,626
(ii) Loans	3	253,808,664	(1,855,404)	251,953,260
(f) Other non-current assets	12	15,809,764	3,834,000	19,643,764
Total Non - Current Assets (1)		**1,281,708,936**	**(1,040,178)**	**1,280,668,757**
Current assets				
(a) Inventories		274,819,256	Nil	274,819,256
(b) Financial Assets				
(i) Investments		Nil	Nil	Nil
(ii) Trade receivables	3	804,143,496	(6,546,565)	797,596,931
(iii) Cash and cash equivalents		32,558,341	Nil	32,558,341
(iv) Other Bank balances		92,298,515	Nil	92,298,515
(v) Loans		243,500	Nil	243,500
(vi) Other Financial assets	4	7,308,153	3,403,939	10,712,092
(c) Current Tax Assets (Net)		Nil	Nil	Nil
(d) Other current assets		268,323,470	Nil	268,323,470
Total Current Assets (2)		**1,479,694,731**	**(3,142,626)**	**1,476,552,105**
Total Assets (1+2)		**2,761,403,666**	**(4,182,804)**	**2,757,220,862**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital		163,108,000	Nil	163,108,000
(b) Other Equity	1 to 9	1,242,113,400	30,529,582	1,272,642,982
Equity attributable to equity holders of the company		**1,405,221,400**	**30,529,582**	**1,435,750,982**
(c) Non-controlling interest	1 to 9	1,936,672	959,261	2,895,933
Total equity (1)		**1,407,158,072**	**31,488,843**	**1,438,646,915**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	7	191,281,912	3,071,088	194,353,000
(ii) Other financial liabilities		31,612,308	Nil	31,612,308
(b) Deferred tax liabilities (Net)	8	69,576,055	(24,654,093)	44,921,963
Total Non - Current Liabilities (2)		**292,470,276**	**(21,583,005)**	**270,887,271**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		524,043,754	Nil	524,043,754
(ii) Trade payables	5	394,486,404	3,514,391	398,000,794
(iii) Other financial liabilities	4	101,091,268	2,028,319	103,119,587
(b) Other current liabilities		25,148,228	(19,631,352)	5,516,876
(c) Provisions	9	3,568,060	Nil	3,568,060
(d) Current Tax Liabilities (Net)		13,437,605	Nil	13,437,605
Total Current Liabilities (3)		**1,061,775,319**	**(14,088,642)**	**1,047,686,676**
Total Equity and Liabilities (1+2+3)		**2,761,403,667**	**(4,182,804)**	**2,757,220,862**

47.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	12	934,722,721	(3,618,000)	931,104,721
(b) Capital work-in-progress		66,308,714	Nil	66,308,714
(c) Goodwill on consolidation		92,256,360	Nil	92,256,360
(d) Other Intangible assets		3,748,508	Nil	3,748,508
(e) Financial Assets				
(i) Investments	1 & 2	55,400	815,226	870,626
(ii) Loans	3	89,429,370	(1,855,404)	87,573,966
(f) Other non-current assets	12	57,418,563	3,618,000	61,036,563
Total Non - Current Assets (1)		**1,243,939,636**	**(1,040,178)**	**1,242,899,458**
Current assets				
(a) Inventories		373,060,301	Nil	373,060,301
(b) Financial Assets				
(i) Investments	6	102,000,000	451,191	102,451,191
(ii) Trade receivables	3	912,265,114	(5,569,728)	906,695,386
(iii) Cash and cash equivalents		31,156,268	Nil	31,156,268
(iv) Other Bank balances		85,612,146	Nil	85,612,146
(v) Loans		2,693,556	Nil	2,693,556
(vi) Other Financial assets	4	43,676	811,666	855,342
(c) Current Tax Assets (Net)		7,359,810	Nil	7,359,810
(d) Other current assets		300,610,271	Nil	300,610,271
Total Current Assets (2)		**1,814,801,142**	**(4,306,871)**	**1,810,494,271**
Total Assets (1+2)		**3,058,740,778**	**(5,347,049)**	**3,053,393,729**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital		200,000,000	Nil	200,000,000
(b) Other Equity	1 to 9	1,702,244,664	21,604,465	1,723,849,129
Equity attributable to equity holders of the company		**1,902,244,664**	**21,604,465**	**1,923,849,129**
(c) Non-controlling interest	1 to 9	2,689,418	310,202	2,999,620
Total equity (1)		**1,904,934,082**	**21,914,667**	**1,926,848,749**
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	7	124,098,837	(262,465)	123,836,372
(ii) Other financial liabilities		34,618,914	Nil	34,618,914
(b) Deferred tax liabilities (Net)	8	89,613,010	(30,392,237)	59,220,773
Total Non - Current Liabilities (2)		**248,330,761**	**(30,654,702)**	**217,676,059**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		450,440,890	Nil	450,440,890
(ii) Trade payables	5	322,469,623	2,089,154	324,558,777
(iii) Other financial liabilities	4	122,510,834	1,303,832	123,814,666
(b) Other current liabilities		3,911,766	Nil	3,911,766
(c) Provisions		5,419,968	Nil	5,419,968
(d) Current Tax Liabilities (Net)		722,854	Nil	722,854
Total Current Liabilities (3)		**905,475,935**	**3,392,986**	**908,868,921**
Total Equity and Liabilities (1+2+3)		**3,058,740,778**	**(5,347,049)**	**3,053,393,729**

47.4 Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
I	Revenue from operations	11	3,602,580,138	50,825,634	3,653,405,772
II	Other Income	6	26,891,494	451,191	27,342,685
III	**Total Income (I + II)**		**3,629,471,632**	**51,276,825**	**3,680,748,457**
IV	**EXPENSES**				
	(a) Cost of materials consumed		536,116,874	Nil	536,116,874
	(b) Purchases of stock-in-trade	5	1,706,230,637	(52,139)	1,706,178,498
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		(66,355,069)	Nil	(66,355,069)
	(d) Excise duty	11	Nil	50,825,634	50,825,634
	(e) Employee benefit expense	5 & 10	376,497,230	(591,681)	375,905,549
	(f) Finance costs	7	69,948,380	(3,333,551)	66,614,829
	(g) Depreciation and amortisation expense	12	55,364,426	(216,000)	55,148,426
	(h) Other expenses	3, 4 & 5	583,265,773	(295,733)	582,970,040
	Total Expenses		**3,261,068,251**	**46,336,530**	**3,307,404,781**
V	**Profit/(loss) before tax (III- IV)**		**368,403,381**	**4,940,295**	**373,343,676**
VI	**Tax Expense**				
	(1) Current tax		77,503,039	Nil	77,503,039
	(2) Deferred tax	8	20,251,863	(5,746,919)	14,504,944
	Total tax expense		**97,754,902**	**(5,746,919)**	**92,007,983**
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**270,648,479**	**10,687,214**	**281,335,693**
VIII	**Profit/(loss) for the period (VII)**		**270,648,479**	**10,687,214**	**281,335,693**
IX	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Remeasurements of the defined benefit liabilities / (asset)	10	Nil	(594,441)	(594,441)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	10	Nil	206,134	206,134
	Total Other Comprehensive Income		**Nil**	**(388,307)**	**(388,307)**
X	**Total comprehensive income for the period (VIII+IX)**		**270,648,479**	**10,298,907**	**280,947,386**

47.5 Impact of Ind As adjustment on statement of cash flow for the year ended 31st March, 2017

Particulars	Footnote Reference	Regrouped Previous GAAP	Effects of transition to Ind As	Amount as per Ind As
Net Cash Flow from operating activities		206,233,164	44,180,671	250,413,835
Net Cash Flow from investing activities		(229,590,037)	(25,250,506)	(254,840,543)
Net Cash Flow from financing activities		19,239,296	(16,214,661)	3,024,635
Net increase / (decrease) in cash and cash equivalents		(4,117,577)	2,715,504	(1,402,073)
Cash and cash equivalents as at April 1, 2016		34,298,762	(1,740,421)	32,558,341
Cash and cash equivalents as at March 31, 2017		**30,181,185**	**975,083**	**31,156,268**

47.6 Reconciliation of Equity as at 01.04.2016 and 31.03.2017

Particulars	Footnote Reference	As at March 31, 2017	As at April 01, 2016
Total Equity (Shareholder's Fund) as per previous GAAP		1,904,934,082	1,407,158,072
Ind AS Adjustments			
Effect of measuring financial liabilities in accordance with Ind-AS 109	1	773,138	773,138
Measurement of Financial Guarantee Issued (Non-controlling interest portion)	2	42,088	42,088
Provision of Expected Credit Loss on trade receivable	3	(5,569,728)	(6,546,565)
Impairment Loss on financial asset	3	(1,855,404)	(1,855,404)
Fair Value Gain / (loss) on Derivative Financial Instruments (net)	4	(492,167)	1,375,620
Adjustment in respect of Prior Period Items	5	(2,089,154)	(3,514,390)
Change in fair value of current investments classified through FVTPL	6	451,191	Nil
Adjustment in respect of Foreign Currency Monetary Items	7	262,465	(3,071,088)
Adjustment to Deferred Tax	8	30,392,237	24,654,093
Deferrement of Dividend Liability	9	Nil	19,631,352
Total Equity as per Ind AS		**1,926,848,749**	**1,438,646,915**

47.7 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Footnote Reference	As at March 31, 2017
Profit after tax as per previous GAAP		270,648,479
Adjustments:		
Provision of Expected Credit Loss on trade receivable	3	976,837
Fair Value Gain / (Loss) on Derivative Financial Instruments	4	(1,867,786)
Adjustment in respect of Prior Period Income	5	1,425,238
Change in fair value of current investments classified through FVTPL	6	451,191
Adjustment in respect of Foreign Exchange Gain	7	3,333,551
Adjustment to Deferred Tax	8	5,746,919
Reclassification of net actuarial (gain)/ loss on employee defined benefit obligations to OCI	10	594,441
Others		26,823
Profit after tax as per Ind As		**281,335,693**
Other Comprehensive Income	10	(388,307)
Total Comprehensive income for the period under Ind As		**280,947,386**

Footnotes:

1 **Interest free security deposits received from the Parent Company:**

Under previous GAAP, interest free security deposit given to the subsidary company (which is refundable in cash on completion of term) was recorded at its transaction value. Under Ind AS, this deposit is required to be recognised at fair value. Accordingly on transition date, the company, in its standalone financial statement has measured the security deposit at its fair value. The fair value of this deposit is determined using a market interest rate for an equivalent deposit, if given to non-related party. The difference between fair value and transaction value of security deposit has been recognised as an investment in equity of the subsidary company.

Subsequently, the security deposit is recognised at amortised cost till repayment. The company recognises interest income for the same over the life of the deposit using internal rate of return. Equity component of this deposit (which is classified under Investment) is not remeasured subsequently.

As the deposit is given to the subsidiary, mirror accounting treatments have been adopted for the said interest free deposits in the Standalone Financial Statements of the susidiary. Under consolidation, the said transactions have been eliminated except the share of minority interest which is recognised in the consolidated financial statement.

2 Financial guarantee from the parent company

Under previous GAAP, financial guarantee provided by the company to the banks on behalf of the subsidary company, was not recognised. The same was disclosed as a part of "Contingent Liabilities". Under Ind AS, on intial recognition, this guarantee is required to be recognised at fair value. Accordingly in its standalone financial statements, the company has recognised this guarantee at fair value, as an investment in equity of the subsidary company. Simultenously, the company has recognised the guarantee liability with the same value under "non-current financial liability". Fair value is determined using a market rate for an equivalent financial guarantee, if given for a non-related party.

Subsequently the financial guarantee liability is being amortised on straight line basis over the term of guarantee while the equity component of guarantee (which is classified under Investment) is not remeasured.

As the guarantee is given on behalf of subsidiary, mirror accounting treatments have been adopted for the said guarantee in the Standalone Financial Statements of the susidiary. Under consolidation, the said transactions have been eliminated except the share of minority interest which is recognised in the consolidated financial statement.

3 Provision of Expected Credit Loss and impairment loss on financial assets

Under previous GAAP, provisions were made for specific receivables if collection was doubtful. Under Ind AS 109, the group has applied expected credit loss model for recognising impairment of financial assets. Under expected credit loss model, the group has adopted simplified approach (provision is made on the basis of provision matrix).

The group has recognised the amount of expected credit losses (or reversal) in statement of profit or loss, that is required to adjust the closing balances of loss allowance at the reporting date.

Further on transition date, the group has also identified certain financial assets wherein credit risk associated with such assets is very high. Probability of recoverability of such assets were very negligible and hence the same is treated as loss assets. The group has provided full impairment loss for the same.

4 Fair Value Gain / (loss) on Derivative Financial Instruments:

The group has entered into three types of Derivative Financial Instruments:

i) Forward Contracts, ii) Options, iii) Interest Rate Swaps. The group enters into derivative financial instrument in order to hedge an asset / liability and not for the purpose of speculation.

i) Forward Contracts:

Under the previous GAAP the premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, was amortised as expense or income over the life of the contract. Under the Ind AS, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss.

ii) Options and Interest Rate Swaps:

Under the previous GAAP, only fair value loss on options and interest rate swaps was recognised. Under Ind AS, these derivative financial instruments (which are not designated in a hedge relationship) are valued at fair value and resultant gain or loss is recognised in the statement of profit and loss.

5 Prior Period Items

Under Previous GAAP, prior period items were reflected as part of current year expense or income in the statement of profit & loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented.

Accordingly, the prior period expenses of Rs. 3,514,390/- have been adjusted against opening equity resulting in to decrease in other equity as on the transition date i.e. April 1, 2016 and increase in profit before tax for the year ended March 31, 2017.

Further the company has credited Rs. 1,425,238/- to statement of profit and loss for the year ended 31 March, 2017 resulting in to increase in profit before tax (under the previous GAAP, the same reflected as prior period income in the statement of profit and loss for the year ended 31st March, 2018).

6 Change in fair value of current investments classified through FVTPL

Under previous GAAP, the group accounted for short term investments in mutual funds as investment measured at cost. As per Ind AS, investments in liquid mutual funds have been revalued at fair value. The resulting fair value changes of these investments have been recognised in profit and loss.

7 Foreign Currency Monetary Items (External Commercial Borrowing classified under non-current borrowing)

The group entered into option agreement to hedge foreign exchange risk arising out of External Commercial Borrowings. The group has call option to pay ECB installment at pre-decided exchange rates till completion of ECB loan.

Under previous GAAP, considering option agreement on hand, outstanding ECB loan was being translated at exchange rate fixed under option agreement at each period end. Under Ind AS, foreign currency monetary items are required to be translated at closing exchange rate. Accordingly the group translates outstanding ECB loans at closing exchange rate at each period end and adjustes the resultant gain or loss in either statement of profit or loss or opening equity as the case may be.

8 Deferred Tax Adjustments:

Tax adjustments include deferrred tax impact on account of differences between previous GAAP and Ind AS which mainly includes expected credit loss allowance and employee benefit obligations.

Further under Ind AS, the group has also recognised deferred tax asset on previously unrecognised tax credits and unabsorbed depreciation.

9 Deferrement of Dividend Liability

Under previous GAAP, the group used to provide for proposed dividend including distribution tax as and when the same is declared by the Board of directors considering the same as adjusting event. Under Ind AS, declaration of dividend by Board of Directors would be considered as non-adjusting event and the same would be provided once it is approved by the shareholders in their general meeting.

10 Remeasurement of post employment benefit obligations

As per Ind AS, remeasurement of defined benefit plans have been disclosed under 'Other Comprehensive Income" (OCI), which was being debited to statement of profit and loss under previous GAAP. The impact of tax on the same is also adjusted to "Other Comprehensive Income" only.

11 Excise Duty

Under previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

12 Prepayment Charges

Under previous GAAP, the prepayment charges paid for lease-hold land was recognised under "Property, Plant and Equipment". Under Ind-AS, being operating lease, the same is re-classified to "Other non-current assets". In the similar way, amotisation expense of the said lease is re-classified from "Depreciation and Amortisation Expenses" to "other expenses".

13 Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

48 Fair Value Measurements

Financial instrument by category and their fair value

As at March 31, 2018	**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								
Investments								
Non Current	Nil	Nil	870,626	870,626	Nil	Nil	Nil	Nil
Current	109,710,489	Nil	Nil	109,710,489	109,710,489	Nil	Nil	109,710,489
Loans								
Non Current	Nil	Nil	90,498,213	90,498,213	Nil	Nil	Nil	Nil
Current	Nil	Nil	188,544	188,544	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	1,094,407,979	1,094,407,979	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	65,679,016	65,679,016	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	80,193,818	80,193,818	Nil	Nil	Nil	Nil
Other Current Financial Assets	20,596	Nil	173,375	193,971	Nil	Nil	20,596	20,596
Total Financial Assets	**109,731,085**	**Nil**	**1,332,011,570**	**1,441,742,655**	**109,710,489**	**Nil**	**20,596**	**109,731,085**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	69,268,978	69,268,978	Nil	Nil	Nil	Nil
Current	Nil	Nil	485,470,905	485,470,905	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current	Nil	Nil	36,411,138	36,411,138	Nil	Nil	Nil	Nil
Current	1,283,883	Nil	99,878,823	101,162,706	Nil	Nil	1,283,883	1,283,883
Trade Payables	Nil	Nil	434,760,351	434,760,351	Nil	Nil	Nil	Nil
Total Financial Liabilties	**1,283,883**	**Nil**	**1,125,790,195**	**1,127,074,078**	**Nil**	**Nil**	**1,283,883**	**1,283,883**

As at March 31, 2017	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								
Investments								
Non Current	Nil	Nil	870,626	870,626	Nil	Nil	Nil	Nil
Current	102,451,191	Nil	Nil	102,451,191	102,451,191	Nil	Nil	102,451,191
Loans								
Non Current	Nil	Nil	87,573,966	87,573,966	Nil	Nil	Nil	Nil
Current	Nil	Nil	2,693,556	2,693,556	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	906,695,386	906,695,386	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	31,156,268	31,156,268	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	85,612,146	85,612,146	Nil	Nil	Nil	Nil
Other Current Financial Assets	811,666	Nil	43,676	855,342	Nil	Nil	811,666	811,666
Total Financial Assets	**103,262,857**	**Nil**	**1,114,645,624**	**1,217,908,481**	**102,451,191**	**Nil**	**811,666**	**103,262,857**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	123,836,372	123,836,372	Nil	Nil	Nil	Nil
Current	Nil	Nil	450,440,890	450,440,890	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current		Nil	34,618,914	34,618,914	Nil	Nil	Nil	Nil
Current	1,303,832	Nil	122,510,834	123,814,666	Nil	Nil	1,303,832	1,303,832
Trade Payables	Nil	Nil	324,558,777	324,558,777	Nil	Nil	Nil	Nil
Total Financial Liabilties	**1,303,832**	**Nil**	**1,055,965,787**	**1,057,269,619**	**Nil**	**Nil**	**1,303,832**	**1,303,832**

As at April 01, 2016	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								
Investments								
Non Current	Nil	Nil	870,626	870,626	Nil	Nil	Nil	Nil
Current	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loans								
Non Current	Nil	Nil	251,953,260	251,953,260	Nil	Nil	Nil	Nil
Current	Nil	Nil	243,500	243,500	Nil	Nil	Nil	Nil
Trade Receivables	Nil	Nil	797,596,931	797,596,931	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	Nil	Nil	32,558,341	32,558,341	Nil	Nil	Nil	Nil
Other Bank Balances	Nil	Nil	92,298,515	92,298,515	Nil	Nil	Nil	Nil
Other Current Financial Assets	3,403,939	Nil	7,308,153	10,712,092	Nil	Nil	3,403,939	3,403,939
Total Financial Assets	**3,403,939**	**Nil**	**1,182,829,326**	**1,186,233,265**	**Nil**	**Nil**	**3,403,939**	**3,403,939**
Financial Liabilities								
Borrowings								
Non Current	Nil	Nil	194,353,000	194,353,000	Nil	Nil	Nil	Nil
Current	Nil	Nil	524,043,754	524,043,754	Nil	Nil	Nil	Nil
Other Financial Liabilities								
Non Current	Nil	Nil	31,612,308	31,612,308	Nil	Nil	Nil	Nil
Current	2,028,319	Nil	101,091,268	103,119,587	Nil	Nil	2,028,319	2,028,319
Trade Payables	Nil	Nil	398,000,794	398,000,794	Nil	Nil	Nil	Nil
Total Financial Liabilties	**2,028,319**	**Nil**	**1,249,101,125**	**1,251,129,444**	**Nil**	**Nil**	**2,028,319**	**2,028,319**

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 consolidated financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the Group 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 Group 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/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

49 Financial risk management

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

The Group's risk management is governed by policies and approved by the board of directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group 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 financial instruments and non-derivative financial instruments.

The audit committee of the Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit carried out at the Company as well as at subsidiaries level. 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 is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The history of trade receivables shows a negligible provision for bad and doubtful debts. The Group 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 Group has adopted simplified approach of ECL model for impairment.

i) Trade Receivables:

The Group'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 Group 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. Ageing of trade receivables is as under. The Group does not hold collateral as security.

ii) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's assessment of credit risk about particular financial institution. None of the Group'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 Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast 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 Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's policy is to manage its borrowings centrally using mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lender. As of March 31, 2018, March 31, 2017 and April 1, 2016; the Group had unutilized credit limits from banks of Rs. 130,123,224/-, 122,793,478/- and 24,380,321/- respectively. The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2018	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current	69,268,978	Nil	40,866,457	28,402,521	Nil	69,268,978
Current	485,470,905	485,470,905	Nil	Nil	Nil	485,470,905
Other Financial Liabilities:						
Non Current	36,411,138	Nil	36,411,138	Nil	Nil	36,411,138
Current	101,162,706	101,162,706	Nil	Nil	Nil	101,162,706
Trade Payables	434,760,351	434,760,351	Nil	Nil	Nil	434,760,351
Total	**1,127,074,078**	**1,021,393,962**	**77,277,594**	**28,402,521**	**Nil**	**1,127,074,078**

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2017	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	123,836,372	Nil	81,695,795	42,140,577	Nil	123,836,372
Current	450,440,890	450,440,890	Nil	Nil	Nil	450,440,890
Other Financial Liabilities:						
Non Current	34,618,914	Nil	34,618,914	Nil	Nil	34,618,914
Current	123,814,666	123,814,666	Nil	Nil	Nil	123,814,666
Trade Payables	324,558,777	324,558,777	Nil	Nil	Nil	324,558,777
Total	**1,057,269,619**	**898,814,333**	**116,314,708**	**42,140,577**	**Nil**	**1,057,269,619**

(Amount in ₹)

Contractual maturities of financial liabilities as at April 1, 2016	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	194,353,000	Nil	126,455,020	54,096,280	13,801,701	194,353,000
Current	524,043,754	524,043,754	Nil	Nil	Nil	524,043,754
Other Financial Liabilities:						
Non Current	31,612,308	Nil	31,612,308	Nil	Nil	31,612,308
Current	103,119,587	103,119,587	Nil	Nil	Nil	103,119,587
Trade Payables	398,000,794	398,000,794	Nil	Nil	Nil	398,000,794
Total	**1,251,129,444**	**1,025,164,136**	**158,067,328**	**54,096,280**	**13,801,701**	**1,251,129,444**

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 Group is exposed to market risk primarily related to foreign exchange rate risk and commodity risk.

a) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

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

i. **Foreign currency revenues and expenses (primarily in USD and EURO) :** A portion of the Group's revenues are in 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 Group's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2018, the Group had entered into derivative contracts of Rs. 83,855,760/- to hedge exposure to fluctuations in foreign currency risk.

ii. **External Commerical Borrowing (ECB) and interest thereon (in USD):** The Group has borrowed secured foreign currency external commercial borrowings (ECB Loan) for Project purpose. As a result, if the value of the Indian rupee depreciates relative to this foreign currency, the Group's finance costs measured in Indian Rupees may increase. As of March 31, 2018, the Company has entered into derivative contracts of Rs. 528,94,382/- to hedge exposure to fluctuations in foreign currency risk.

The below sensitivity does not include the impact of derivative contracts which largely mitigate the risks.

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

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

Particulars	Currency	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
a) Trade Receivables (Against Export)	USD	4,413,864	5,972,606	6,944,379
	INR	287,095,823	387,255,398	460,640,817
	EURO	385,362	412,418	Nil
	INR	31,068,731	28,558,959	Nil
b) Trade Payables (Against import - including capital import)	USD	13,600	(65,825)	(24,150)
	INR	884,600	(4,268,001)	(1,601,940)
c) Non-Current borrowing (External Commercial Borrowings - including current maturities)	USD	(813,208)	(1,626,416)	(2,304,088)
	INR	(52,894,382)	(105,454,536)	(152,836,839)
d) Other Current Financial Liability (Interest accrued but not due on borrowing)	USD	(68,103)	(57,302)	(73,444)
	INR	(4,429,721)	(3,715,407)	(4,871,751)
Net Statement of Financial Exposure (a+b+c+d)	USD	3,546,153	4,223,062	4,542,697
	INR	230,656,319	273,817,453	301,330,288
	EURO	385,362	412,418	Nil
	INR	31,068,731	28,558,959	Nil

Note - Figures in bracket denotes credit balance.

ii) Foreign Currency Risk Sensitivity

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

Particulars	Year Ended March 31, 2018 ₹		Year Ended March 31, 2017 ₹	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	11,532,816	(11,532,816)	13,690,873	(13,690,873)
EURO	1,553,437	(1,553,437)	1,427,948	(1,427,948)
Total	**13,086,253**	**(13,086,253)**	**15,118,821**	**(15,118,821)**

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 Group's exposure to the risk of changes in market interest rates related primarily to the Group's short-term borrowings with floating interest rates.

Long-term borrowings expose the Group to risk of changes in interest rates as the Company had Terms loans and External Commercial Borrowings (ECB) carrying a variable interest rate. In order to hedge interest rate risk arising out of variable interest rate ECBs, company has entered into Interest Rate swaps.

For other borrowings, Group's treasury department monitors the interest rate movement and manages the interest rate risk based on its policies.

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

i) Exposure to interest rate risk

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Fixed Rate Borrowings	5,267,362	4,291,517	4,440,592
Variable Rate Borrowings	607,596,057	640,510,811	776,880,593
Total	**612,863,418**	**644,802,328**	**781,321,185**

For details of the Group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 23 and 26 of these financial statements

ii) Interest Rate Sensitivity

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

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
50bp increase would decrease the profit before tax by	(3,037,980)	(3,202,554)
50bp decrease would increase the profit before tax by	3,037,980	3,202,554

c) Price Risk

Exposure to market risk with respect to commodity prices primarily arises from the Group'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 Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

50 Capital Management:

The Group'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 Group; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance.

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

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

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Debt	554,739,883	574,277,262	718,396,754
Cash and bank balances	145,872,833	116,768,414	124,856,856
Net debt	**700,612,717**	**691,045,676**	**843,253,610**
Equity	2,245,444,602	1,926,848,749	1,438,646,915
Net debt to equity ratio	31.00%	36.00%	59.00%

51 Details of Payment to Auditors

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Payment to auditors:		
To Statutory Auditor:		
Audit fee	750,000	635,000
Taxation matters	350,000	300,000
Total	**1,100,000**	**935,000**

52 Interest in Subsidiaries:

52.1 Subsidiaries:

The group's subsidiaries at March 31, 2018, March 31, 2017 and April 1, 2016 are set out below.

Name of entity	Place of business	Principal activities	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Lincoln Parenteral Limited	India	Manufacturing and trading of Pharmaceutical Products			
Ownership Interest Held by the Company			98.58%	98.58%	98.58%
Ownership interest held by non-controlling interests			1.42%	1.42%	1.42%
Zullinc Healthcare LLP	India	Manufacturing and trading of Pharmaceutical Products			
Ownership Interest Held by the Company			100%	100%	100%
Ownership interest held by non-controlling interests			0%	0%	0%
Savebux Finance & Investment Private Limited	India	Non-Banking Financial Company			
Ownership Interest Held by the Company			100%	0%	0%
Ownership interest held by non-controlling interests			0%	0%	0%

(i) The Company along with other partners has formed Limited Liability Partnership namely Zullinc Healthcare LLP under Limited Liability Partnership Act, 2008. The proportion of ownership interests of the Company is 100% in the said LLP. Other partners are representatives of the Company only.

(ii) During the year ended March 31, 2018; the Company has formed wholly owned subsidiary namely "Savebux Finance and Investment Private Limited" which is a private limited company, incorporated on October 9, 2017 under the provisions of the Companies Act, 2013. The company has consolidated the same during year ended March 31, 2018.

52.2 Details of subsidiaries and non-controlling interest:

Set out below is summarised financial information of subsidiaries. The amounts disclosed for each subsidiary are before inter-company eliminations.

(i) Summarised Balance Sheet of subsidiaries as at each balance sheet date:

Particulars	As at March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Current assets	387,161,504	149,971,411	20,336,573
Current liabilities	267,456,738	149,486,411	94,093
Net Current assets / (liabilities)	**119,704,766**	**485,000**	**20,242,480**
Non-current assets	260,501,694	15,000	Nil
Non-current liabilities	166,199,948	Nil	Nil
Net Non-current assets / (liabilities)	**94,301,745**	**15,000**	**Nil**
Net Assets	**214,006,512**	**500,000**	**20,242,480**
Accumulated Non-controlling interest	3,265,090	Nil	Nil

Particulars	As at March 31, 2017		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Current assets	364,727,730	147,304,518	Nil
Current liabilities	237,178,677	146,819,517	Nil
Net Current assets / (liabilities)	**127,549,053**	**485,000**	**Nil**
Non-current assets	263,547,425	15,000	Nil
Non-current liabilities	196,278,611	Nil	Nil
Net Non-current assets / (liabilities)	**67,268,814**	**15,000**	**Nil**
Net Assets	**194,817,867**	**500,000**	**Nil**
Accumulated Non-controlling interest	2,999,620	Nil	Nil

Particulars	As at April 1, 2016		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Current assets	132,011,705	12,604,098	Nil
Current liabilities	152,264,481	12,119,098	Nil
Net Current assets / (liabilities)	**(20,252,777)**	**485,000**	**Nil**
Non-current assets	446,794,792	15,000	Nil
Non-current liabilities	239,049,282	Nil	Nil
Net Non-current assets / (liabilities)	**207,745,510**	**15,000**	**Nil**
Net Assets	**187,492,734**	**500,000**	**Nil**
Accumulated Non-controlling interest	2,895,933	Nil	Nil

(ii) Summarised Statement of Profit and Loss of subsidiaries during each financial year:

Particulars	For the year ended March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Revenue	720,525,228	305,996,977	327,812
Profit for the year	19,120,534	826,881	242,480
Other Comprehensive Income	68,112	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	264,506	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	964	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	**265,470**	**Nil**	**Nil**

Particulars	For the year ended March 31, 2017		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Revenue	648,796,959	392,089,924	Nil
Profit for the year	7,307,370	977,290	Nil
Other Comprehensive Income	17,762	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	103,436	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	251	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	**103,687**	**Nil**	**Nil**

(iii) Summarised Cash Flows of subsidiaries:

Particulars	For the year ended March 31, 2018		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Cash flows from operating activities	76,042,276	110,603	8,761
Cash flows from investing activities	(4,317,685)	Nil	Nil
Cash flows from financing activities	(72,459,028)	Nil	Nil
Net increase/ (decrease) in cash and cash equivalents	(734,437)	110,603	8,761

Particulars	For the year ended March 31, 2017		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Finance & Investment Private Limited
Cash flows from operating activities	(100,880,685)	(23,257)	Nil
Cash flows from investing activities	177,404,991	Nil	Nil
Cash flows from financing activities	(77,428,650)	Nil	Nil
Net increase/ (decrease) in cash and cash equivalents	(904,344)	(23,257)	Nil

53. Research and development expenditure:

The Group's in house R&D unit has been approved by Government of India, Ministry of Science & Technology, Department of Scientific and Industrial Research, New Delhi. The Group's in house R&D unit is also approved for weighted deduction U/S 35 (2AB) of the Income Tax act, 1961.

Details of Capital & Revenue Expenditure of R&D unit incurred during the year is as below:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Capital	Revenue	Capital	Revenue
Plant & Machinary	35,314,069	Nil	26,174,956	Nil
R&D Building	Nil	Nil	84,354	Nil
Electrical Equipment	359,000	Nil	13,465	Nil
Furniture & Fixture	43,604	Nil	Nil	Nil
Personnel Expenses	Nil	28,942,390	Nil	23,339,944
Material Consumption	Nil	10,400,115	Nil	3,168,808
Manufacturing expense	Nil	22,653,987	Nil	20,420,534
Depreciation	Nil	9,894,491	Nil	9,266,595
Administration Expenses	Nil	8,919,340	Nil	6,049,742
Total	**35,716,673**	**80,810,324**	**26,272,776**	**62,245,622**

54. Earnings Per Share (EPS)

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Net Profit / (Loss) for calculation of basic / diluted EPS	346,229,576	281,232,257
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	20,000,000	17,881,751
Basic and Diluted Earnings/(Loss) Per Share	17.31	15.73
Nominal Value of Equity Shares	17.31	15.73

A. Reconcilation on Amount of EPS

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	17.31	15.73
Total basic earnings per share attributable to the equity holders of the company	**17.31**	**15.73**
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	17.31	15.73
Total diluted earnings per share attributable to the equity holders of the company	**17.31**	**15.73**

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	346,229,576	281,232,257
(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	346,229,576	281,232,257

C. **Weighted average number of shares used as the denominator**

Particulars		Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a)	**Basic earnings per share**		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,000,000	17,881,751
(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	20,000,000	17,881,751

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

Particulars		Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
(a)	Basic earnings per share	0.10	0.08
(b)	Diluted earnings per share	0.10	0.08

55. Related Parties Disclosures

(i) List of related parties:

Name of related party	Nature of relationship
Avis Travels	Entity controlled by Key Managerial Personnel
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel
Downtown Travels LLP	Entity controlled by Key Managerial Personnel
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel
Shree Corporation	Entity controlled by Key Managerial Personnel
Ashish R Patel HUF	Entity controlled by Key Managerial Personnel
Mahendra G Patel HUF	Entity controlled by Key Managerial Personnel
Munjal M Patel HUF	Entity controlled by Key Managerial Personnel
Rajani G Patel HUF	Entity controlled by Key Managerial Personnel and relatives
Arvind G Patel	Key Managerial Personnel
Ashish R Patel	Key Managerial Personnel
Hasmukh I Patel	Key Managerial Personnel
Mahendra G Patel	Key Managerial Personnel
Munjal M Patel	Key Managerial Personnel
Rajnikant G Patel	Key Managerial Personnel
Mansi A Patel	Relative of Key Managerial Personnel
Anand A Patel	Relative of Key Managerial Personnel
Mansi M Patel	Relative of Key Managerial Personnel
Rajani G Patel	Relative of Key Managerial Personnel
Kailashben M Patel	Relative of Key Managerial Personnel
Kalpanaben R Patel	Relative of Key Managerial Personnel

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

Transactions with related parties during the year:

Name of related party	Nature of Transaction	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Avis Travels	Travelling expenses	9,392,586	13,014,336
Downtown Finance Pvt Ltd	Interest expenses	663,842	1,781,864
	Loan repaid	14,185,000	Nil
	Loan taken	3,028,285	Nil
	Advance taken (bill discounting)	Nil	51,518
	Advance repaid (bill discounting)	Nil	2,492,252
Downtown Travels LLP	Travelling expenses	723,987	1,209,989
Downtown Travels Pvt Ltd	Loan repaid	40,135	728,399
Sunmed Corporation LLP	Purchase of goods	Nil	23,260
	Commission	1,850,000	Nil
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	3,500,000	650,702
Shree Corporation	Commission	1,850,000	Nil
	Advance given	242,500	Nil
Ashish R Patel HUF	Commission	1,500,000	Nil
Mahendra G Patel HUF	Advance given	1,140,000	Nil
Munjal M Patel HUF	Commission	600,000	Nil
	Advance given	570,000	Nil
Rajani G Patel HUF	Sales commission expense	400,000	Nil
Anand A Patel	Remuneration	1,092,476	804,060
Ashish R Patel	Remuneration	3,210,841	1,603,168
	Sales commission expense	1,850,000	Nil
Hasmukh I Patel	Remuneration	2,288,302	1,357,742
	Commission	Nil	500,000
	Advance given for expense	Nil	2,500,000
	Advance repaid	2,500,000	Nil
Mahendra G Patel	Remuneration	1,811,719	1,357,742
	Rent	665,000	Nil
	Advance given for expense	570,000	Nil
Mansi M Patel	Sales commission expense	1,000,000	Nil
	Remuneration	810,000	520,000
Munjal M Patel	Remuneration	2,003,605	1,327,838
	Sales commission expense	1,000,000	Nil
Rajani G Patel	Sales commission expense	400,000	Nil
Arvind G Patel	Consultancy Fees	840,000	840,000
Mansi A Patel	Remuneration	1,048,800	765,000
Rajnikant G Patel	Remuneration	336,795	1,357,742
	Commission	1,500,000	Nil
Kailashben M Patel	Rent	1,180,000	Nil
	Remuneration	820,000	650,000
Kalpanaben R Patel	Commission	1,900,000	Nil
	Remuneration	624,167	910,000

Balances outstanding at each reporting date:

Particulars		As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
Downtown Finance Pvt Ltd:				
Intercorporate deposits	Current borrowings	(597,458)	(11,485,000)	(10,000,000)
Loans given	Non-current loans	Nil	328,285	Nil
Outstanding payables	Trade payables	Nil	Nil	(2,322,056)
Sunmed corporation LLP:				
Advance to suppliers	Other current assets	11,125,000	9,950,000	9,950,000
Outstanding receivables	Trade receivables	(589,835)	(589,835)	(410,002)
Outstanding payables	Trade payables	Nil	Nil	(18,661,752)
Avis Travels	Trade payables	(320,130)	(561,041)	(290,562)
Downtown Travels LLP	Trade payables	(507,408)	(482,857)	Nil
Downtown Travels Pvt. Ltd.	Trade payables	Nil	(40,135)	(768,534)
Mahendra G Patel HUF	Trade payables	950,000	Nil	Nil
	Advance for Expense	190,000	Nil	Nil
Munjal M Patel HUF	Trade payables	380,000	Nil	Nil
	Advance for Expense	190,000	Nil	Nil
Anand A Patel	Trade payables	Nil	(135,000)	Nil
Hasmukh I Patel	Current Loans	Nil	2,500,000	Nil
Mahendra G Patel	Trade payables	656,500	Nil	(87,600)
Mansi M Patel	Trade payables	(65,000)	Nil	Nil
Munjal M Patel	Trade payables	(204,185)	207,082	(89,910)
Arvind G Patel	Trade payables	Nil	(63,000)	(126,000)
Kailashben M Patel	Trade payables	(612,000)	Nil	Nil
Hasmukh I Patel	Trade payables	Nil	Nil	(87,600)

Note: Figures in bracket denotes credit balance.

56. Corporate Social Responsibility

Details of amount required to be spent by the Group towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 is stated as below:

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
Gross amount required to be spent by the company during the year	5,622,344	4,117,884
Amount Spent during the year on		
(i) Construction/ Acquisition of any assets		
In Cash	Nil	Nil
Yet to be paid	Nil	Nil
(ii) On purpose other than (i) above		
In Cash	5,657,000	4,200,000
Yet to be paid	Nil	Nil

57. The Goods and Service Tax (GST) Act, 2017 has been implemented with effect from July 1, 2017 which replaced major Indirect taxes in India. Accordingly, the Group is liable to GST with effect from July 1, 2017. The revenue from July to March, 2018 is net of such GST. However, the revenue from April to June 2017 and previous year is inclusive of excise duty. Accordingly, Revenue and Excise duty on sale of goods for the current year and previous year are not comparable to that extent.

58. Subsequent Events:

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

59. Previouse Periods' / Years' figures have been reNilgrouped / Re-Classified where necessary to make it comparable with the current period.

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

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

Place : Ahmedabad
Date : 30.05.2018

Bhavik P. Parikh
(Company Secretary)

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited

M.G. Patel (Managing Director) (DIN : 00104706)

R.G. Patel (Jt. Managing Director) (DIN : 00104786)

H.I. Patel (Whole Time Director) (DIN : 00104834)

Place : Ahmedabad
Date : 30.05.2018

LINCOLN PHARMACEUTICALS LIMITED

Regd. Office: “LINCOLN HOUSE”, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.
CIN: L24230GJ1995PLC024288; Ph: +91-79-67778000; Fax: +91-79-67778062;
Email-ID: info@lincolnpharma.com; Website: www.lincolnpharma.com.

ATTENDANCE SLIP

I /We hereby record my / our presence at the 24th Annual General Meeting of the members of the Company to be held on Saturday, September 29, 2018 at the Registered Office of the Company at “LINCOLN HOUSE”, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 at 10:30 A.M.

Full name of the Member : ____________________

Address of the Member : ____________________

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

No. of shares held : ____________________

Full name of the Proxy (If attending the meeting) : ____________________

Member’s /Proxy’s Signature : ____________________

Note:

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Shareholders are requested to advised to indicate their folio No., DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Link Intime India Private Limited.

*Applicable for investors holding shares in Electronic (Demat) form.

LINCOLN PHARMACEUTICALS LIMITED

Regd. Office: “LINCOLN HOUSE”, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.
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Email-ID: info@lincolnpharma.com; Website: www.lincolnpharma.com.

FORM NO. MGT-11

PROXY FORM

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

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

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

(1) Name : __________ Address: __________

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

(2) Name : __________ Address: __________

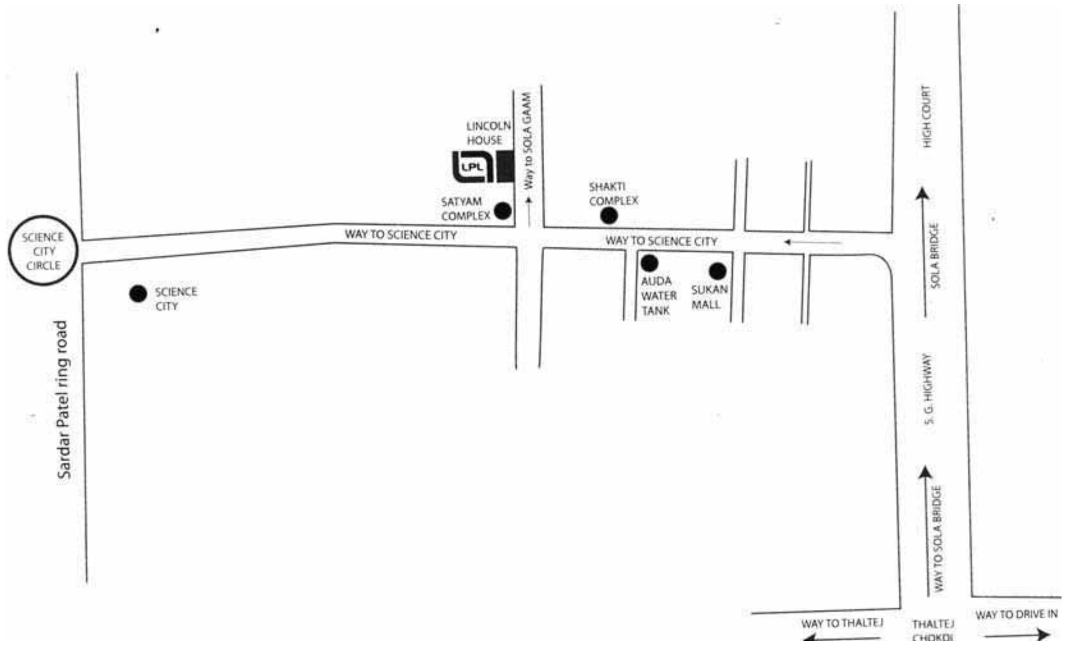
Email ID: __________ Signature: __________ or Failing him / her:

(3) Name : __________ Address: __________

Email ID: __________ Signature: __________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held onSaturday, September 29, 2018 at 10.30 A.M. at the Registered Office of the Company at “LINCOLN HOUSE”, Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060 and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP OF AGM VENUE



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

Resolution No.	Particulars of Resolution	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	To Consider and Adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Year Ended on March 31, 2018 and the Directors' Report and Auditors' Report thereon.		
2.	To Declare Dividend on Equity Shares for the Financial Year 2017-18.		
3.	Re-Appointment of Shri Hashmukh I. Patel [DIN: 00104834], as a Whole-Time Director who retires by rotation.		
4.	Re-Appointment of Shri Munjal M. Patel [DIN: 02319308], as a Whole-Time Director who retires by rotation.		
	SPECIAL BUSINESS:		
5.	Appointment of Shri Saurin J. Parikh [DIN: 02136530] as an Independent Director.		
6.	Re-appointment of Shri Ishwarlal A. Patel (DIN : 00217324) as an Independent Director and to continue to avail his services as an Independent Director on his attaining the age of 75 Years.		
7.	Re-Appointment of Shri Pirabhai R. Suthar [DIN: 00453047] as an Independent Director.		
8.	Approval to continue availing services of Shri Kishor M. Shah (DIN: 02769085) as a Non-Executive Director of the Company .		
9.	Approve Borrowing Limits under Section 180 (1) (c) of the Companies Act, 2013		
10.	Approve creating a mortgage/ charge on the movable and immovable properties of the Company under Section 180 (1) (a) of the Companies Act, 2013		
11.	Approval of making investment eceeding the limits under Section 186 of the Companies Act, 2013.		
12.	Approval for entering into related party transactions under Section 188 of the Companies Act, 2013.		
13.	Ratification of remuneration payable to Kiran J. Mehta & Co. Cost Accountants of the Company for the financial year ending on 31.03.2019.		

Signed this ______________ day of ______________ 2018

Signature of Shareholder ____

Signature of Proxy holder (s) ____

Affix One Re. Revenue Stamp

Note:

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

UPDATION OF PHYSICAL SHAREHOLDERS' INFORMATION

To,

LINK INTIME INDIA PVT. LTD.
5th floor, 506-508, Amarnath Business Centre-1 (ABC-1),
Beside Gala Business Centre,
Near XT Xavier's College Corner, Off. C. G. Road,
Navrangpura, Ahmedabad – 380009

I/ We request you to record the following information against our Folio No.:

Personal Information:

Folio No.	
Name of the First Shareholder:	
PAN:*	
CIN/ Registration No.: (in case of Corporate Shareholder)*	
Tel. No. with STD Code:	
Mobile No.:	
Email id:	

* Kindly attach self-attested copy of the documents.

Bank Details:

IFSC(11 digit):	
MICR (9 digit):	
Bank A/c Type:	
Bank A/c No.:	
Name of the Bank:	
Bank Branch address:	

* A blank cancelled cheque is enclosed for verification of details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place :
Date :

Signature of Sole/ First Holder

NOTES :

DOMI™ up
Ondansetron Hydrochloride 2 mg Oral Spray

SALPHYLLIN-M
Levocetrizine Hcl 2.5 mg +
Montelukast sodium 4 mg / 5ml Suspension

TRIXON-O
Cefixime 50 mg/ 5 ml, 100 mg /5ml dry Syrup
100 mg, 50 mg tablets 25 mg / ml Drops

SOLU-M
Mupirocin 2% Ointment 5 gm

PROLIN
Micronized Progesterone 12.5% w/v Spray

Ellepra-M
Fexofenadine Hydrochloride 120 mg +
Montelukast 10 mg Tablets

SERTALIN
Sertaconazole 2 %w/w Cream 10 gm/30 gm

Calalin
Calamine 8% w/w + liq paraffin 10% w/w +
Aloevera Lotion

KEZOLIN
Ketoconazole 2% w/w + Pyrithione zinc 1% w/w Gel

SALPHYLLIN
Ambroxol HCl 7.5 mg + Levosalbutamol Sulphate 0.25 mg +
Guaiphenesin 12.5 mg/ml Drops

PROGUT *Suspension*
Bacillus Clausilspores 2 billion Spores

Jink
Zinc 20 mg/5ml Syrup

Fertilink
Myo Inositol 550mg + D-Chiro-Inositol 150mg + Folic Acid 1.5mg +
Vitamin D_3 200 IU Tablet

ITRALIN 100 & 200
Itraconazole 100 mg/ 200 mg Capsule
Itraconazole 400 mg SR Tablets

ZOLU *Cream*
Luliconazole 1% Cream **10 gm / 30 gm**

Lindox-L
Doxycycline 100 mg +
Lactobacillus 5 Billion Spores

"Healthcare for all"

LINCOLN
PHARMACEUTICALS LTD.
HEALTHCARE FOR ALL

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