

Growth is a commitment.
WE POSSESS.



26th ANNUAL REPORT
2019-2020



Our INNOVATIVE PRODUCTS

PROLIN

Micronized Progesterone 12.5% w/v Spray



Ondansetron Hydrochloride 2 mg Oral Spray

Ovalink SR

Dehydroepiandrosterone (Micronized) 75 mg SR +
Folic Acid 4.5 mg + Vitamin D3 3000 IU Tablets

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



1000 mg Programmed Release Paracetamol

NAMCOLD NS

Sodium Chloride 0.65 % w/v Nasal Drops



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



Caroverine 20 mg Capsules
Caroverine 160 mg/8 ml Injection



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



Vitamin C 500 mg +
Zinc Sulphate Monohydrate 27.5 mg Tablets

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr Kishor M. Shah - Chairman
2. Mr Mahendra G. Patel - Managing Director
3. Mr Hashmukh I. Patel - Whole Time Director
4. Mr Munjal M. Patel - Whole Time Director
5. Mr Ashish R. Patel - Whole Time Director
6. Mr Rajnikant G. Patel - Director
7. Mr Arvind G. Patel - Director
8. Mr Ishwarlal A. Patel - Independent Director
9. Mr Pirabhai R. Suthar - Independent Director
10. Ms Meha Patel - Independent Director
11. Mr Saurin J. Parikh - Independent Director

CHIEF FINANCIAL OFFICER

Mr Darshit A. Shah

COMPANY SECRETARY

Mr Niren A. Desai
[From February 28, 2020]

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. Vishwas Sharma & 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,
Gujarat, India
Ph. No.: +91-79-4107-8000,
Fax: +91-79-4107-8062,
Email ID: investor@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

PLANT

10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol,
District-Gandhinagar, Gujarat.
Ph. No.: +91-79-4913-5000
Email ID: khatraj@lincolnpharma.com

26 th Annual General Meeting	
Day:	Wednesday
Date:	September 30, 2020
Time:	11:00 AM (IST)
Mode:	Video Conference / Other Audio Visual Means

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LINCOLN PHARMACEUTICALS LIMITED

Regd. Office: "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India

CIN: L24230GJ1995PLC024288; **Tel.:** +91-79-4107-8000; **Fax:** +91-79-4107-8062;

Email: cs@lincolnpharma.com; **Website:** www.lincolnpharma.com.

NOTICE

NOTICE is hereby given that the **26th (Twenty Sixth) Annual General Meeting ("AGM")** of the members of Lincoln Pharmaceuticals Limited ("the Company") will be held on **Wednesday, September 30, 2020 at 11:00 am (IST)** through Video Conference ("VC") or Other Audio Visual Means ("OAVM"), to transact the following Businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year Ended March 31, 2020 together with the Auditors' Report thereon and the Report of the Board of Directors of the Company.
2. To consider the interim dividend paid on equity shares as final dividend for the financial year 2019-2020.
3. To appoint a Director in place of Mr Arvind G. Patel [DIN: 00104885], who retires by rotation and being eligible offers himself for re-appointment as a Director.
4. To appoint a Director in place of Mr Rajanikant G. Patel [DIN: 00104786], who retires by rotation and being eligible offers himself for re-appointment as a Director.

SPECIAL BUSINESSES:

5. 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 Mr Pirabhai R Suthar (DIN: 00453047) as a Non-Executive Independent Director of the Company who shall attain the age of 75 years in next year.

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.

6. 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. 1,50,000 (Rupees One Lakh Fifty Thousand Only) p.a. plus out of pocket expense to M/s. Kiran J. Mehta & Co., Cost Accountants [FRN: 000025], Ahmedabad for conducting the Audit of the cost records relating to the products manufactured by the Company for the Financial Year Ending on March 31, 2021.

**By Order of the Board
For Lincoln Pharmaceuticals Limited**

**Niren A. Desai
Company Secretary
M. No. A60285**

Ahmedabad, August 20, 2020

Registered Office:

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), Secretarial Standard – 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in respect of the special businesses is annexed hereto.
2. In view of the outbreak of the CoVID-19 pandemic, social distancing norms and pursuant to the General Circular No. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs (collectively "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") read with and in compliance with the applicable provisions of the Act and Listing Regulations, the 26th AGM of the Company is being held through VC/OAVM Facility, which does not require physical presence of

Members at the venue. The proceedings of the 26th AGM shall be deemed to be made at the Registered Office of the Company situated at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad 380060, Gujarat, India (deemed venue for the AGM).

3. The 26th Annual Report along with Notice of the AGM including general guidelines for participation at the 26th AGM through VC/OAVM, procedure for remote e-voting and e-voting during the AGM, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository. The same has also been uploaded on the website of the Company, i.e. www.lincolnpharma.com. In accordance with the MCA Circulars and SEBI Circular, copy of the 26th Annual Report is being sent only through emails to the Members of the Company. Members who have not registered their e-mail addresses are requested to register the same with the Company by writing e-mail on investor@lincolnpharma.com or respective Depository Participant(s).
4. Corporate Members intending to attend the meeting through VC/OAVM are requested to send a scanned copy of the certified true copy of board resolution / power of attorney together with their respective specimen signatures authorising of their representative(s) from the corporate member's registered email address authorizing their representatives to attend the AGM on their behalf, at the email id on investor@lincolnpharma.com. Further, the corporate members are requested to also state the Client ID/DP ID in which the Company's shares are held.
5. Members holding shares in physical form are requested to promptly notify in writing any change in their address, email address and also avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Act and rules made thereunder, with the Company/RTA. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's RTA. As per Regulation 40 of SEBI Listing Regulations (as amended), requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.
7. The brief profile and other requisite information of the directors recommended for appointment / re-appointment at the AGM as required by Listing Regulations and Secretarial Standard on General Meetings (SS-2), are annexed to the Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2020 (Monday) to September 30, 2020 (Wednesday) (both days inclusive) for the purpose of AGM.
9. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 26th AGM electronically and the Member(s) may send a request for inspection of documents to the Company Secretary on investor@lincolnpharma.com and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
10. Members are requested to note that pursuant to the provisions of Section 124 of the Act, the dividend remaining unclaimed / unpaid for a period of seven consecutive years from the date it becomes due for payment shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Those Members who have not, so far, encashed these dividend warrants or any subsequent dividend warrants may claim or approach our RTA or to the Company for payment thereof. Members are hereby informed that the unclaimed / unpaid dividend amount shall be transferred by the Company to IEPF within the period of thirty (30) days from the due date(s) or such other period as may be specified under the Act and rules made thereunder, from time to time and no claims will be entertained by the Company for any unclaimed / unpaid dividend transferred to IEPF thereafter. The details of unclaimed / unpaid dividends transfer to IEPF are available on the website of the Company i.e. www.lincolnpharma.com. The unclaimed dividend for the financial year 2012-2013 is due to be transferred to IEPF in this financial year.
11. Further, pursuant to the provisions of Section 124 (5) and (6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. The Company has intimated through letter to the concerned members regarding their equity shares including the unclaimed / unpaid dividend due for transfer during the financial year 2020-2021. The concerned members are requested to claim the same to avoid transfer of shares / dividend to IEPF Account. No claim shall lie against the company after the shares are transferred to IEPF authority. Upon transfer, the Members can claim these equity shares from the IEPF Authority by following the requisite procedure, the details of which are also available at www.iepf.gov.in. Hence, it is in the Members' interest to claim any uncashed dividends and for future, opt for electronic credit of dividend, so that dividends paid by the company are credited to the Member's account on time.
- 12. General Instructions for accessing and participating at the 26th AGM through Electronic Means (VC/OAVM):**
 - a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose,

the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a Member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.

- b) Members may join the AGM in the VC/OAVM mode 15 minutes before, and after the scheduled time of the commencement of the Meeting by following the procedure as mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- d) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 26th AGM is being held, pursuant to the MCA Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. In view of this, the facility for appointment of proxies by the Members is not available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporates can attend the AGM through VC/OAVM and cast their votes through e-voting, subject to the applicable conditions as mentioned in Note No. 14 below.
- e) Notice of the 26th AGM has been uploaded on the website of the Company at www.lincolnpharma.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the remote e-voting facility) i.e. www.evotingindia.com.
- f) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circulars. Members shall refer Notice for the instructions for attending the AGM through VC/OAVM.
- g) The recorded transcript of the 26th AGM shall be made available on the website of the Company, www.lincolnpharma.com under the Investors Section, after the conclusion of the AGM as soon as possible.

13. Process for those Members whose Email addresses are not registered - for registration of Email addresses to obtain AGM Notice/Annual Report of the Company and/or login credentials for e-voting on the Resolutions set out in this Notice:

- a) For Members holding shares in physical form - Member(s) may send a request providing necessary details viz., Folio No., Name of Member, mobile number, e-mail address, scanned copy of the share certificate (both sides), scanned copies of self-attested PAN card and Aadhar Card by email to investor@lincolnpharma.com.
- b) For Members holding shares in dematerialised mode - Member(s) are requested to register their e-mail addresses with their respective Depository Participant(s) or by providing their name, mobile number, e-mail address, DP ID and client ID, scanned copies of self-attested client master or consolidated account statement and scanned copies of self-attested of PAN card and Aadhar Card by e-mail to investor@lincolnpharma.com.

For login credentials, please send request providing demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + Client ID), Name of Member, scanned copies of self-attested client master or consolidated account statement and scanned copies of self-attested of PAN card and Aadhar Card by e-mail to investor@lincolnpharma.com.

14. Voting through electronic means:

The Company is pleased to provide remote e-voting facility through Central Depository Services (India) Limited (CDSL) for the Members of the Company to enable them to cast their votes electronically on the resolutions mentioned in this Notice of 26th AGM of the Company dated August 20, 2020 ("Notice"). The details and instructions for remote e-voting and e-voting during the AGM are furnished in the Notice. These details form an integral part of this Notice.

A. Procedure for Remote E-Voting:

- a) The remote e-voting period commences on Sunday, September 27, 2020 at 10:00 a.m. (IST) and ends on Tuesday, September 29, 2020 at 5:00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) The Members who have already voted prior to the meeting date would not be entitled to voted again during the meeting.
- c) The Members should log on to the e-voting website www.evotingindia.com.
- d) Click on "Shareholders" module.
- e) Now Enter your User ID

- 1) For CDSL: 16 digits beneficiary ID,
 - 2) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 3) The Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f) Next enter the Image Verification as displayed and Click on Login.
- g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- h) If you are a first time user follow the steps given below:

For Members holding shares in demat form and physical form	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) Shareholder who have not updated their PAN with the Company / Depository participated are requested to use the Sequence Number. Please send request to investor@lincolnpharma.com, to get sequence number.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> 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 (e) above.

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Members holding shares in physical form will then directly reach the Company selection screen. However, the Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN of **LINCOLN PHARMACEUTICALS LIMITED** on which you choose to vote.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- s) **The Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.**

B. Procedure for e-voting during the AGM:

- a) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the meeting is being held through VC/OAVM.
- b) Only those Members who are present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting earlier and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- c) If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM through VC/OAVM.

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

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

- a) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Members are encouraged to join the Meeting through Laptops / IPads / Tablets for better experience. Further Members may be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- c) Please note that Participants i.e. Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- d) Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their respective registered email id(s) in advance atleast 7 (seven) days before the commencement time of 26th AGM, mentioning their name, demat account number/folio number, email id, mobile number at investor@lincolnpharma.com. Members who do not wish to speak during the AGM but would like to seek further information or clarification on the annual financial statements or operations of the Company, may send their queries from their registered email id(s) in advance atleast 7 (seven) days prior to AGM date, mentioning their name, demat account number/folio number, email id, mobile number at investor@lincolnpharma.com, so that the queries can be replied by the company suitably.
- e) Those Members who have registered themselves as a speaker, as mentioned above, will only be allowed to express their views/ask questions as speaker during the AGM.

16. Note for Non - Individual Members and Custodians:

- a) Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity shall be emailed to helpdesk.evoting@cdslindia.com with copy to investor@lincolnpharma.com
- c) After receiving the login details a Compliance User would be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts linked in the login shall be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the board resolution and power of attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- f) Alternatively Non Individual Members are required to send the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@lincolnpharma.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

17. Other Instructions/information:

- a) The voting rights of the Members shall be in proportion of the shares held by them in paid-up equity share capital of the company as on the cut-off date i.e. September 23, 2020. A person who is not the Member as on cut-off date should treat this notice for information purpose only.
- b) Any person(s), who acquires shares of the Company i.e. becomes Member(s) after Notice is sent by the Company, and holds shares as of the cut-off date i.e. September 23, 2020 should follow the same procedure of e-voting as mentioned in this Notice. In case such Member(s) has not updated the respective PAN with the Company/ Depository Participant, the Member may approach the Company/RTA as per details provided in the Notice.
- c) Mr. Umesh Parikh (C.P. No. 2413), Practicing Company Secretary, has been appointed as the Scrutinizer to Scrutinize the e-voting process (including the e-voting during the AGM) in a fair and transparent manner.
- d) The Scrutinizer shall, within a period not exceeding two days from the conclusion of the e-voting period and after conclusion of AGM, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and a Scrutinizer's Report of the votes cast in the favor or against, if any, shall be submitted to the Chairman of the AGM or any person authorised by him, who shall counter sign the same. The result will be intimated to Stock Exchanges where the Company's securities are listed and displayed along with the Scrutinizer's Report on the Company's website (www.lincolnpharma.com) and CDSL's

website (www.evotingindia.com). Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of 26th AGM.

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

18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") or e-voting manual available at www.evotingindia.com, under help section or addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

In addition, any query / grievance with respect to the voting by electronic means may please be addressed to Mr Niren A. Desai, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to 26th AGM including e-voting related queries. Further, contact details for query / grievance investor@lincolnpharma.com, Ph. No.: +91-79-4107-8000/81. Regd. Office Address: "LINCOLN HOUSE", Behind Satyam Complex Science City Road, Sola, Ahmedabad-380060, Gujarat, India..

19. Since the 26th AGM shall be held through VC/OAVM facility only and physical presence of the Members at the venue is not required, thus route map is not annexed to this Notice.

CONTACT DETAILS:

Name of Company	Lincoln Pharmaceuticals Limited
Registrar and Transfer Agent (RTA)	Link Intime India Private Limited 5 th 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.: +91-79-2646-5179/3000-2684, 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	Mr. Umesh G. Parikh (Proprietor of M/s. Umesh Parikh & Associates), Practicing Company Secretary, Email ID: evoting@parikhdave.com

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

Item No.5:

Mr Pirabhai R. Suthar (DIN: 00453047), is Non-Executive Independent Director of the Company. He is associated with the Company for more than two decade. He is having a very good knowledge of medicine and the formulations / contents of the medicines. Looking to his knowledge and long association with the Company and his immense contribution in progress of the Company, the Board considers it desirable to continue to have 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. Mr Pirabhai R. Suthar will attain the age of 75 years in next year.

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

Except Mr 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 No. 6:

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, 2021 at a remuneration as mentioned in the resolution attached to the Notice.

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, 2021.

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.

**By Order of the Board
For Lincoln Pharmaceuticals Limited**

**Niren A. Desai
Company Secretary
Membership No. A60285**

Ahmedabad, August 20, 2020

Registered Office:

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

Information on Directors being appointed / re-appointed as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings:

Name of Directors	Mr Arvind G. Patel	Mr Rajnikant G. Patel	Mr Pirabhai R. Suthar
DIN	00104885	00104786	00453047
Date of Birth	September 29, 1950	February 05, 1958	May 07, 1946
Date of Appointment on the Board	February 03, 1995	October 01, 2008	October 30, 1999
Qualification	B.E. (Electrical)	B. Pharm	M B B S
Remuneration last drawn	Nil	Nil	Nil
Nature of expertise in specific functional areas	Corporate Planning, Legal & Financial Matters	Marketing & Sales	Research and Development (R & D)
Relationship with other Directors, Manager and other Key Managerial Personnel	Mr Arvind G. Patel is brother of Mr Mahendra G. Patel and Mr Rajnikant G. Patel	Mr Rajnikant G. Patel is brother of Mr Mahendra G. Patel and Mr Arvind G. Patel and Father of Mr Ashish R. Patel	None
Directorship held in other Public Companies	None	None	None
Chairmanship / Membership of Committee in other Companies, if any	None	None	None
No. of Shares held in the Company as on March 31, 2020	1,11,000	7,25,401	0



LINCOLN

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 26th (Twenty Six) Annual Report of Lincoln Pharmaceuticals Limited together with Audited Financial Statements for the financial year ended on March 31, 2020.

FINANCIAL PERFORMANCE:

A summary of the Company's Standalone Financial Results for the financial year 2019-2020 is as under:

(₹ In Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	37,608.83	35,304.25
Other income	1,213.09	657.54
Profit before Depreciation and Taxation	6,951.60	6,306.12
less: Depreciation	(546.95)	(491.92)
Profit before Taxation	6,404.65	5,814.20
Less: Tax Expenses	(1,448.30)	(1,150.51)
Profit After Tax for the year	4,956.35	4,663.69
Other Comprehensive Income	(43.94)	4.34
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income]	4,912.41	4,668.03

UPDATE ON COVID-19

During the Last Quarter of financial year 2020, the coronavirus (CoVID-19) developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. Company is engaged in the business of developing and manufacturing of affordable and innovative medicines for healthier lives, therefore, we are categorized in 'essential services' as per the Ministry of Home Affairs. Despite of some supply chain disruptions in the last week of March due to the lockdown period, company worked relentlessly to minimize disruptions in the production and supply schedules to serve the society in this challenging times. Although doing the best we can and putting in place a business continuity plan, we encountered some delays in the deliveries of products due to the restriction in the movement of goods and employees. Company has closely monitored the global outbreak of CoVID-19 Pandemic, and the Company has implemented a number of measures to protect its employees, communities and operations so that the supply and movement of materials as well as the services that ultimate consumers who are dependent on the Company are not impacted. Beyond basic actions like encouraging employees to intensify their personal hygiene practices and instituting significant travel restrictions. Growing fears and uncertainty surrounding the pandemic are expected to cause a temporary slowdown in economic activity. As of this date, we anticipate that coronavirus could have a moderate impact on the Company's performance at least through the first half of financial year 2021.

STATE OF COMPANY'S AFFAIRS/OPERATIONS:

During the year under review, the Company achieved revenue of ₹ 37,608.83 Lakhs as against ₹ 35,304.25 Lakhs in the previous year. The Profit after Tax has increased to ₹ 4,956.35 Lakhs on a standalone basis as against profit after tax of ₹ 4,663.69 Lakhs in previous year representing growth rate of 6.28% during the financial year 2019-2020. Detailed operational working of the Company is provided in the Management Discussion and Analysis Report which is annexed to this Boards' Report as **(Annexure – 9)**.

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

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The consolidated financial statements for the financial year ended March 31, 2020 forms part of these Annual Report. As per the provisions of Section 136 of the Act, the Company have placed separate audited accounts of its Subsidiaries on its website i.e. www.lincolnpharma.com.

DIVIDEND AND RESERVES:

For the financial year ended on March 31, 2020, based on the Company's performance, the Directors have declared and paid interim dividend of ₹ 1.50/- Per Equity Share of Face Value of ₹ 10/- Each (i.e. 15%). During the previous year ₹ 1.50/- Per Equity Share (i.e. 15%) paid as a final dividend. In view of declaration of the Interim dividend, your directors do not recommend any final dividend.

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 financial year ended March 31, 2020 (Previous Year transferred a sum of ₹ 50.00 Lakhs was transferred to General Reserve).

SHARE CAPITAL:

The paid-up share capital of the company as on March 31, 2020 is ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each fully paid up.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**1. Appointment / Re-Appointment:**

In accordance with the provisions of Section 152 of the Act and the Rules framed there under, Mr Arvind G. Patel and Mr Rajanikant G. Patel, Directors of the Company retire by rotation and they being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the resolution proposing to continue Mr Pirabhai R. Suthar [DIN: 00453047] as a Non-Executive & Independent Director on his attaining the age of 75 years is set out in the Notice convening the Annual General Meeting. The Board recommends to continue to avail his services in the interest of the Company and accordingly recommends the passing of the proposed resolution.

2. Key Managerial Personnel:

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

1. Mr Mahendra G. Patel - Managing Director
2. Mr Darshit A. Shah - Chief Financial Officer
3. Mr Niren A. Desai - Company Secretary

During the year under review, Mr Bhavik P. Parikh (Membership Number: A40719) has resigned from the post of Company Secretary & Compliance Officer of the Company effective from February 27, 2020. The Board of Directors has appointed Mr Niren A. Desai (Membership Number: A60285) as a Company Secretary & Compliance Officer of the Company w.e.f. February 28, 2020 who is a Key Managerial Personnel as per Section 203 of the Act. Apart from the said change, there is no other change in the Key Managerial personnel of the Company during the year under review.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Independent Directors of the Company have given declaration / disclosures under Section 149 (7) of the Act and Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and have confirmed that they fulfill the independence criteria as specified under section 149 (6) of the Act and Regulation 16 (1) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. Further, the Board after taking these declaration / disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS DATABANK:

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

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

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



The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. In line with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company adopted the criteria recommended by the SEBI.

The performance evaluation of the Chairman and Non-Independent Directors have been carried out by the Independent Directors. The performance of the Directors, the board as a whole and Committee of the Board were found to be satisfactory.

CHANGE(S) IN THE NATURE OF BUSINESS:

During the 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 Act, 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 this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2020 and of the Profit of the Company for the year under review;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of meetings of the Board of Directors held during the financial year ended March 31, 2020 and the attendance of the Directors are forming part of Corporate Governance Report attached to this Report.

DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS:

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

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:

There are no material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2020 to which the Financial Statements relates and the date of signing of this report.

DEPOSITS:

The Company has not accepted any deposits from the public in terms of Section 73 and 74 and Chapter V of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has not provided any guarantee or provided any security during the year under review. The details of the loans given is annexed to this Board's Report (**Annexure - 6**). The details of the investments made by the Company is forming part of the financial statement for the financial year 2019-2020.

SUBSIDIARY COMPANIES:

As per the provisions of Section 129 of the Act, read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies / Associate Companies / Joint Ventures in Form AOC-1 is annexed to this Board's Report (**Annexure - 1**). The Audited Financial Statements of Subsidiaries are available on the website of the Company i.e. www.lincolnpharma.com.

During the year under review, Savebux Enterprises Private Limited, Wholly-Owned Subsidiary of the company has started the process of voluntary liquidation in accordance with the provisions of Section 59 of Insolvency and Bankruptcy Code, 2016 and any other applicable provisions of the Act, read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

The board of directors of the company at its meeting held on December 07, 2019 considered and approved Scheme of Amalgamation of Lincoln Parenteral Limited (Subsidiary Company) with Lincoln Pharmaceuticals Limited and their respective shareholders and Creditors. Further, company have made an application under regulation 37 of the Listing Regulations for obtaining no objection with both the stock exchanges, which are awaited from both stock exchanges.

INSURANCE:

All properties and insurable interests of the Company have been fully insured.

RISK MANAGEMENT POLICY:

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

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

RELATED PARTY TRANSACTIONS:

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the financial year ended March 31, 2020 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):

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

The Company has continued on spending in projects like Eradicating Hunger, Preventive Healthcare, Women Empowerment, Girls Education, etc. which is in accordance with the provisions of Schedule VII of the Act 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 to this Board's Report (**Annexure - 2**).

HUMAN RESOURCES DEVELOPMENT:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to provisions of Section 177 (9) of the Act, read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has formulated a Vigil Mechanism/ Whistle Blower Policy for Directors, Employees or business associates for reporting the unethical behavior, malpractices, wrongful conduct, frauds, violations of the



Company's code etc. to the Chairman of the Audit Committee. The Policy also provides for adequate safeguard against victimization of the Directors' / Employees who avail the services of said mechanism. The said Policy is available on the Website of the Company i.e. www.lincolnpharma.com.

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

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

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

PARTICULARS OF EMPLOYEES:

The information as required under the provisions of Section 197 of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 is annexed to this Board's Report (**Annexure – 7**).

The statement containing particulars of employees as required under section 197 of the Act, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employee's particulars which is available for inspection by members on request to the Company Secretary on investor@lincolnpharma.com.

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

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) (Amendment) Rules, 2014, the cost audit records maintained by the Company in respect of drug and pharmaceuticals products of the Company are required to be audited by a Cost Accountant. The audit report of the Cost Accountant of the Company for the financial year ended March 31, 2020 will be submitted to the relevant authority in due course.

AUDITORS:

1. STATUTORY AUDITORS:

The Company's Statutory Auditors, M/s. J. T. Shah & Co., Chartered Accountants [FRN: 109616W], were appointed as the Statutory Auditors of the Company for a period of five years from the twenty-third Annual General Meeting to the conclusion of the twenty-eight Annual General Meeting of the Company

Accordingly, M/s. J. T. Shah & Co., Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of twenty-eight Annual General Meeting. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Act.

There are no qualifications, reservations or adverse remarks in the Audit Report of M/s. J. T. Shah & Co., Statutory Auditors for the financial year ended March 31, 2020.

2. COST AUDITOR:

Pursuant to the provisions of Section 148 (3) of the Act, 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, have 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 2020-2021. As required under the Act, 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 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. Vishwas Sharma & Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Auditors Report issued by M/s. Vishwas Sharma & Associates, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report (**Annexure – 3**).

The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks or disclaimer.

• **SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARIES:**

To undertake and carried out Secretarial Audit of Material Unlisted Indian Subsidiary i.e. Lincoln Parenteral Limited (LPPL) of the company, pursuant to Regulation 24A of the Listing Regulations. The Secretarial Audit Report of LPPL have been issued by M/s. Vishwas Sharma & Associates, Practicing Company Secretaries which does not contain any qualification, reservation or adverse remark or disclaimer.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, Company has undertaken an audit for the financial year ended March 31, 2020 for all applicable SEBI Regulations and circulars/ guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. Vishwas Sharma & Associates, Practicing Company Secretaries have been submitted to the Stock Exchanges within prescribed time limit and same is annexed to this Board's Report (**Annexure – 3A**).

REPORTING OF FRAUDS BY AUDITORS:

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

BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report (BRR) of the Company for the year ended March 31, 2020 forms part of this Boards' Report (**Annexure - 8**) as required under Regulation 34 (2) (f) of the Listing Regulations.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this Board's Report (**Annexure – 4**).

EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return as per the provisions of Section 92 (3) of the Act and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT - 9 is annexed to this Board's Report (**Annexure – 5**).

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has a rich legacy of ethical governance practices and committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. A Report on Corporate Governance along with a Certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations and Management Discussion and Analysis Report is annexed to this Board's Report (**Annexure – 9 & 10**).

AUDIT COMMITTEE:

The details pertaining to the composition of the Audit Committee are given in the report on Corporate Governance forming part of this Report.

SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS:

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

APPRECIATION:

We express our sincere appreciation and thank to our valued Shareholders, Customers, Bankers, Business Partners / Associates, Financial Institutions, Insurance Companies, Central and State Government Departments for their continued support and encouragement to the Company.

We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706

HASHMUKH I. PATEL
WHOLE-TIME DIRECTOR
DIN: 00104834

AHMEDABAD, JUNE 25, 2020

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 Enterprises Private Limited (Wholly- Owned Subsidiary) (Under Liquidation)
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 1, 2019 To March 31, 2020	April 1, 2019 To March 31, 2020	April 1, 2019 To March 31, 2020
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	1,000.00	5.00
Reserves and Surplus	0.00	1,531.27	4.03
Total Assets	959.38	6,078.87	9.03
Total Liabilities	954.38	3,547.60	0.00
Investments	0.00	0.22	0.00
Turnover	170.67	4,435.24	0.00
Profit Before Taxation	11.36	312.99	(0.42)
Provision for Taxation	6.00	121.69	0.61
Profit After Taxation	5.36	191.29	(1.03)
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	98.58%	100%

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

Notes:

- There is no subsidiary which is yet to commence its operation.
- During the year under review, Savebux Enterprises Private Limited (Wholly-Owned Subsidiary) of the company have initiated process of voluntary liquidation under Insolvency and Bankruptcy Code 2016.

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAAW2092

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)

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. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

- I. Promoting education, health care, eradicating hunger and malnutrition and Reducing inequalities by promoting Gender Equality
- II. Rural development projects.

Web link for CSR Policy: <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) Mr Ishwarlal A. Patel - Member (Independent Director)
- b) Mr Mahendra G. Patel - Member
- c) Mr Munjal M. Patel - Member

3. Average net profit of the Company for last three financial years:

Average Net Profit: ₹ 4,608.22 Lakhs

4. Prescribed CSR Expenditure (Two Percent of the amount as in item 3 above):

Company is required to spend ₹ 92.16 Lakhs towards CSR.

5. Details of CSR spend during the financial year:

- a. Total amount spent for the financial year : ₹ 99.11 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.	Contribution for Providing education to the poor children	Promoting Education	At: Kadi, State: Gujarat	1.51	1.51	1.51	Shree Saraswati Kanya Kelavani Mandal
2.			At: Shertha, State: Gujarat	1.00	1.00	2.51	Shree Shertha Kelavani Mandal
3.			At: Ahmedabad, State: Gujarat	0.50	0.50	3.01	Dr. Jit Mehta Balshala Trust
4.			At: Ahmedabad, State: Gujarat	1.25	1.25	4.26	AASMAAN Foundation
5.			At: Ahmedabad, State: Gujarat	1.32	1.32	5.58	Pujyashri Narayanbhai Gigabhai Seva Trust
6.	Contribution for Providing rehabilitation facility to the blind people and the Cancer Patients.	Promoting healthcare	At: Kasindra, Dist: Ahmedabad State: Gujarat	6.12	6.12	11.70	Sri Sathya Sai Heart Hospital
7.			At: Kadi, State: Gujarat	5.00	5.00	16.70	Kadi Taluka Public Charitable Trust

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 for providing hygienic food to poor children	Eradicating hunger and malnutrition	At: Ahmedabad, State: Gujarat	0.15	0.15	16.85	The AkshayaPatra Foundation
9.			At: Kadi, State: Gujarat	1.11	1.11	17.96	Shree Someshwar Ashram-Kadi
10.	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, State: Gujarat	34.90	34.90	52.86	Shardaben Gulabdas Patel Public Charitable Trust
11.			At: Ahmedabad, State: Gujarat	46.00	46.00	98.86	Tathastu Foundation
12.	Contribution towards setting up homes and hostels for women and orphans;	promoting Gender Equality, empowering women & setting up homes and hostels	At: Rapar, State: Gujarat	0.25	0.25	99.11	Shree Gramy Seva Sangthan

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.

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

MAHENDRA G. PATEL
MANAGING DIRECTOR &
MEMBER OF CSR COMMITTEE
DIN: 00104706

HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, JUNE 25, 2020

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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 LTD,
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad 380060.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LINCOLN PHARMACEUTICALS LTD (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
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 Borrowing.
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, 2018.
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the company during the audit period)
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the audit period);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the company during the audit period);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the audit period);

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

- a) Pharmacy Act, 1948
- b) Drugs and Cosmetics Act, 1940
- c) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- d) Drugs Price Control Order, 2013
- e) Food Safety and Standards Act, 2006
- f) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952



- g) The Factories Act, 1948
- h) The Minimum Wages Act, 1948, and rules made there under
- i) Payment of Gratuity Act, 1972
- j) Payment of Bonus Act, 1965

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that:

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

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

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

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that there were no other instances of:

- a) Public / Rights / Preferential issue of Shares / debentures / sweat equity.
- b) Redemption / buy-back of securities.
- c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d) Merger / amalgamation, however it is to be noted that during the audit period, the Board of directors of the Company approved the scheme of amalgamation of Lincoln Parenteral Limited (Subsidiary of the Company) with the Company and the appointed date of the scheme was April 01, 2019. The Company approached BSE and NSE for obtaining its in-principal approval for the said scheme however the same is pending before both stock exchanges.
- e) Foreign technical collaborations.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR**

**M. NO.: 33017 CP NO: 16942
UDIN: A033017B000379836**

AHMEDABAD, JUNE 25, 2020

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

Annexure to Secretarial Audit Report

To,
The Members,
LINCOLN PHARMACEUTICALS LTD,
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad 380060.

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

- 1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR
M. NO.: 33017 CP NO: 16942
UDIN: A033017B000379836**

AHMEDABAD, JUNE 25, 2020

**SECRETARIAL COMPLIANCE REPORT OF LINCOLN PHARMACEUTICALS LTD
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**

We, Vishwas Sharma & Associates, Company Secretaries, have examined:

- a) All the documents and records made available to us and explanation provided by Lincoln Pharmaceuticals Ltd ("the listed entity"),
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable)
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable)
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, We, hereby report that, during the period under review:

- a) The listed entity has complied with all the provisions of the above Regulations and circulars/guidelines issued thereunder,
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- c) No action has been taken against the listed entity / its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- d) There are no observation made in previous report.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR
M. NO.: 33017 CP NO: 16942
UDIN: A033017B000379814**

AHMEDABAD, JUNE 25, 2020

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

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

(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 equipment's	Renewable energy and energy efficiency are seen as the 'twin pillars' of a sustainable energy policy. The Company recognizes that investment in energy conservation offers significant economic benefits in addition to climate change benefits. In the last few years, the Company has tried to improve energy efficiency significantly by investing in energy conservation equipment.
(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:-	NA

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

SN	Particulars	March 31, 2020	March 31, 2019
1.	Capital Expenditure	352.13	453.95
2.	Recurring Expenditure	829.96	893.83
3.	Total	1,182.09	1,347.78
4.	Total R&D expenditure as a percentage of total turnover	3.14%	3.82%

C. 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	March 31, 2020	March 31, 2019
1.	Foreign Exchange Earned	21,700.42	19,743.34
2.	Outgo of Foreign Exchange	364.14	505.25

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706

HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, JUNE 25, 2020

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[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, Gujarat, India. Ph. No.: +91-79-4107-8000, Fax No.: +91-79-4107-8062, Email ID: cs@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 5 th 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. Tel.: +91-79-2646-5179/3000-2684, Email: 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 Enterprises Private Limited (Under Liquidation) "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	U24100GJ2017PTC099389	Subsidiary	100%	2(87)
2.	Zullinc Healthcare LLP "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	AAF-5934	Subsidiary	100%	2(87)
3.	Lincoln Parenteral Limited "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	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	53,87,779	-	53,87,779	26.94	53,90,379	-	53,90,379	26.95	0.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10,91,100	-	10,91,100	5.46	10,81,000	-	10,81,000	5.41	(0.05)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	64,78,879	-	64,78,879	32.39	64,71,379	-	64,71,379	32.36	(0.04)
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)	64,78,879	-	64,78,879	32.39	64,71,379	-	64,71,379	32.36	(0.04)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	47,587	-	47,587	0.24	52,293	-	52,293	0.26	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i) IEPF	27,046	-	27,046	0.14	30,130	-	30,130	0.15	0.02
(ii) Alternate Investment Funds	17,500	-	17,500	0.09	17,500	-	17,500	0.09	-
Sub-total(B)(1):-	92,133	-	92,133	0.46	99,923	-	99,923	0.50	0.04
2. Non- Institutions									
a) Bodies Corp.	27,60,154	-	27,60,154	13.80	28,59,687	-	28,59,687	14.30	0.50
b) Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	40,63,576	1,45,010	42,08,586	21.04	39,09,800	1,29,410	40,39,210	20.20	(0.85)
II. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	49,57,437	-	49,57,437	24.79	50,57,291	-	50,57,291	25.29	0.50
c) Others									
a) NRI	8,15,851	-	8,15,851	4.08	8,25,016	-	8,25,016	4.13	0.05
b) Clearing Member	1,46,097	-	1,46,097	0.73	1,82,053	-	1,82,053	0.91	0.18
c) HUF	5,33,622	-	5,33,622	2.67	4,45,241	-	4,45,241	2.23	(0.44)
d) Trust (Including Employee Trust)	200	-	200	0.00	20,200	-	20,200	0.10	0.10
e) NBFCs registered with RBI	7,041	-	7,041	0.04	-	-	-	-	(0.04)
Sub-total(B)(2):-	1,32,83,978	1,45,010	1,34,28,988	67.14	1,32,99,288	1,29,410	1,34,28,698	67.14	(0.00)
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,33,76,111	1,45,010	1,35,21,121	67.61	1,33,99,211	1,29,410	1,35,28,621	67.64	0.04
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,98,54,990	1,45,010	2,00,00,000	100.00	1,98,70,590	1,29,410	2,00,00,000	100.00	-

ii. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashish Rajanibhai Patel	5,29,802	2.65	-	5,29,802	2.65	-	-
2	Amar Arvindbhai Patel	60,000	0.30	-	60,000	0.30	-	-
3	Anand Arvinbhai Patel	1,32,000	0.66	-	1,32,000	0.66	-	-
4	Arvindbhai Gulabdas Patel	1,11,000	0.56	-	1,11,000	0.56	-	-
5	Bhagirathbhai Tribhovanbhai Patel	22,850	0.11	-	23,650	0.12	-	0.00
6	Dharmistaben Hashmukhbhai Patel	65,003	0.33	-	65,003	0.33	-	-
7	Dharmistaben Bhagirathbhai Patel	1,25,000	0.63	-	1,25,100	0.63	-	0.00
8	Hansaben Arvindbhai Patel	1,17,200	0.59	-	1,17,200	0.59	-	-
9	Hashmukhbhai Ishwarlal Patel	3,73,600	1.87	-	3,73,600	1.87	-	-
10	Ishwarbhai Ambalal Patel	50,400	0.25	-	50,700	0.25	-	0.00
11	Jigar Hasmukhbhai Patel	51,200	0.26	-	51,200	0.26	-	-
12	Kailashben Mahendrabhai Patel	3,30,000	1.65	-	3,30,000	1.65	-	-
13	Kalpanaben Rajnibhai Patel	2,93,100	1.47	-	2,93,100	1.47	-	-
14	Mahendrabhai Gulabdas Patel	5,01,500	2.51	-	5,01,500	2.51	-	-
15	Manguben I Patel	92,600	0.46	-	94,000	0.47	-	0.01
16	Mansi Munjal Patel	2,00,000	1.00	-	2,00,000	1.00	-	-
17	Meenaben Yogeshbhai Patel	129	0.00	-	129	0.00	-	-
18	Mihirbhai Vithalbhai Patel	88,730	0.44	-	88,730	0.44	-	-
19	Munjal Mahendrabhai Patel	8,15,500	4.08	-	8,15,500	4.08	-	-
20	Nidhi Mahendrabhai Patel	54,000	0.27	-	54,000	0.27	-	-
21	Patel Aniruddh Hasmukhbhai	51,200	0.26	-	51,200	0.26	-	-
22	Patel Nishitkumar Maheshbhai	1,81,900	0.91	-	1,81,900	0.91	-	-
23	Patel Siddharth Rajnibhai	4,20,001	2.10	-	-	-	-	(2.10)
24	Rajnibhai Gulabdas Patel	3,05,400	1.53	-	7,25,401	3.63	-	2.10
25	Renukaben Maheshbhai Patel	1,73,400	0.87	-	1,73,400	0.87	-	-
26	Shardaben Gulabdas Patel	31,400	0.16	-	31,400	0.16	-	-
27	Shivani B. Shah	2,02,000	1.01	-	2,02,000	1.01	-	-
28	Yogeshkumar Ishwerlal Patel	8,864	0.04	-	8,864	0.04	-	-
29	Downtown Finance Pvt. Ltd.	1,06,000	0.53	-	1,06,000	0.53	-	-
30	Downtown Travels LLP	4,75,000	2.38	-	4,75,000	2.38	-	-
31	Karnavati Distributors Ltd.	10,100	0.05	-	-	-	-	(0.05)
32	Sunmed Corporation LLP	5,00,000	2.50	-	5,00,000	2.50	-	-

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

SN	Change in Promoters' Shareholding	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	Bhagirathbhai Tribhovanbhai Patel				
	At the beginning of the year	22,850	0.11	22,850	0.11
	Date wise changes during the year				
	March 31, 2020-Market Purchase	800	0.00	23,650	0.12
	At the End of the year	23,650	0.12	23,650	0.12
2	Dharmisthaben Bhagirathbhai Patel				
	At the beginning of the year	1,25,000	0.63	1,25,000	0.63
	Date wise changes during the year				
	March 27, 2020-Market Purchase	100	0.00	125,100	0.63
	At the End of the year	1,25,100	0.63	1,25,100	0.63
3	Ishwarbhai Ambalal Patel				
	At the beginning of the year	50,400	0.25	50,400	0.25
	Date wise changes during the year				
	March 27, 2020-Market Purchase	300	0.00	50,700	0.25
	At the End of the year	50,700	0.25	50,700	0.25
4	Manguben I Patel				
	At the beginning of the year	92,600	0.46	92,600	0.46
	Date wise changes during the year				
	March 27, 2020-Market Purchase	1,400	0.01	94,000	0.47
	At the End of the year	94,000	0.47	94,000	0.47
5	Patel Siddharth Rajnibhai				
	At the beginning of the year	4,20,001	2.10	4,20,001	2.10
	Date wise changes during the year				
	March 12, 2020-Inter Se Transfer	(4,20,001)	(2.10)	-	-
	At the End of the year	-	-	-	-
6	Rajnibhai Gulabdas Patel				
	At the beginning of the year	3,05,400	1.53	3,05,400	1.53
	Date wise changes during the year				
	March 12, 2020-Inter Se Transfer	4,20,001	2.10	7,25,401	3.63
	At the End of the year	7,25,401	3.63	7,25,401	3.63
7	Karnavati Distributors Ltd.				
	At the beginning of the year	10,100	0.05	10,100	0.05
	Date wise changes during the year				
	March 19, 2020-Open Market Sale	(10,100)	(0.05)	-	-
	At the End of the year	-	-	-	-

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	14,00,000	7.00	14,00,000	7.00
	Date wise changes during the year	NIL			
	At the End of the year	14,00,000	7.00	14,00,000	7.00
2	Kishor M. Shah				
	At the beginning of the year	4,78,400	2.39	4,78,400	2.39
	Date wise changes during the year	NIL			
	At the End of the year	4,78,400	2.39	4,78,400	2.39
3	Piyush J. Patel				
	At the beginning of the year	4,37,700	2.19	4,37,700	2.19
	Date wise changes during the year	NIL			
	At the End of the year	4,37,700	2.19	4,37,700	2.19
4	Kamlesh J. Patel				
	At the beginning of the year	4,13,400	2.07	4,13,400	2.07
	Date wise changes during the year	NIL			
	At the End of the year	4,13,400	2.07	4,13,400	2.07
5	Haresh A. Patel				
	At the beginning of the year	4,13,000	2.07	4,13,000	2.07
	Date wise changes during the year	NIL			
	At the End of the year	4,13,000	2.07	4,13,000	2.07
6	Sanjay G. Amin				
	At the beginning of the year	4,12,700	2.06	4,12,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	4,12,700	2.06	4,12,700	2.06
7	Sonali S. Patel				
	At the beginning of the year	4,12,700	2.06	4,12,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	4,12,700	2.06	4,12,700	2.06
8	Kaushal N. Patel				
	At the beginning of the year	4,12,700	2.06	4,12,700	2.06
	Date wise changes during the year	NIL			
	At the End of the year	4,12,700	2.06	4,12,700	2.06
9	Sharad K. Shah				
	At the beginning of the year	3,00,000	1.50	3,00,000	1.50
	Date wise changes during the year				
	February 21, 2020-Market Sale	(20,000)	(0.10)	2,80,000	1.40
	At the End of the year	2,80,000	1.40	2,80,000	1.40
10	Vraj Dyes and Drugs Private Limited				
	At the beginning of the year	2,18,911	1.09	2,18,911	1.09
	Date wise changes during the year	NIL			
	At the End of the year	2,18,911	1.09	2,18,911	1.09

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	501,500	2.51	501,500	2.51
	Date wise changes during the year	NIL			
	At the End of the year	501,500	2.51	501,500	2.51
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			
	March 12, 2020-Inter Se Transfer	420,001	2.10	725,401	3.63
	At the End of the year	725,401	3.63	725,401	3.63
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	815,500	4.08	815,500	4.08
	Date wise changes during the year	NIL			
	At the End of the year	815,500	4.08	815,500	4.08
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	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
8	Ishwarlal A. Patel				
	At the beginning of the year	50,400	0.25	50,400	0.25
	Date wise changes during the year	NIL			
	March 27, 2020-Market Purchase	300	0.00	50,700	0.25
	At the End of the year	50,700	0.25	50,700	0.25
9	Pirabhai R. Suthar				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
10	Meha M. Patel				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-

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
11	Saurin J. Parikh				
	At the beginning of the year	-	-	-	-
	Date wise changes during the year	NIL			
	At the End of the year	-	-	-	-
12	Darshit A. Shah, Chief Financial Officer				
	At the beginning of the year	1	0.00	1	0.00
	Date wise changes during the year	NIL			
	At the End of the year	1	0.00	1	0.00
13	Niren A. Desai, Company Secretary*				
	At the beginning of the year	1	0.00	1	0.00
	Date wise changes during the year	NIL			
	At the End of the year	1	0.00	1	0.00

* Appointed w.e.f. February 28, 2020.

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	2,646.99	531.58	0.00	3,178.57
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	2,646.99	531.58	0.00	3,178.57
Change in Indebtedness during the Financial Year				
• Addition	0.00	0.00	0.00	0.00
• Reduction	(2,211.69)	(531.58)	0.00	(2,743.28)
Net Change- Addition/ (Reduction)	(2,211.69)	(531.58)	0.00	(2,743.28)
Indebtedness at the end of the Financial Year				
i. Principal Amount	435.29	0.00	0.00	435.29
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	435.29	0.00	0.00	435.29

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	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	22.79	27.56	39.72	24.92	114.98
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.29	0.29	0.29	0.29	1.15
	(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	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	23.08	27.85	40.01	25.21	116.14
	Ceiling as per the Act	₹ 5754.80 (Not Exceeding 10% of the net profits of the Company calculated as per Section 198 of the Act)				

B. Remuneration To Other Directors: Not Applicable

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

(₹ In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Bhavik Parikh - Company Secretary*	Niren A. Desai - Company Secretary**	Darshit A. Shah - Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-Tax Act, 1961	1.56	0.35	8.40	10.32
	(b) Value of Perquisites under Section 17 (2) Income-Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) Income-Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others specify"	-	-	-	-
5	Others	-	-	-	-
	Total (A)	1.56	0.35	8.40	10.32

* Upto February 27, 2020.

** From February 28, 2020.



LINCOLN

7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706

HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, JUNE 25, 2020

ANNEXURE - 6

DETAILS OF LOANS FALLING UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Sr. No.	Nature of Transaction and Name of Parties	Purpose for which Loan is proposed to be utilized by	₹ in Lakhs
1.	Unsecured Loan	For the respective business of the Borrowers	
	1. Somnath Build Well Private Limited (Un-Secured)		250.00
	2. Kanchanbhai Baldevbhai Patel (Un-Secured)		718.17
	3. Ishan Marketing LLP (Un-Secured)		510.00

FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED

MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706

HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834

AHMEDABAD, JUNE 25, 2020

**STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

The remuneration and perquisites provided to the employees and management are at par with the industry levels. The remunerations paid to the directors and key managerial personnel are reviewed and recommended by the nomination and remuneration committee.

- 1) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

(₹ In Lakhs)

SN	Name of Directors	Remuneration (Per Annum)	Ratio
1.	Mr Mahendra G. Patel	23.08	6:1
3.	Mr Hashmukh I. Patel	27.85	7:1
4.	Mr Ashish R. Patel	40.01	10:1
5.	Mr Munjal M. Patel	25.21	7:1

- 2) 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.	Mr Mahendra G. Patel	Managing Director	24.27
2.	Mr Hashmukh I. Patel	Whole-Time Director	17.28
3.	Mr Ashish R. Patel	Whole-Time Director	19.41
4.	Mr Munjal M. Patel	Whole-Time Director	21.79
6.	Mr Darshit A. Shah	Chief Financial Officer	20.53
7.	Mr Bhavik P. Parikh (Upto February 27, 2020)	Company Secretary	2.00
8.	Mr Niren A Desai (From February 28, 2020)	Company Secretary	NA

The other Directors are Non-Executive Directors and they are not receiving remuneration and sitting fees during the financial year.

- 3) The percentage increase in the median remuneration of employees in the financial year;**

5.08%

- 4) The number of permanent employees on the rolls of company;**

There are 1,358 permanent employees on the rolls of the Company.

- 5) 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 2019-2020 was 5 – 6% Percentage increase in the Managerial Remuneration for the year was 3-5%. 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 conformity with the remuneration policy of the Company.

- 6) Affirmation that the remuneration is as per the remuneration policy of the Company;**

The remuneration paid to key managerial personnel is as per the remuneration policy of the Company.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

**MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706**

**HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834**

AHMEDABAD, JUNE 25, 2020

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L24230GJ1995PLC024288
2.	Name of the Company	Lincoln Pharmaceuticals Ltd
3.	Registered address	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.
4.	Website	www.lincolnpharma.com
5.	E-mail id	cs@lincolnpharma.com
6.	Financial Year reported	April 01, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharma Sector under Group 210, Class 2100 as per the National Industrial Classification 2008
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is mainly engaged in the manufacturing and trading of pharmaceuticals products like medicines, injections and other related products more specifically described in the notes attached to the Annual Report.
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major five)	Not Available
	(b) Number of National Locations	There is only one manufacturing unit, one R&D unit, and nineteen super stockiest across the India.
10.	Markets served by the Company – Local/State/ National/International	Markets served by the Company are spread across 60+ countries including India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital as on March 31, 2020	₹ 2,000 Lakhs
2.	Total Turnover	₹ 37,608.83 Lakhs (on standalone basis)
3.	Total profit after taxes	₹ 4,956.35 Lakhs (on standalone basis)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total amount contributed: ₹ 99.11 Lakhs Prescribed CSR Expenditure: ₹ 92.16 Lakhs (Two Percent of average net profit of the Company for last three financial years)
5.	List of activities in which expenditure in 4 above has been incurred:-	Education, healthcare, eradicating hunger and malnutrition and reducing inequalities by promoting gender equality [The report on corporate social responsibility is annexed to this Board's Report in (Annexure – 2)]

SECTION C: OTHER DETAILS

1) Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2020, the Company have three subsidiaries, the details of the subsidiaries are provided in Form AOC – 1 and MGT - 9 which are annexed to this Board's Report.

2) Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries are separate entities and hence they follow BR initiatives as per the laws applicable to them.

3) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company has not mandated any supplier, distributor etc., to participate in BR Initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept / initiatives expected from responsible businesses.

SECTION D: BR INFORMATION**1) Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- I. DIN Number - 00104706
- II. Name - Mahendra G. Patel
- III. Designation - Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00104706
2.	Name	Mahendra G. Patel
3.	Designation	Managing Director
4.	Telephone Number	+91-4107-8000
5.	E-Mail ID	cs@lincolnpharma.com

Note: Board are responsible for review of implementation of BR Principles / Policies of the Company.

2) Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies

SEBI has now mandated to include Business Responsibility Report on the following principles as stated in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs:

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the wellbeing of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P 5	Businesses should respect and promote human rights.
P 6	Business should respect, protect and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and equitable development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
1.	Do you have a policy / policies for the principles?	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Policies are prepared considering the relevant provisions of applicable law and wherever applicable on relevant provisions of 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', as deemed appropriate at the time of formulation of policies.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	Code of Conduct, corporate social responsibility policy, whistle blower policy etc are available on the website of the Company www.lincolnpharma.com.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The independent audit has not been carried out by external agency. However, the policies, if required, are evaluated in-house, from time to time and updated whenever necessary.								

* Presently, the Company is not actively engaged in influencing any public and regulatory policy.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

3) Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors / its Committees / Chairman or any authorised officials of the Company, as the case may be, assesses the BR Performance on quarterly, half yearly or annual basis depending upon the type of BR activities.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.lincolnpharma.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

1) Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company has a Code of Conduct & Ethics. The Subsidiaries are encouraged to follow the similar code. Further, similar policy is also being extended to suppliers / contractors inter alia by executing the said clauses in the contracts or otherwise encouraged for the same.

2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company encourages all its stakeholders to freely share their concerns and grievances. During the year, no complaints have been received from any shareholders of the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1) List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company continuously endeavors to develop environment friendly product processes and product designs in its effort to fulfil its obligations to the society by strengthening the processes to minimize the environmental load, understanding risk to the environment and to human health arising from environment and promoting green processes by strategic design of technologies and integrating with updated guidelines. The three products are: Nam Cold Tablet (used to treat common cold symptoms), Domi UP (used to control nausea and vomiting), Vivian Gel (used for relieve pain and reduce swelling in joints and muscles). The Company endeavors & strives to fulfill all applicable compliance requirements related to products, environment, health & safety.

2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company is committed to environment sustainability. For this, the Company constantly works to adapt new techniques & ideas towards efficient and optimal utilization of resources, energy, water, raw material etc.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company promotes to improve systems to minimize the energy and water use, by energy management system, which reduces the power and fuel consumption and thereby reduces related costs. The Company also promote renewable energy in term of Solar Systems and windmill. Thus, the Company always promote conservation, reuse, reduce, recycle and waste minimization throughout process intensification in terms of process time and optimum yield.

3) Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainability in the operations is critically important if the Company is to deliver continued innovation. In the best interests, the Company endeavours to work with responsible suppliers who adhere to the same quality, social and environmental standards.

The Company has standard operating procedures for the evaluation and selection of its vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for raw materials/APIs and intermediates. The Company has system of identifying and/ or developing alternate vendors where single vendor is considered critical for business continuity.

4) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company consciously endeavours to sources its procurement of the goods and services from medium and small vendors from the local areas wherever feasible. It improves operational efficiency and saves on transportation cost and inventory management. Further, the Company fulfils its manpower requirement by employing the people from the nearby location to the possible extent.

5) Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company promotes philosophy of the waste reduction hierarchy which consists of reduce, reuse, recover & recycle. Waste solvent is being recovered through recovery system and sold to external agencies (approved by State Pollution Control Board) for reuse at their end. It is a long-term plan to make unit 'Zero liquid discharge'. In this direction, substantial work has been done in the unit by adoption of newer technologies and processes. Company has a target of achieving 90% recycle of scrap and waste by 2020, which will protect the resource depletion and thereby protect the environment.

Principle 3: Businesses should promote the wellbeing of all employees (As on March 31, 2020)

1) Please indicate the Total number of employees

The total number of on the rolls employees are 1,358 of the Company.

2) Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The total number of employees hired on temporary / contractual / casual basis are 760 of the Company.

3) Please indicate the Number of Permanent Women Employees.

The total number of permanent women employees are 64 of the Company.

4) Please indicate the Number of permanent employees with disabilities

The total number of permanent employees with disabilities is 1 (one) of the Company.

5) Do you have an employee association that is recognized by management?

No

6) What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7) Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

During the Year, The Company does not employ any child labour or forced / involuntary labour.

8) What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? Following is the respective percentage (rounded-off) for these employees:

- | | |
|--|--------|
| (a) Permanent Employees | : 96% |
| (b) Permanent Women Employees | : 92% |
| (c) Casual/Temporary/Contractual Employees | : 99% |
| (d) Employees with Disabilities | : 100% |

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1) Has the company mapped its internal and external stakeholders? Yes/No

The Company has mapped its internal and key external stakeholders such as employees, shareholders, customers, suppliers, bankers, channel partners, people residing in the vicinity of plants and corporate house, The Company acknowledge their contribution in the growth of sustainable business of the Company.

2) Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3) Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company works actively to enhance the employability of youth in the nearby locations wherever it operates, leading to income generation and economic empowerment in the marginalized sections of the communities. The Company's Corporate Social Responsibility (CSR) policy intends to focus on certain initiatives, inter alia, in the fields of promoting education, health care, eradicating hunger and malnutrition and reducing inequalities by promoting Gender Equality. For details of projects undertaken during the year 2019-2020, please refer the report on CSR is annexed to this Board's Report in (Annexure – 2).

Principle 5: Businesses should respect and promote human rights

1) Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company believes that its employees shall live with social & economic dignity & freedom, and treated equally regardless of nationality, gender, race, economic status or religion. The Company's support for the fundamental principles of human rights is reflected in the Company's policies and actions towards our employees, suppliers, clients and communities. Presently this policy of the company is confined only to the Company.

2) How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during the year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1) Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company is committed to provide & maintain a safe work environment for the health, safety & welfare of the Company's staff, contractors, visitors and others in the vicinity. Periodic training is provided to enable employees to support this policy. The Group is encouraged to adopt the practices of Company.

2) Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed towards contributing to manage climate change. The Company has started using renewable energy and to reduce carbon footprint, the Company has installed & commissioned 1 MW Solar Rooftop Power Plant at its manufacturing facility and two windmills installed at two different places of Gujarat. This facilities generates approx. 60 lakhs units per annum. The buildings are designed and constructed on the concept of 'Green Building' having natural lights and ventilation. Various power saving devices viz. more efficient electric drives/ LED /machines etc. are being installed.

3) Does the company identify and assess potential environmental risks? Y/N.

The Company has identified and assessed several potential environmental risks.

4) Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, the Company has taken various actions to minimize GHG (Greenhouse Gases) like clean fuel Natural Gas is used in Boilers. Eco friendly refrigerant gas R410 is being used in air conditioning operations. Air conditions are being operated above 25°C. Water less urinals had been installed in wash rooms.

5) Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken several initiatives on clean technology, energy efficiency and renewable energy. Solar Power System has been installed at manufacturing facility (1MW) and two windmills have been installed at two different locations of Gujarat (2.7 MW). Energy efficient dewatering system has been installed & commissioned to reduce the moisture content in ETP sludge.

6) Are the Emissions/Waste generated by the company within the permissible limits given by Centre Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported?

Yes. All hazardous waste and emissions are within the permissible limits of CPCB/ SPCB during the financial year.

7) Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the year, the Company has not received any such notices from CPCB / SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1) Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of trade / industry associations like Indian Drug Manufacturing Association (IDMA) and Gujarat Chamber of Commerce and Industry (GCCCI).

2) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company, through these trade and industry associations, provides inputs to key decision makers in framing and implementing policies for availability of quality medicines at affordable prices. It also learns from experience of others to educate the relevant people for initiating procedures for improvement in healthcare.

Principle 8: Businesses should support inclusive growth and equitable development.

1) Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes / projects in the pursuit of the policy related to Principle 8. For details of projects undertaken during the year 2019-2020, please refer the report on CSR is annexed to this Board's Report in (Annexure – 2).

2) Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?

The Company, through Trusts/NGOs, supports various CSR initiatives in a project/ program mode.

3) Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance.

4) What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

For details of projects undertaken during the year 2019-2020, please refer the report on CSR is annexed to this Board's Report in (Annexure – 2).

5) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company undertakes need assessment surveys in villages and community before undertaking CSR initiatives.

Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company, ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1) What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company obtains the feedback from its various customer(s), from time to time. In case any complaint is received from the customer / consumer, the same is appropriately attended, addressed and resolved by the Company. The customers of the Company have various options to connect with the company's representatives i.e. through email, telephone, website & feedback emails. As on March 31, 2020, there was negligible percentage of unresolved complaints /cases of the consumers(s).

2) Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes, the Company displays all the product information on the product label, which are mandatory. Besides, the Company also displays general information for patients in order to guide them with respect to usage of the certain products. We adhere to national and international standards with respect to product safety.

3) Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such case is pending against the company as on end of the financial year.

4) Did your company carry out any consumer survey/ consumer satisfaction trends?

The marketing team of the Company regularly interacts with the Doctors and other Healthcare professionals and takes their feedback on the Company's products.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Indian Pharmaceuticals industry has come a long way in the last few decades. In 1970s, we were highly dependent on imports for our self consumption and used to import almost 90-95% of country's medicines. This has completely changed. Today Indian companies not only produce 85-90% of country's domestic consumption but has achieved a leading position in the global healthcare market.

Indian economy has become the fifth largest in the World with a GDP of \$2.94 trillion, overtaking the UK and France in 2019. The pharma industry of India is worth about \$37 billion, with exports accounting for about \$18 billion. It is no secret that India is the world's largest exporter of quality generic drugs and contributes 26% by volume of generic therapeutics globally and supplies over 60 per cent of global demand for various vaccines & ARV drug supplies, 30% of UNICEF's annual supply globally and about 60%-80% UN purchases of drugs, approximately 57% of APIs and 69% Finished Pharma Products (FPP) to the Pre-Qualified list of WHO. Ref: - <https://health.economictimes.indiatimes.com/news/industry/the-meteoric-rise-of-indian-pharmaceutical-industry-while-ensuring-quality-and-safety/74432562>

a) Industry structure and developments.

During to CoVID 19, Indian pharma companies have proved that it can supply the scale and volume required by the global markets while adhering to stringent quality norms. This provides an opportunity to the Indian pharmaceutical industry to play an even more important role in global healthcare. India offers the highest quality healthcare products while prices of medicines in India are amongst the lowest in the world. Hence there is a potential opportunity for India to truly play the role of 'pharmacy of the World'.

b) Opportunities and Threats.

Pharma companies during COVID 19 had to face a lot of difficulties in securing APIs and key raw materials and it also resulted in the price of some APIs shot up by 30-80%. It is critical for India to become self-reliant in APIs and key raw materials. Govt has set aside ₹ 10,000 crore to encourage domestic production of APIs is a step in the right direction. We should be able to significantly reduce dependence on China for APIs in the years to come and achieve Make in India.

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.

c) Segment-wise or product-wise performance.

The Company has developed 600 plus formulations in 15 therapeutic areas and has a strong product/brand portfolio in anti-infective, respiratory system, gynaecology, cardio & CNS, anti-bacterial, ant-diabetic, anti-malaria among others. Company has a strong presence in domestic market with good strength of own field force and also exports to more than 60 countries. Company has filled 25 plus patent applications and is awarded with seven patents.

d) Outlook.

Lincoln Pharma has a state-of-the-art manufacturing facility unit at Khatraj in Ahmedabad, Gujarat, complying with stringent international quality and compliance norms and certified by EUGMP, WHO-GMP and ISO-9001: 2015. Company currently exports to 60 plus countries including East & West Africa, Central & Latin America and Southeast Asia and has got many product registrations in these countries and is also awarded with number of global tenders. With the EU certification, company will expand its business network to 90 plus countries.

Lincoln Pharma has developed many new drug delivery dosage forms over years and has a track record of launching many first-of-its-kind innovative products. The company works with a vision for nurturing innovations and bringing them to Indian patients at an affordable cost to create "Healthcare for All".

For the next phase of growth, company is building a strong portfolio in lifestyle and chronic segment especially women healthcare and dermatology to complement its strong presence in acute segment. On the back of higher R&D, the company plans to launch many NDDS based products in India.

e) 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.

f) 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.

g) Discussion on Financial performance with respect to operational performance.

Financial Performance of the Company is remained excellent in the term Sale and Profit. Company Total Income increase by 6.53%, profit after tax increase by 6.28% and EPS increase by 6.28% for the Year Ended March 31, 2020 compared previous Year Ended March 31, 2019.

h) 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 policies and processes that recognize 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.

i) Details of significant changes in key financial ratios are as follows:

Sr. No.	Particulars	2019-2020	2018-2019
Profitability Ratios			
a)	Operating Profit Margin	15.79%	17.09%
b)	Net Profit Margin	13.06%	13.22%
c)	Return on Net Worth	16.13%	17.78%
Working Capital Ratios			
d)	Debtors Turnover (days)	88	117
e)	Inventory Turnover (days)	36	30
Gearing Ratios			
f)	Interest Coverage	33.29	16.13
g)	Debt / Equity	Nil	0.11
Liquidity Ratios			
h)	Current Ratio	3.88	2.57

j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Return on Net Worth are change on account of full year impact of interest and total income on financials of the Company.

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 CODE OF GOVERNANCE:

Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. Our governance standards are initiated by senior management, and percolate down throughout the organization. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. We have engrained into our culture and into each associate the values of honesty and fairness. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business the right way.

The Company believes that sustainable and long term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth. The Company has complied with all the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the "Listing Regulations"), as applicable, with regard to Corporate Governance and listed below is the status with regard to same.

2. BOARD OF DIRECTORS:

The Board of Directors, being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities.

A. Composition and Category of Directors:

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent directors, which plays a crucial role in board processes and provides independent judgment on issues of strategy and performance. The Board of Directors of the Company consist of eminent individuals from diverse fields having experience and expertise in their respective fields. As on March 31, 2020, Board comprises 11 (Eleven) Directors out of which 4 (Four) Directors are Executive, 3 (Three) Directors are Non-Executive and remaining 4 (Four) Directors are Independent. Independent Directors are appointed in compliance with the definition as defined under Regulation 16 (1) (b) of the Listing Regulations as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. The composition of the Board is in conformity with the Regulation 17 of the Listing Regulations.

B. No. of Board Meetings, Attendance at the Board Meetings and the AGM and other Directorship:

During the year, seven board meetings were held on May 30, 2019, August 14, 2019, September 19, 2019, November 14, 2019, December 07, 2019, February 13, 2020 and March 27, 2020. The necessary quorum was present for all the meetings. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173 (1) of the Act, and Regulation 17 (2) of the Listing Regulations and the Secretarial Standards by the Institute of Company Secretaries of India.

The composition of the Board 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:

Name of Directors	Date of Appointment	Category of Directorship	No. of Board Meeting attended	#No. of other Committee Member or Chairman	Whether last AGM held on September 30, 2019 attended	*No. of other Directorships
Mr Kishor M. Shah DIN: 02769085	August 16, 1995	Non-Executive Non-Independent [Chairman]	1 out of 7	----	----	----
Mr Mahendra G. Patel DIN: 00104706	January 20, 1995	Executive and Promoter	7 out of 7	----	Yes	----
Mr Hashmukh I. Patel DIN: 00104834	January 20, 1995	Executive and Promoter	7 out of 7	----	Yes	----
Mr Ashish R. Patel DIN: 01309017	November 14, 2014	Executive and Promoter	2 out of 7	----	----	----

Name of Directors	Date of Appointment	Category of Directorship	No. of Board Meeting attended	#No. of other Committee Member or Chairman	Whether last AGM held on September 30, 2019 attended	*No. of other Directorships
Mr Munjal M. Patel DIN: 02319308	November 14, 2014	Executive and Promoter	5 out of 7	----	Yes	Kapashi Commercial Limited & Karnavati Distributors Limited – Non-Executive Non-Independent and Promoter
Mr Rajnikant G. Patel DIN: 00104786	June 08, 2018	Non-Executive Non-Independent and Promoter	4 out of 7	----	Yes	----
Mr Arvind G. Patel DIN: 00104885	February 03, 1995	Non-Executive Non-Independent and Promoter	1 out of 7	----	----	----
Mr Ishwarlal A. Patel DIN: 00217324	February 03, 1995	Non-Executive Independent	7 out of 7	----	Yes	----
Mr Pirabhai R. Suthar DIN: 00453047	October 30, 1999	Non-Executive Independent	7 out of 7	----	----	----
Ms Meha M. Patel DIN: 07254852	August 04, 2015	Non-Executive Independent	5 out of 7	----	----	----
Mr Saurin J. Parikh DIN: 02136530	March 27, 2018	Non-Executive Independent	6 out of 7	1	----	Pashupati Cotspin Limited – Managing Director

* Excludes Directorships in Private / Foreign and Section 8 Companies.

In Compliance with Regulation 26 of Listing Regulations, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee were considered.

Pursuant to the provisions of Section 165 (1) of the Act, and Regulation 17 and 17A of Listing Regulations, none of the Directors holds Directorships in excess of the limits prescribed thereunder. Also, none of the Directors serve as Independent Director in more than seven 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.

C. Disclosure of relationships between Directors inter-se:

Except Mr. Mahendra G. Patel, Mr. Rajnikant G. Patel and Mr. Arvind G. Patel, who are brothers and Mr. Munjal M. Patel, Son of Mr. Mahendra G. Patel and Mr. Ashish R. Patel, Son of Mr. Rajnikant G. Patel, none of the other Directors on the Board are related to each other.

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

The Shares and Convertible Instruments held by the Non-Executive Directors is disclosed under Form MGT – 9 annexed to this Boards' Report (**Annexure - 5**).

E. 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>

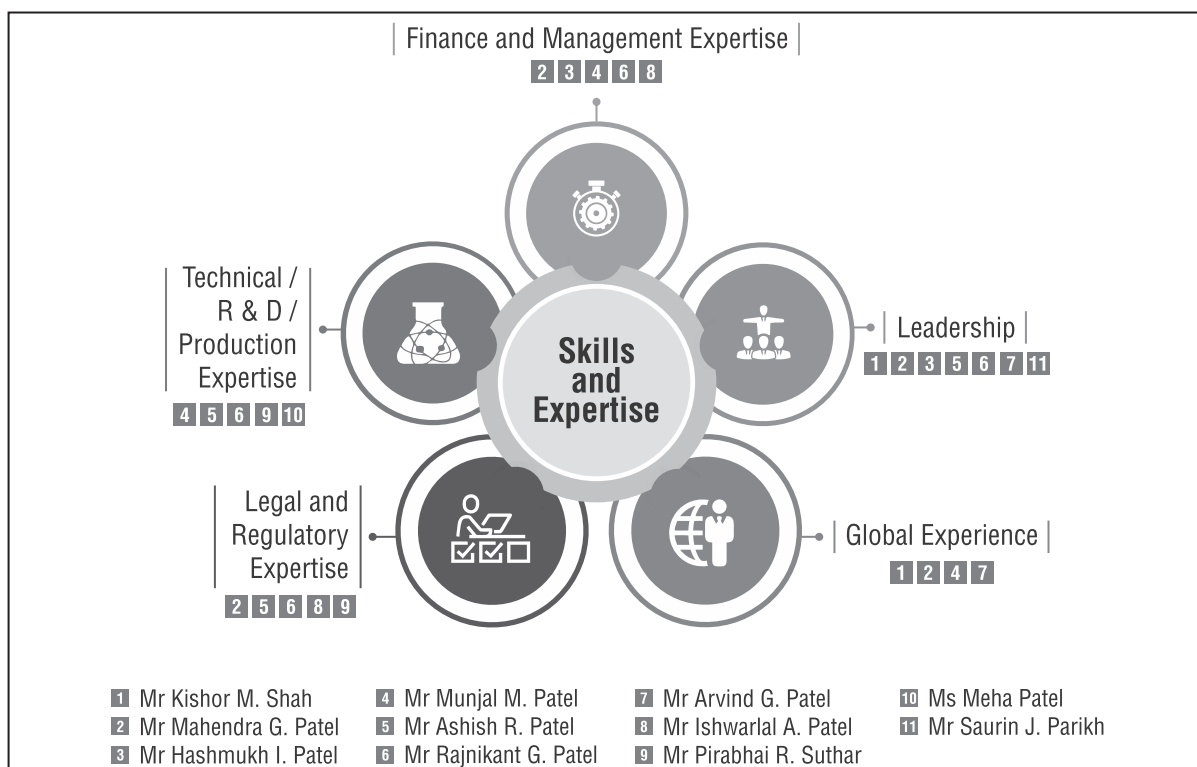
F. Skills / Expertise / Competence of the Board of Directors:

The Board has identified, inter alia, the following core skills / expertise / competencies to ensure the board's effective composition to discharge its responsibilities and duties required to govern the Company and those actually available with Board:

1. **Finance and Management Expertise:** Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
2. **Leadership:** Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth.
3. **Global Experience:** Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
4. **Technical / R & D / Production Expertise:** Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.
5. **Legal and Regulatory Expertise:** Ability to assess 'build or buy' & timing of decisions, analyze the fit of a target with the company's strategy and evaluate operational integration plans.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief Resume, Qualification Expertise and Experience
Mr Kishor M. Shah, Non-Executive Director, Chairman DIN:02769085	March 04, 1944	August 16, 1995	He is associated with the company since more than two decades. His vision and commitment inspires the Board and the core committees of the Company. He carries immense experience in the area of International marketing and directing projects across diverse industries and magnitudes.
Mr Mahendra G. Patel, Executive Director, DIN: 00104706	January 26, 1954	January 20, 1995	He is a Law Graduate. He is aged about 66 years and has immense and varied experience in corporate planning. Under his leadership and Guidance the Company has flourished and has reached the current position. He mainly looks after export business, legal and financial matters. He handles corporate planning, formulation of strategies, policy decisions, corporate finance, legal matters etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Hashmukh I. Patel, Executive Director, DIN:00104834	December 08, 1958	January 20, 1995	He is a science graduate. He is aged about 61 years and is having a rich and varied experience in the Pharmaceutical Industry and is managing the entire gamut of domestic marketing as well as the entire sales distribution system of the Company. His experience and knowledge has helped the Company to a great extent.
Mr Munjal M. Patel, Executive Director, DIN: 02319308	June 26, 1982	November 14, 2014	Armed with a degree in Finance from USA and Diploma in investment & Financial Analysis, he is having immense knowledge and great experience of the global Financial Services Sector. He is mainly responsible for International Trade and financial matters. He handles International Operations, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Ashish R. Patel, Executive Director, DIN:01309017	May 12, 1981	November 14, 2014	Armed with a degree in Marketing from U.K. and commerce graduate, he is having immense knowledge and experience in the area of marketing. He mainly looks after Marketing Operation of the Company. He handles Sales Operation, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
Mr Rajnikant G. Patel, Non-Executive Director, DIN: 00104786	February 05, 1958	January 20, 1995	He is a B. Pharm. He is aged about 62 years and is having a rich and varied experience in the Pharma Industry. He looks after product development, manufacturing and research and development activities of the Company. He has been instrumental in taking the Company to its present position. His expertise, experience and knowledge has helped the Company to a great extent.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief Resume, Qualification Expertise and Experience
Mr Arvind G. Patel, Non-Executive Director, DIN:00104885	September 29, 1950	February 03, 1995	He is B. E. (Electrical) Engineer, aged about 69 years and is associated with Company for more than two decade. His mainly is involved in planning activity and project implementation process. His experience and has helped the company to great extent.
Mr Ishwarlal A. Patel, Independent Director, DIN:00217324	January 15, 1933	February 03, 1995	He is a Commerce graduate. He is aged about 87 years. He was a chairman of the leading co-operative Bank. He possesses immense amount of experience and expertise in the field of finance. He is associated with the Company from its inception and his contribution to the Company has been remarkable.
Mr Pirabhai R. Suthar, Independent Director, DIN:00453047	May 07, 1946	October 30, 1999	He is M.B.B.S., aged about 74 years. He is associated with the Company for over a period of 2 decades. He possesses a very good knowledge of medicine and the formulations / contents of the medicines. His expertise in medicine and experience has helped the Company to a great extent.
Ms Meha Patel, Independent Director, DIN:07254852	June 28, 1990	August 04, 2015	She is M.B.B.S., aged about 29 years. She has very good knowledge of medicine and its formulations. Her knowledge related to medicine is instrumental for the growth of the Company.
Mr Saurin J. Parikh, Independent Director, DIN:02136530	September 28, 1971	March 27, 2018	He is aged about 48 years, holds a Bachelor degree of Engineering from the Gujarat University. He is having experience of more than 24 years in the field of manufacturing and export of cotton trade like raw cotton, yarn and its by-products and he has also been instrumental in the areas such as formulation of business policies, strategies, planning and effective implementation of the same. He possesses effective leadership abilities which can lead the Company to achieve success in future.



G. Confirmation by the Independent Directors:

The independent directors have confirmed that they fulfil the criteria prescribed under Section 149 (6) of the Act, and Regulation 16 (1) (b) of the Listing Regulations regarding an independence of director. A formal letter of appointment to Independent Directors as provided in the Act, has been issued and disclosed on website of the company.

A separate meeting of the independent directors was held on February 13, 2020, inter alia, to discuss evaluation of the performance of Non-Independent Directors, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. The suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

- H.** None of the independent director has resigned from the Directorship of the Company before the expiry of their term of appointment during the year.

3. Audit Committee:
A. Brief description of Terms of Reference:

The terms of reference of Audit Committee articulates the roles, responsibilities and powers of the Audit Committees under Regulation 18 (3) read with Schedule II (Part C) of the Listing Regulations and Section 177 of the Act. The Role of the Audit Committee is as prescribed under Regulation 18 of SEBI Listing Regulations.

The role of the Audit Committee inter alia includes the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
4. Review with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval;
6. Review with the management, the statement of uses / application of funds, if any, raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Act and the SEBI Listing Regulations.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

B. Meetings, Composition and attendance:

During the year, audit committee met seven times on May 30, 2019, August 14, 2019, September 19, 2019, November 14, 2019, December 07, 2019, February 13, 2020 and March 27, 2020. The maximum time gap between any two meetings was not more than one hundred and twenty days. The composition and details of attendance of members of the Committee are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Chairman	Independent Director	7 out 7
Mr Pirabhai R. Suthar	Member	Independent Director	7 out 7
Mr Mahendra G. Patel [Upto May 30, 2019]	Member	Executive Director	1 out 1
Mr Munjal M. Patel [From May 30, 2019]	Member	Executive Director	6 out 6

- The constitution of the Committee is in accordance with the applicable provisions of the Act and Listing Regulations as amended.
- The Committee invites the representatives of the statutory and internal auditor(s). Further, the chief financial officer also attends the Audit Committee meeting(s). The Company Secretary acts as a Secretary to the audit committee.
- The Chairman of audit committee was present at the last annual general meeting held on September 30, 2019.

4. Nomination and Remuneration Committee:

A. Brief description of Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The role of the Nomination and Remuneration inter alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on diversity of the Board;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

B. Composition, meetings and attendance:

During the year, nomination and remuneration committee met three times on May 30, 2019, August 14, 2019 and March 27, 2020. The company secretary acts as the Secretary to the Committee. The composition and details of attendance of members of the Committee are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Chairman	Independent Director	3 out 3
Mr Pirabhai R. Suthar	Member	Independent Director	3 out 3
Mr Kishor M. Shah [Upto May 30, 2019]	Member	Non-Executive Director	1 out 1
Ms Meha Patel [From May 30, 2019]	Member	Independent Director	2 out 2

The composition of the committee is in compliance of the provisions of the Act and Listing Regulations as amended.

C. Performance Evaluation Criteria for Independent Directors:

The performance of the Independent Director is evaluated based on the criteria such as 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.

In the opinion of the board, the independent directors fulfills the conditions of independence as specified in Regulation 16 of Listing Regulations and are independent of the management.

5. Remuneration Policy on Directors' Appointment:

As per Section 178 of the Act, 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 Act, and Regulation 16 (1) (b) of Listing Regulations as amended from time to time. .

OTHER DIRECTORS AND SENIOR MANAGEMENT:

- The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The said Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the 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	<ul style="list-style-type: none"> Reflects the person's experience, criticality of the role with the Company and the risk factor involved 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Based totally on the performance of the Director 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Drive and reward delivery of sustained long-term performance 	<ul style="list-style-type: none"> Variable long-term remuneration component. 	Determined by the Nomination and Remuneration Committee and distributed on the basis of time, level and performance
Retiral Benefits	<ul style="list-style-type: none"> Provide for sustained contribution 	<ul style="list-style-type: none"> Accrues depending on length on service. 	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts

Key Management Personnel and senior Management and Other Employees:

1. "Senior Management" shall mean, all the officers / personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO / MD / WTD / Manager and includes the Chief financial officer and Company Secretary of the Company.
2. The remuneration package of the Key Management and Senior Management and Other Employees comprises of:
 - I. Fixed Remuneration: This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;
 - II. Annual Allowances: This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance.
 - III. 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 Act, and related rules framed there under. However the Nomination and Remuneration Committee may from time to time suggest the payment and revision in the same as and when necessary.

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. During the year, the Company has revised the nomination and remuneration policy in compliance of the provisions of Listing Regulations (Amendment), 2018 and has been uploaded on the website i.e. www.lincolnpharma.com

• **Details of remuneration during the year are as given below:**

(₹ In Lakhs)

Name	Service Contract / Period	Position held during the Period	Salary and allowances	Perquisites	Total Remuneration
Mr Mahendra G. Patel	3 years w.e.f. October 01, 2019	Managing Director	22.79	0.29	23.08
Mr Hashmukh I. Patel	3 years w.e.f. October 01, 2019	Whole-Time Director	27.56	0.29	27.85
Mr Ashish R. Patel	3 years commencing from November 14, 2019	Whole-Time Director	39.72	0.29	40.01
Mr Munjal M. Patel	3 years commencing from November 14, 2019	Whole-Time Director	24.92	0.29	25.21
Total			114.98	1.16	116.14

- 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 and Whole Time Directors is terminable by giving six months' notice in writing by either side.

6. Stakeholders Relationship Committee:

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations read with Part D of Schedule II thereto, the Company has in place, a Stakeholders' Relationship Committee ("SRC"). The Company Secretary acts as a Secretary to the Committee. The brief terms of reference of the Stakeholders Relationship Committee is as under:

A. Brief description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

1. Resolving the grievances of the security holders, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/ statutory notices by the shareholders of the Company.

B. Constitution and attendance:

During the year, stakeholder's relationship committee met seven times. Mr Ishwarlal A. Patel, Non-Executive Independent Director act as a chairman of the committee w.e.f. May 30, 2019. The composition of the Committee is in compliance of the provisions of the Act and Listing Regulations as amended and details of attendance of members of the Committee at the meetings are given as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Arvindbhai G. Patel [Upto May 30, 2019]	Chairperson	Non-Executive Director	0 out 1
Mr Ishwarlal A. Patel	Member	Independent Director	7 out 7
Mr Mahendra G. Patel	Member	Executive Director	7 out 7
Mr Hashmukh I. Patel	Member	Executive Director	7 out 7

C. Status Report of Investor Complaints during the year:

Status of Investor Complaints as on March 31, 2020 as reported under Regulation 13 (3) of the Listing Regulations is as under:

Number of complaints as on April 01, 2019	0
Number of complaints received during the year	0
Number of Complaints Resolved during the year	0
Number of complaints pending as on March 31, 2020	0

D. Name, Designation and Contact Details of the Compliance officer:

Mr Niren A. Desai,
Company Secretary and Compliance Officer
"LINCOLN HOUSE",
Behind Satyam Complex,
Science City Road, Sola,
Ahmedabad – 380060, Gujarat, India.
Ph. No.: +91-79-4107-8000,
E mail: investor@lincolnpharma.com

7. Corporate Social Responsibility (CSR) Committee:

In line with the provisions of Section 135 of the Act, read with Schedule VII of the Act, the Board has constituted the CSR committee for the purpose of determining the activities to be undertaken by the Company towards the CSR. Brief terms of the reference of the Corporate Social Committee is as under:

A. Brief description and terms of Reference:

The terms of reference of the CSR Committee are as under:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall include the activities to be undertaken by the Company as specified in Section 135 (3) and Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

B. Composition, attendance at the meetings during the year:

During the year, CSR committee met two times. The constitution of the committee is in compliance of the provisions of the Act. The composition and details of attendance of members of the Committee are as under:

Name of the Member	Position	Category	No. of Meetings attended
Mr Ishwarlal A. Patel	Member	Independent Director	2 out 2
Mr Mahendra G. Patel	Member	Executive Director	2 out 2
Mr Rajnikant G. Patel [Upto May 30, 2019]	Member	Non-Executive Director	0 out 1
Mr Munjal M. Patel [From May 30, 2019]	Member	Executive Director	1 out 1

8. General Body Meetings:
A. The details of date, location and time of the last three Annual General Meetings held and any Special Resolution passed:

Annual General Meeting				
Financial Year Ended	Venue	Date	Time	Particulars of Special Resolution passed
March 31, 2019	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	September 30, 2019	10:30 A.M	<ol style="list-style-type: none"> 1. Re-Appointment of Mr Mahendra G. Patel [DIN: 00104706] as a Managing Director. 2. Re-Appointment of Mr Hashmukh I. Patel [DIN: 00104834] as the Whole Time Director. 3. Re-Appointment of Mr Munjal M. Patel [DIN: 02319308] as the Whole Time Director. 4. Re-Appointment of Mr Ashish R. Patel [DIN: 01309017] as the Whole Time Director. 5. Re-Appointment of Ms Meha Patel [DIN: 07254852] as an Independent Director of the Company.

Annual General Meeting				
Financial Year Ended	Venue	Date	Time	Particulars of Special Resolution passed
March 31, 2018	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	September 29, 2018	10:30 A.M	<ol style="list-style-type: none"> 1. Re-Appointment of Mr Ishwarlal A. Patel as an Independent Director and to continue to avail his services as an Independent Director on his attaining the age of 75 years. 2. Re-Appointment of Mr Pirabhai R. Suthar as an Independent Director. 3. Approval to continue availing services of Mr Kishor M. Shah as a Non-Executive Director of the Company on his attaining the age of 75 years. 4. Approve Borrowing Limit under Section 180 (1) (c) of the Act. 5. Approve creating a mortgage/charge on the movable and immovable properties of the Company under Section 180 (a) of the Act. 6. Approval of making investment exceeding the limit under Section 186 of the Act. 7. Approval of entering into related party transactions under Section 188 of the Act.
March 31, 2017	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060, Gujarat, India.	September 29, 2017	10:30 A.M	<ol style="list-style-type: none"> 1. Re-Appointment of Mr Mahendra G. Patel as a Managing Director of the Company, 2. Re-Appointment of Mr Rajnikant G. Patel as a Jt. Managing Director of the Company, 3. Re-Appointment of Mr Hashmukh I. Patel as a Whole Time Director of the Company, 4. Revision in Remuneration of Mr Munjal M. Patel, Whole Time Director of the Company, 5. Revision in Remuneration of Mr 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 Act.

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

The Company has not passed any special resolution last year through postal ballot.

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

The Company has not proposed any special resolution to be conducted through postal ballot.

9. Means of Communication:

The Board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with its Members through multiple channels of communication such as results announcement and newspaper publications, annual report, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

Quarterly Results	The quarterly financial results of the company were published in accordance with the requirements of the listing regulations.
Newspapers wherein results normally published	The results are normally published in an English and Regional Newspaper viz. The Economic Times
Any website, where displayed	The financial results of the company were displayed on the website of the Company on www.lincolnpharma.com
Whether it also displays official news releases	Official news releases, if any were displayed on the website of the Company on www.lincolnpharma.com
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.

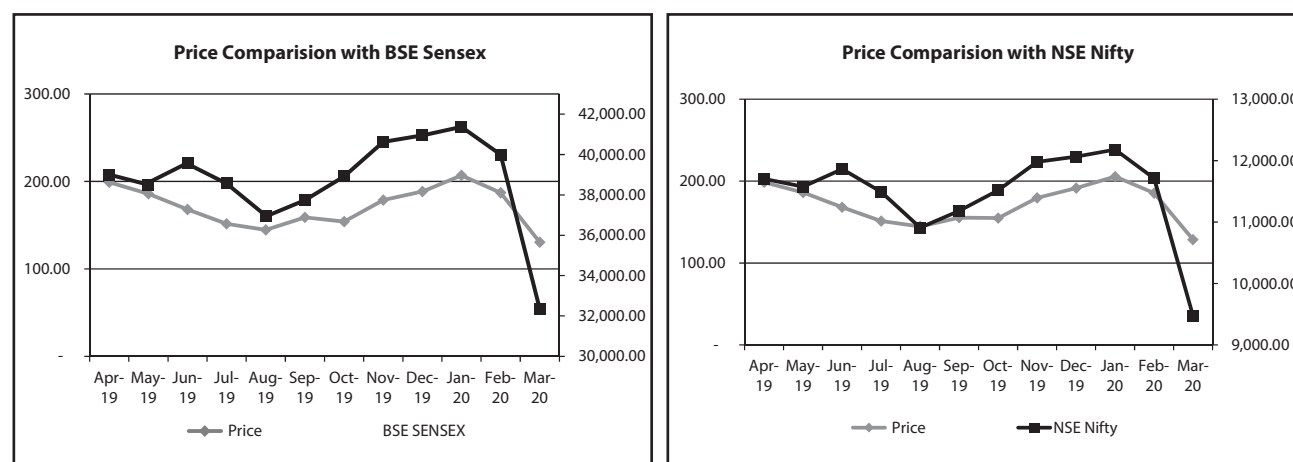

10. General Shareholder Information:

AGM with Date, Time and Venue	26 th Annual General Meeting, on or before September 30, 2020 (Wednesday), through video conference (VC) or other audio visual means as per the general circulars issued by the MCA.	
Financial Year	April 01, 2019 to March 31, 2020	
Tentative Schedule for considering Financial Results	For the Quarter Ending 30-Jun-2020	On or Before 14-Aug-2020
	For the Quarter Ending 30-Sept-2020	On or Before 14-Nov-2020
	For the Quarter Ending 31-Dec-2020	On or Before 14-Feb-2021
	For the Quarter Ending 31-Mar-2021	On or Before 30-May-2021
Dividend Payment Date	NA	
Listing on Stock Exchanges with Scrip Code	Company's Equity Shares are listed at: 1. BSE Ltd. (BSE) – (Scrip Code: 531633) Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001, Maharashtra, India. 2. National Stock Exchange of India Limited – (SYMBOL: LINCOLN) Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India.	
Payment of Listing Fees	The company hereby confirms that payment of listing fees have been made to above stock exchanges.	
Registrar and Share Transfer Agent (for Shares held in both Physical and Demat mode)	LINK INTIME INDIA PRIVATE LIMITED Corporate Office: 5 th 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 – 380 009. Tel.: +91-79-2646-5179 / 3000-2684, Email: ahmedabad@linkintime.co.in	
Share Transfer System	All shares sent for transfer / transmission / transposition by the shareholder(s) in physical form are registered by the registrar and share transfer agents as per the Listing Regulations. In case of any objection(s) in relation to the share transfer, the same is normally attended to within 15 days from the receipt of the request provided the documents are in order. As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8 th June, 2018 read with SEBI Press Release dated 3 rd December, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) is not being processed after 31 st March, 2019, unless the securities are held in the dematerialized form with the depositories. Pursuant to the provisions of Regulation 40(9) of the Listing Regulations, certificate received from a Practicing Company Secretary which is submitted by the Company to the Stock Exchanges, on half yearly basis. Further, certificate of reconciliation of the share capital has been received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis. The Company has designated the E-Mail ID: investor@lincolnpharma.com, for addressing the investors' grievances.	
Dematerialization of shares and liquidity	The shares of the Company are available for trading on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). As on March 31, 2020, 1,98,70,590 (99.35%) Equity Shares of the Company were held in Dematerialized form.	
Commodity price risk or foreign exchange risk and hedging activities	The Company does not trade in commodities. The relevant details of foreign exchange exposure and risk / hedging activities are provided in Financial Statements.	
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	As on March 31, 2020, there are no outstanding global depository receipts / American Depository Receipts or Warrants or any convertible instruments which impacts on equity.	
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 – 380 060. Ph. No.: +91-79-4107-8000; Fax No.: +91-79-4107-8062, E-mail: investor@lincolnpharma.com; Website: www.lincolnpharma.com	
Credit Ratings obtained by the entity along with any revisions thereto during the relevant Financial Year	During the year under review, your Company has received a long term bank facilities rating of CRISIL A- Stable (pronounced CRISIL A Minus Stable) and a short term bank facilities rating of CRISIL A2+ (pronounced CRISIL A Two Plus) by Credit Rating Information Services of India Limited (CRISIL).	

a) Market Price Data-High / Low during Each Month in the Financial Year 2019-2020 on BSE Limited (BSE) and National Stock Exchange of India Limited:

SN	Month – Year	BSE Limited (₹)		National Stock Exchange of India Limited (NSE) (₹)	
		High Price	Low Price	High Price	Low Price
1	April, 2019	218.00	180.40	217.30	180.00
2	May, 2019	207.00	165.00	206.95	165.15
3	June, 2019	180.65	155.05	180.95	155.30
4	July, 2019	164.90	138.00	165.00	137.55
5	August, 2019	164.75	124.40	164.95	124.35
6	September, 2019	187.00	131.00	179.70	131.00
7	October, 2019	167.70	140.50	167.00	142.55
8	November, 2019	203.45	154.15	203.80	155.10
9	December, 2019	216.80	160.00	216.90	166.15
10	January, 2020	220.00	193.70	218.80	192.30
11	February, 2020	209.00	165.00	206.80	164.20
12	March, 2020	175.40	85.50	172.00	85.05

b) Share Performance of the Company:



c) The Distribution of Shareholdings as on March 31, 2020 is as under:

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
1-500	13,086	86.27	16,02,966	8.01
501-1000	1,049	6.92	8,44,732	4.22
1001-2000	492	3.24	7,39,327	3.70
2001-3000	170	1.12	4,39,531	2.20
3001-4000	81	0.53	2,91,684	1.46
4001-5000	49	0.32	2,25,754	1.13
5001-10,000	98	0.65	6,95,024	3.48
10,001 and above	143	0.94	1,51,60,982	75.80
Total	15,168	100.00	2,00,00,000	100.00

d) Shareholding Pattern as on March 31, 2020:

Sr. No.	Category	No. of Shares	(%)
1	Promoters & Promoter group	64,71,379	32.36
2	Mutual Funds/ UTI / Trust	20,200	0.10
3	Financial Institutions/Banks / AIF	69,793	0.35
4	Bodies Corporate	28,59,687	14.30
5	NRI (Repatriable & Non-Repatriable)	8,25,016	4.13
6	Individuals / HUF	95,41,742	47.71
7	Clearing Members	1,82,053	0.91
9	Central Government (IEPF)	30,130	0.15
Total		2,00,00,000	100.00

11. Other Disclosures:
A. Related Party Transactions:

All related party transactions are entered into by the company only after obtaining the prior approval of the audit committee and on 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 year which were in the conflict of interest of the company.

In terms of the Act, and Listing Regulations as amended, the Company has adopted a policy to determine related party transactions and has been uploaded on the website of the Company: www.lincolnpharma.com

B. Details of Non-Compliance by the Company:

The Company has complied with the requirements of the regulatory authorities on the matters related to capital market and there were no instances of non-compliance, penalty or strictures imposed on the company by stock exchange or by board or any statutory authority, on any matter related to capital markets, during the last three years.

C. Details of establishment of Vigil Mechanism (Whistle Blower Policy):

In accordance with the provisions of Section 177 (9) of the Act, and the Rules made there under read with Listing Regulations, 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 said policy is made available on the website of the Company on www.lincolnpharma.com.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company have complied with the mandatory corporate governance requirements under the Listing Regulations.

E. Policy for determining Material Subsidiaries and dealing with related party transactions:

The policy for determining 'material' subsidiaries and dealing with related party transactions are available on the website of the Company: www.lincolnpharma.com.

F. Disclosure of commodity price risks and commodity hedging activities:

The Company is not carrying on any commodity business and has not undertaken any hedging activities, hence same are not applicable to the Company.

G. Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

During the year, Company has not raised any funds through preferential allotment or qualified institutions placement.

H. Certificate from a Practicing Company Secretary on the Board:

A certificate from a company secretary in practice as required under Part C of Schedule V of Listing Regulations stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI / Ministry of Corporate Affairs / any such statutory authority is annexed to this corporate governance report.

I. There has been no such incidence where the board has not accepted the recommendation of the committees of the company during the year under review.

J. The details of fees paid to Statutory Auditors on a Consolidated basis during the year are as given below:

(₹ in Lakhs)

Payments to the Statutory Auditors	Fees paid
Fees paid for Statutory Audit of the Company and its Subsidiary	7.65
Fees paid for other services	3.50
Total	11.15

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- i. Number of complaints on Sexual harassment received during the year - 0
- ii. Number of Complaints disposed off during the year - 0
- iii. Number of cases pending as on end of the financial year - 0

12. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-para (2) to (10) of the Listing Regulations.**13. The Company has duly fulfilled the following discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:**

The Company has complied with all the mandatory requirements of Corporate Governance as per Listing Regulations, with regard to discretionary requirements, the Company has adopted clauses relating to the following:

- i. **Board:** The Company has Non-Executive Chairperson and separate persons were appointed for the post of Chairman and Managing Director.
- ii. **Reporting of Internal Auditor:** Internal Auditors will be report directly to the Audit Committee.
- iii. **Modified Opinion(s) in Audit Report:** The Company has moved towards the regime of obtaining the report of Auditors with un-modified opinion with respect to the Audited Standalone and Consolidated Financial Results of the Company for the year ended on March 31, 2020.

14. 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 Listing Regulations:

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 the Listing Regulation.

15. Declaration of compliance of Code of Conduct:

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 during the year. Declaration of compliance of Code of Conduct which is forming part of Corporate Governance Report attached to this Annual Report. The Code of Conduct is also posted on the website of the Company i.e. www.lincolnpharma.com.

16. Compliance certificate from practicing company secretaries on corporate governance.

A certificate from a company secretary in practice as required under Part E of Schedule V of Listing Regulations on compliance of conditions of corporate governance is annexed to this corporate governance report.

17. Disclosures with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the provisions of section 124 of the Act and the IEPF Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The details of transfer of shares to IEPF Authority as on March 31, 2020 are as follows:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the shares lying at the beginning of the year with IEPF Authority	136	27,046
Aggregate number of shareholders and the shares transferred during the year to the IEPF Authority	27	4,084
Number of shareholders to whom shares were transferred during the year from the IEPF Authority	(3)	(1,000)
Aggregate number of shareholders and the shares lying at the end of the year with IEPF Authority	160	30,130



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18. Disclosures with respect to demat suspense account/ unclaimed suspense account.

During the year under review, no such requirements arose for transfer the shares to demat suspense account / unclaimed suspense account. Therefore, no actions initiated in this regards by the Company.

19. Code of conduct to regulate, monitor and report trading by insiders:

The Company has adopted a code to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading Regulations), 2015 and the Board reviews the same on need basis.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

**MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706**

**HASHMUKH I. PATEL
WHOLE TIME DIRECTOR
DIN: 00104834**

AHMEDABAD, JUNE 25, 2020

DECLARATION ON ADHERENCE WITH COMPANY'S CODE OF CONDUCT

[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of,
Lincoln Pharmaceuticals Limited

This is to confirm that the company has adopted code of conduct and ethics for all the members of board of directors, senior management personnel of the company as stipulated under Regulation 17 (5) of the Listing Regulations, and the members of board of directors, senior management personnel of the Company have affirmed compliance with this code of conduct & ethics for the financial year ended on March 31, 2020.

FOR LINCOLN PHARMACEUTICALS LIMITED

**MAHENDRA G. PATEL
MANAGING DIRECTOR
DIN: 00104706**

AHMEDABAD, JUNE 25, 2020

CERTIFICATE ON AUDITED FINANCIAL STATEMENTS

To,
The Board of Directors,
Lincoln Pharmaceuticals Ltd

We hereby certify that:

- a) We have reviewed Audited Financial Statements for the financial year Ended March 31, 2020 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**FOR AND ON BEHALF OF THE BOARD
FOR LINCOLN PHARMACEUTICALS LIMITED**

MAHENDRA G. PATEL	DARSHIT A. SHAH
MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER
DIN: 00104706	

AHMEDABAD, JUNE 25, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
LINCOLN PHARMACEUTICALS LTD,
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad 380060

I have examined the compliance of conditions of Corporate Governance by Lincoln Pharmaceuticals Ltd. for the Year Ended on March 31, 2020 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. I state that such compliance 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.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR
M. NO.: 33017 CP NO: 16942
UDIN: A033017B000379781**

AHMEDABAD, JUNE 25, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
LINCOLN PHARMACEUTICALS LTD,
LINCOLN HOUSE, Behind Satyam Complex,
Science City Road, Sola, Ahmedabad 380060

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lincoln Pharmaceuticals Ltd (CIN: L24230GJ1995PLC024288) and having registered office at Lincoln House, Behind Satyam Complex Science City Road, Sola Ahmedabad 380060 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in Company
1.	Mahendrabhai Gulabdas Patel	00104706	January 20, 1995
2.	Rajanikant Gulabdas Patel	00104786	October 01, 2008
3.	Hashmukhbhai Ishwarlal Patel	00104834	January 20, 1995
4.	Arvindbhai Gulabdas Patel	00104885	February 03, 1995
5.	Ashish Rajanikant Patel	01309017	November 14, 2014
6.	Munjal Mahendrabhai Patel	02319308	November 14, 2014
7.	Kishor Meghji Shah	02769085	August 16, 1995
8.	Ishwarlal Ambalal Patel	00217324	February 03, 1995
9.	Pirabhai Ramjibhai Suthar	00453047	October 30, 1999
10.	Saurin Jagdish Bhai Parikh	02136530	March 27, 2018
11.	Meha Patel	07254852	August 04, 2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on this based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES**

**VISHWAS SHARMA
PROPRIETOR**

**M. NO.: 33017 CP NO: 16942
UDIN: A033017B000379726**

AHMEDABAD, JUNE 25, 2020

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Lincoln Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the Standalone Financial Statements of **Lincoln Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2020**, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were, of most significance in our audit of the, standalone financial statements of the current period.

These matters were addressed in the context of our audit, of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

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

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter	<ol style="list-style-type: none"> 1. Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers." 2. We performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of revenue recognition as per the sales terms with the customers. 3. We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms. 4. We also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Information other than the Standalone financial statements and Auditors' Report thereon.

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone financial statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for our resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements- Refer Note-44 of financial statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Ahmedabad
Date : June 25, 2020

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 20045669AAAAW2092

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the Members of Lincoln Pharmaceuticals Limited for the year ended 31st March, 2020.

1. In respect of Fixed Assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- (b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
- (c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.

2. In respect of its Inventories :

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.

3. In respect of Loans and Advances granted during the year:

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, in our opinion, prima facie, not prejudicial to the interest of the company.
- (b) The schedule for repayment of principle has been stipulated and there were no principle amounts due for repayment during the year. Further there was no stipulation in respect of interest on said loans, hence question of regular payment of interest does not arise.
- (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 during the year under consideration. Therefore clauses (iv) of companies (Auditor's Report) Order, 2016 is not applicable to the company.

5. Acceptance of Deposits:

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

6. Cost Records:

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

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

7. In respect of Statutory Dues :

- (a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, value added tax, wealth tax, service tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues with the appropriate authorities applicable to it except there has been delay in payment of Professional Tax for certain cases. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Financial Year	Amount (₹ in Lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Penalty Demand	2013-14	16.89	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 during the year the Company has not defaulted in repayment of dues to a Financial Institutions or Banks. The Company has no debenture holder borrowing during the year.
9. According to the information and explanations given to us, the company had not raised any money by way of public issue during the year. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by it's officer or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the company. Hence, clause (xii) of the Company's (Auditor's Report) Order, 2016 is not applicable to the company.
13. In our opinion and according to the information and explanations given to us, the transactions entered by the company with related parties are in compliance with the provisions of section 177 and 188 of The Companies Act, 2013 and details thereof are properly disclosed in the standalone financial statements.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, clause (xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.
15. The company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, and hence clause (xv) of Company's (Auditor's Report) Order, 2016 is not applicable to the company.
16. According to the information and explanation given to us, the company is not required to registered under section 45-IA of Reserve Bank of India Act, 1934, hence clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable to the company.

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

Place: Ahmedabad
Date : June 25, 2020

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 20045669AAAAAW2092

ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 16(f) of “**Report on Other Legal and Regulatory Requirements**” of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2020**.

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 2020**, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date : June 25, 2020

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 20045669AAAAAW2092



LINCOLN

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	9,036.01	8,802.61
(b) Right to use asset	5A	29.70	Nil
(c) Capital work-in-progress	6	4.03	194.24
(d) Other intangible assets	7	36.93	42.41
(e) Financial assets			
(i) Investments	8	2,578.62	2,773.62
(ii) Loans	9	1,478.17	1,580.05
(iii) Other financial assets	10	1,684.03	1,561.17
(f) Other non-current assets	11	335.75	272.85
Total Non - Current Assets		15,183.25	15,226.95
2 Current assets			
(a) Inventories	12	3,753.73	2,947.40
(b) Financial Assets			
(i) Investments	13	3,421.63	1,807.08
(ii) Trade receivables	14	9,099.29	11,299.81
(iii) Cash and cash equivalents	15	892.29	530.94
(iv) Other bank balances	16	228.91	211.96
(v) Loans	17	1,441.70	175.00
(vi) Other financial assets	18	123.01	120.93
(c) Current Tax Assets (Net)	19	Nil	71.00
(d) Other current assets	20	2,577.14	2,288.09
Total Current Assets		21,537.70	19,452.21
Total Assets (1+2)		36,720.95	34,679.16
B EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	21	2,000.00	2,000.00
(b) Other Equity	22	28,449.47	24,260.40
Total equity		30,449.47	26,260.40
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	51.97	169.22
(ii) Other financial liabilities	24	405.22	367.52
(b) Deferred tax liabilities (Net)	25	267.29	308.98
Total Non - Current Liabilities		724.48	845.72
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	383.32	3,009.35
(ii) Trade payables			
- Total outstanding dues of micro and small enterprises	27	654.39	272.80
- Total outstanding dues of creditors other than micro and small enterprises		3,545.59	3,298.10
(iii) Other financial liabilities	28	596.95	917.64
(b) Other current liabilities	29	250.03	75.15
(c) Provisions	30	43.60	Nil
(d) Current Tax Liabilities (Net)	31	73.12	Nil
Total Current Liabilities		5,547.00	7,573.04
Total Equity and Liabilities (1+2+3)		36,720.95	34,679.16
Summary of Significant Accounting Policies	4		

As per our report of even date attached herewith

For J. T. Shah & Co.**Chartered Accountants****(Firm Regd. No. 109616W)****(J. J. Shah)****Partner****(M.No.045669)****UDIN:20045669AAAAAW2092**

Place : Ahmedabad

Date : June 25, 2020

For and on behalf of the Board of Directors of

Lincoln Pharmaceuticals Limited**Mahendra G. Patel**

(Managing Director)

(DIN : 00104706)

Darshit A. Shah

(Chief Financial Officer)

Hashmukh I. Patel

(Whole Time Director)

(DIN : 00104834)

Niren A. Desai

(Company Secretary)

(M. No.: A60285)

Place : Ahmedabad

Date : June 25, 2020

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

Particulars	Note No.	Year ended March 31, 2020 ₹ in Lakhs	Year ended March 31, 2019 ₹ in Lakhs
I Revenue from operations	32	37,608.83	35,304.24
II Other Income	33	1,213.09	657.54
III Total Income (I + II)		38,821.92	35,961.78
IV EXPENSES			
(a) Cost of materials consumed	34	10,197.06	8,083.49
(b) Purchases of stock-in-trade	35	9,066.22	8,891.01
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(585.50)	733.30
(d) Excise duty		Nil	Nil
(e) Employee benefit expense	37	5,489.91	4,840.06
(f) Finance costs	38	198.36	384.37
(g) Depreciation and amortisation expense	39	546.95	491.92
(h) Other expenses	40	7,504.27	6,723.43
Total Expenses		32,417.27	30,147.58
V Profit before tax (III- IV)		6,404.65	5,814.20
VI Tax Expense			
(a) Current tax	41	1,470.01	1,429.00
(b) Deferred tax liability / (assets)	41	(23.63)	(278.49)
(c) Short/Excess Provision Reversal		1.92	Nil
Total tax expense		1,448.30	1,150.51
VII Profit for the year (V - VI)		4,956.35	4,663.69
VIII Other Comprehensive Income			
A Items that will not be reclassified to Statement of profit and loss			
(a) Remeasurements of the defined benefit plans	42	(61.99)	6.67
(b) Income tax relating to items (a) above	42	18.05	(2.33)
IX Total Other Comprehensive Income		(43.94)	4.34
X Total comprehensive income for the year (VIII+IX)		4,912.41	4,668.03
XI Basic & diluted earnings per share of face value of ₹10 each Fully Paid up			
(a) Basic in ₹	52	24.78	23.32
(b) Diluted in ₹	52	24.78	23.32

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAAW2092

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)



LINCOLN

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Cash flow from operating activities		
Profit before tax	6,404.65	5,814.20
Adjustments for :		
Depreciation and amortisation expense	546.95	491.92
Amortisation of lease premium	Nil	2.16
Finance costs	198.36	384.37
Provision for Expected Credit Loss	3.45	8.76
Bad debt written off	180.11	67.42
MTM (gain) / loss on fair valuation of derivative financial instruments	45.60	(10.14)
Loss on sale of assets (net)	4.02	19.76
Interest income	(255.73)	(198.44)
Dividend income	Nil	Nil
Share of profit from subsidiaries	(5.36)	(10.82)
Commission income from financial guarantee issued	Nil	(8.11)
(Gain) / loss on fair valuation of mutual funds	(169.98)	(89.97)
Profit on sale of Current investment	(9.57)	(3.64)
Gain on sale of equity instruments of subsidiary	Nil	Nil
Operating profit before working capital changes	6,942.50	6,467.47
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(806.33)	701.73
(Increase)/Decrease in Trade receivables	2,016.96	(1,774.13)
(Increase)/Decrease in Other Non Current Financial Assets	(3.77)	Nil
(Increase)/Decrease in Other Current Financial Assets	1.60	(0.65)
(Increase)/Decrease in Other non current assets	(18.89)	(22.07)
(Increase)/Decrease in Other current assets	(289.05)	1,052.25
Increase/(Decrease) in Trade payable	629.08	66.71
Increase/(Decrease) in Other current financial liabilities	(197.15)	281.54
Increase/(Decrease) in Other non current financial liabilities	37.70	3.39
Increase/(Decrease) in Other current liabilities	174.88	(4.15)
Increase/(Decrease) in Short-term Provisions	(18.39)	(3.32)
Cash flow generated from operations	8,469.13	6,768.77
Direct taxes paid (net)	(1,398.06)	(1,662.59)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,071.07	5,106.18
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(666.92)	(1,167.91)
Proceeds from sale of Property, Plant and Equipments	50.76	31.59
Margin Money Deposit	(17.29)	(22.53)
(Increase)/Decrease in Non current financial Assets	101.07	(714.27)
(Increase)/Decrease in Current financial Assets	(1,266.70)	225.47
Interest received	139.72	32.21
Dividend received	Nil	Nil
Sale of Current Investment	600.00	1,903.64
Purchase of Current Investment	(2,035.00)	(2,520.00)
Amount received from Equity Instrument of Subsidiary	195.00	Nil
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2,899.36)	(2,231.80)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Cash flows from financing activities		
Proceeds of Long term borrowings	40.00	Nil
Repayment of Long-term borrowings	(305.38)	(393.47)
Proceeds of Short term borrowings	Nil	Nil
Repayment of Short-term borrowings	(2,626.03)	(1,845.35)
Dividend paid on equity shares (incl. tax thereon)	(723.34)	(361.67)
Finance costs Paid	(195.61)	(387.82)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,810.36)	(2,988.31)
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	361.35	(113.93)
Cash and cash equivalents at the beginning of the year	530.94	644.87
Cash and cash equivalents at the end of the year	892.29	530.94

Notes:

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

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Cash on hand	34.35	44.22
Balances with Bank	857.94	486.72
Total Cash and cash equivalents (Refer Note No. 15)	892.29	530.94

- (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.

See accompanying notes forming part of the Financial Statements

As per our report of even date attached herewith

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAW2092

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)



LINCOLN

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020**Equity Share Capital**

Particulars	Note No.	Amount ₹ in Lakhs
Balance as on 1st April, 2018	21	2,000.00
Changes during the year		Nil
Balance as on 31st March, 2019	21	2,000.00
Changes during the year		Nil
Balance as on 31st March, 2020	21	2,000.00

Other Equity

Other Equity								₹ in Lakhs
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, 2018	22	12,757.30	8.86	691.22	35.00	Nil	6,461.66	19,954.04
Profit for the year		4,663.69	Nil	Nil	Nil	Nil	Nil	4,663.69
Other comprehensive income for the year (Net of Tax)		Nil	4.34	Nil	Nil	Nil	Nil	4.34
Payment of Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	22	17,009.32	13.20	741.22	35.00	Nil	6,461.66	24,260.40
Profit for the year		4,956.35	Nil	Nil	Nil	Nil	Nil	4,956.35
Other comprehensive income for the year (Net of Tax)		Nil	(43.94)	Nil	Nil	Nil	Nil	(43.94)
Payment of Final Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Final Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Payment of Interim Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Interim Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil	Nil
Transfer to General Reserve	22	21,192.33	(30.74)	791.22	35.00	Nil	6,461.66	28,449.47

As per our report of even date attached herewith

For J. T. Shah & Co.**Chartered Accountants****(Firm Regd. No. 109616W)****(J. J. Shah)****Partner****(M.No.045669)****UDIN:20045669AAAAAW2092**

Place : Ahmedabad

Date : June 25, 2020

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited**Mahendra G. Patel**

(Managing Director)

(DIN : 00104706)

Hashmukh I. Patel

(Whole Time Director)

(DIN : 00104834)

Darshit A. Shah

(Chief Financial Officer)

Niren A. Desai

(Company Secretary)

(M. No.: A60285)

Place : Ahmedabad

Date : June 25, 2020

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

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 its 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.

These financial statements are presented in Indian rupees in lakhs with figures rounded off to nearest rupee except otherwise indicated and same were approved by the Board of the Directors of the Company in their meeting held on June 25, 2020.

2. Statement of compliance:

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

The current financial statements comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the financial statements.

3. Basis of preparation:

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

- a. Employee defined benefit plans – Plan assets - Refer Note 45
- b. Financial Instruments recognised at FVTPL or FVTOCI - Refer Note 47

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 4(ii) below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the individual financial statements.

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

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note 11, 19 and 31)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 5)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without undue cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 10 & 18)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 45)

e. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 47)

f. Other estimates

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

ii) Revenue Recognition:

Revenue from Contracts with Customers

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

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

a) Sale of Goods

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

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company has a present right to payment for the asset.
- The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

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

b) Rendering of Services

Revenue from divisible service contracts:

- i) service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and
- ii) the revenue relating to supplies are measured in line with policy set out in 4(ii)(a).

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

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

c) Export Incentives

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

d) Interest Income

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

e) Insurance Claim:

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

iii) Property, Plant & Equipment:

Property, Plant & Equipment

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

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

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

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

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

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

Capital Work-in-progress

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

Compensation for impairment:

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

Derecognition of Property, Plant and Equipment:

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

iv) Depreciation on Property, Plant & Equipment:

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

Depreciation on tangible property, plant and equipment is provided over the useful lives specified as under, further no Depreciation has been provided on Free hold land:-

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

v) Intangible Assets and Amortization:

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

vi) Impairment of Non-Financial Assets :

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets

have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

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

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

vii) Borrowing Costs:

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

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

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

viii) Inventories:

Raw Materials, Packing Materials, Stores and Spares

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

Finished Goods and Work-in-progress

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

Stock in Trade

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

ix) Leases:

As a Lessee

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or

before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

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

Short-term leases and leases of low-value assets

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

As a Lessor

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

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

x) Government Grants and Subsidies:

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

xi) Financial Instruments:

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

Financial Assets

a. Initial recognition and measurement

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

b. Subsequent measurement

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

- i) Financial assets measured at amortised cost;

- ii) Financial assets at fair value through profit or loss (FVTPL) and
- iii) Financial assets at fair value through other comprehensive income (FVTOCI).

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

- a) The Company's business model for managing the financial assets, and
- b) The contractual cash flows characteristics of the financial asset.

i) Financial assets measured at amortised cost :

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

- a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

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

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

c. Derecognition

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

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

d. Impairment

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

- i. Trade receivables,
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables),
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

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

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

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

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

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

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

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

Financial Liabilities

a. Initial recognition and measurement

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

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

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

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

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

xiii) Foreign currency transactions and translations

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

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

xiv) Employee benefits**Short term employee benefits**

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

Post employment benefits**a. Defined contribution plans**

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

b. Defined benefit plans

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

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

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

xv) Income Taxes:

a) Current tax:

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Effective from 1st April, 2019, the Company has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment. However adoption of the same does not have any impact on the Balance Sheet, Statement of Change in Equity and Statement of Profit & Loss Account.

b) Deferred tax:

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

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

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

(xvi) Provisions, Contingent Liabilities and Contingent Assets :

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

(xvii) Earnings per equity share:

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

(xviii) Dividend:

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

(xix) Goods and Service Tax:

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

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

(xx) Segment reporting

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

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note 46 for segment information presented.

(xxi) Statement of Cash flows

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

(xxii) Standards issued but not yet effective

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

Note 5: Property, Plant and Equipment

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
(₹ in Lakhs)									
Gross Carrying Value as on March 31, 2018	1,473.79	2,460.16	4,417.02	227.96	277.38	18.29	55.20	76.71	9,006.51
Addition during the year	71.62	34.74	547.38	52.14	144.27	Nil	192.28	34.01	1,076.44
Deduction during the year	Nil	Nil	55.51	Nil	50.80	Nil	Nil	Nil	106.31
Gross Carrying Value as on March 31, 2019	1,545.41	2,494.90	4,908.89	280.10	370.85	18.29	247.48	110.72	9,976.64
Addition during the year	Nil	185.75	409.17	45.96	117.56	20.06	21.57	19.62	819.69
Deduction during the year	Nil	Nil	104.73	Nil	5.71	Nil	Nil	Nil	110.44
Gross Carrying Value as on March 31, 2020	1,545.41	2,680.65	5,213.33	326.06	482.70	38.35	269.05	130.34	10,685.89
Accumulated depreciation as on March 31, 2018	Nil	116.34	495.29	51.20	20.96	5.14	12.24	44.17	745.34
Addition during the year	Nil	78.06	301.23	32.88	43.44	2.65	7.30	18.10	483.66
Deduction during the year	Nil	Nil	36.04	Nil	18.93	Nil	Nil	Nil	54.97
Accumulated depreciation as on March 31, 2019	Nil	194.40	760.48	84.08	45.47	7.79	19.54	62.27	1,174.03
Addition during the year	Nil	79.87	322.46	35.90	53.20	3.07	14.00	23.08	531.58
Deduction during the year	Nil	Nil	51.39	Nil	4.27	Nil	Nil	Nil	55.66
Accumulated depreciation as on March 31, 2020	Nil	274.27	1,031.55	119.98	94.40	10.86	33.54	85.35	1,649.95
Net Carrying Value as on March 31, 2018	1,473.79	2,343.82	3,921.73	176.76	256.42	13.15	42.96	32.54	8,261.17
Net Carrying Value as on March 31, 2019	1,545.41	2,300.50	4,148.41	196.02	325.38	10.50	227.94	48.45	8,802.61
Net Carrying Value as on March 31, 2020	1,545.41	2,406.38	4,181.78	206.08	388.30	27.49	235.51	44.99	9,035.94

Notes:

i. Assets pledged as security:

Refer Note No. 59 of financial statement for disclosure of assets pledged as security.

ii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2020 - ₹ Nil/- (for the year ended March 31, 2019: ₹ Nil/-).

iii. Contractual obligations:

Refer Note No. 43 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment

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

5A Right to use assets
₹ in Lakhs

Particulars	Write to use of Assets
Carring cost as at April 1, 2018	Nil
Addition	Nil
Disposal	Nil
Balance as on March 31, 2019	Nil
Addition	Nil
Disposal	Nil
Reclassification of Assets on Adoption of Ind AS 116	31.86
Balance as on March 31, 2020	31.86
Accumulated depreciation and impairment as on April 1, 2018	Nil
Addition	Nil
Eliminated on disposal	Nil
Balance as on March 31, 2019	Nil
Addition	2.16
Eliminated on disposal	Nil
Balance as on March 31, 2020	2.16
Net Carrying amount as on April 1, 2018	Nil
Net Carrying amount as on March 31, 2019	Nil
Net Carrying amount as on March 31, 2020	29.70

Note 6 : Capital Work in Progress

Particulars	₹ in Lakhs
Balance at March 31, 2018	29.12
Addition during the year	165.12
Capitalised during the year	Nil
Balance at March 31, 2019	194.24
Addition during the year	123.60
Capitalised during the year	313.80
Balance at March 31, 2020	4.04

Note 7 : Other Intangilble Assets
₹ in Lakhs

Particulars	Computer Software	Patents	Total
Gross Carrying Value as on March 31, 2018	56.98	1.40	58.38
Addition during the year	17.12	Nil	17.12
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2019	74.10	1.40	75.50
Addition during the year	7.74	Nil	7.74
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2020	81.84	1.40	83.24
Accumulated amortisation as on March 31, 2018	24.03	0.80	24.83
Addition during the year	7.86	0.40	8.26
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2019	31.89	1.20	33.09
Addition during the year	13.11	0.10	13.21
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2020	45.00	1.30	46.30
Net Carrying Value as on March 31, 2018	32.95	0.60	33.55
Net Carrying Value as on March 31, 2019	42.21	0.20	42.41
Net Carrying Value as on March 31, 2020	36.84	0.10	36.94

Notes:
i. Amortization on intangible Assets

Refer Note No. 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

8 Non Current Investments

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
(a) Investments in Subsidiary at cost		
A Investment in Equity instruments: (unquoted)		
i 98,58,438 (PY.98,58,438) Equity Share of Lincoln Parenteral Limited of face value ₹ 10 each fully paid up.	1,992.52	1,992.52
ii 50,000 (PY.20,00,000) Equity Shares of Savebux Enterprises Private Limited (Under Liquidation) of face value ₹ 10 each fully paid up. (Refer Note (ii) to this schedule)	5.00	200.00
B Investment in Limited Liability Partnership:		
i Zullinc Healthcare LLP (Refer Note ii to this schedule)	5.00	5.00
C Investment in Other Equity Instruments:		
i Lincoln Parenteral Limited:		
Equity Component of Financial Instruments issued in favour of subsidiary		
Interest-free security deposits (Refer Note i(a) to this schedule)	546.19	546.19
Financial Guarantee (Refer Note i(b) to this schedule)	29.73	29.73
	2,578.44	2,773.44
(b) Investments in other equity instruments at amortised cost (unquoted)		
320 (PY.320) Equity Share of Navnirman Co operative Bank Limited of face value ₹ 25 each fully paid up	0.08	0.08
(c) Investments in government securities at amortised cost (unquoted)		
National Saving Certificate	0.10	0.10
Total	2,578.62	2,773.62
Aggregate amount of quoted investment - At cost	Nil	Nil
Aggregate amount of unquoted investment - At cost	2,002.70	2,197.70

Note:

- i Equity Component of Financial instrument comprises of following:
 - a. Recognition of notional commission premium on fair valuation of financial guarantee,
 - b. Recognition of equity component of interest free security deposit given to subsidiary.
- ii During the year under consideration, subsidiary of the company namely "Savebux Enterprises Private Limited" has applied for voluntary winding up process and pursuant to the same Insolvency Professional has returned capital contribution of ₹ 195 Lakhs to the company, hence the investment amount has been reduced to that extent.
- iii 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 18)

Details in respect of investment in subsidiaries:

Name of the Company	Principle place of business/ Country of Incorporation	% of holding as at 31/03/2020	% of holding as at 31/03/2019
Lincoln Parenteral Limited	India	98.58%	98.58%
Savebux Enterprises Private Limited (Under Liquidation)	India	100.00%	100.00%
Zullinc Healthcare LLP	India	100.00%	100.00%

9 Non-Current Loans

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Unsecured, considered good		
Loans to related parties	Nil	Nil
Inter-Corporate Loans	250.00	250.00
Loans to others	1,228.17	1,330.05
Total	1,478.17	1,580.05

10 Other Non-Current Financial Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Margin Money Deposit	3.49	1.22
Loan to Employees	2.42	2.01
Security Deposits	1,678.12	1,557.94
Total	1,684.03	1,561.17

11 Other Non-Current Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Unsecured, considered good		
Prepayment charges*	Nil	31.86
Advances for Capital Goods	6.20	0.58
Advance Income Tax :		
Advance Payment of Income Tax	3,365.15	1,865.90
Less: Provision for Income tax	(3,074.55)	(1,645.55)
Advance Income Tax (net)	290.60	220.35
Advance to Employees	38.95	20.06
Total	335.75	272.85

***Note:** Effective from April 1, 2019, the Company has adopted Ind AS-116 "Lease", hence right to use asset in respect of Leasehold Land which was earlier shown as Other Non-Current Assets, are now stated as Right to use asset in Note.5A in the financial statements at carrying value less amortization of leasehold premium.

12 Inventories

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Raw materials	1,132.20	1,033.49
Work-in-Process	548.30	122.96
Finished Stock	757.59	404.14
Packing Material	417.80	295.68
Stock in Trade	897.84	1,091.13
Total	3,753.73	2,947.40

- Inventory of Raw Material includes material in transit- as on 31-03-2020 of ₹ Nil (as on 31-03-2019 of ₹ Nil)
- Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2020 of ₹ 311.43 Lakhs (as on 31-03-2019 of ₹ 292.93 Lakhs)
- The cost of inventories recognized as an expenses includes ₹ Nil (during 2018-19 ₹ Nil) in respect of write-down of inventory to net realizable value, and has been reduced by ₹ Nil (during 2018-19 : ₹ Nil) in respect of the reversal of such write-down.
- Inventories pledged as Security with bank for borrowing as on 31-03-2020 of ₹ 3753.73 Lakhs (as on 31-03-2019 of ₹. 2947.39 Lakhs)

13 Current Investments

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Investment in mutual fund at fair value through profit and loss		
39,47,201 (PY.39,47,201) units of SBI Savings Fund - Direct Plan - Growth	1,277.59	1,185.71
69,305.279 (PY. 21,306.804) units of SBI Liquid Fund-Regular Plan-Growth	2,144.04	621.37
Total	3,421.63	1,807.08
Aggregate Cost of Investment	3,068.45	1,622.58
Aggregate NAV of Investment	3,421.63	1,807.08

14 Trade receivables

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Trade Receivables (Unsecured)		
Trade Receivable Considered Good - Unsecured	7,912.24	8,969.06
Trade Receivables which have significant increase in Credit Risk	1,348.03	2,488.17
Trade Receivable Credit Impaired	Nil	Nil
	9,260.27	11,457.23
Less: Allowance for Expected Credit Loss	160.75	157.30
Total	9,099.29	11,299.81

Notes:

- For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note no.53.
- 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, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Balance at the beginning of the year	157.30	148.54
Add : Expected credit loss allowance made during the year	3.45	8.76
Less : Reversal of allowance made during the year	Nil	Nil
Closing Balance	160.75	157.30

15 Cash & Cash Equivalents

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Cash on hand	34.35	44.22
Bank Balance	857.94	486.72
Total	892.29	530.94

16 Other Bank Balances

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Margin Money Deposit	213.77	198.75
Bank Balances Earmarked for Dividend	15.14	13.21
Total	228.91	211.96

17 Current Loans

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Loans and advance to others	1,441.70	175.00
Total	1,441.70	175.00

18 Other Current Financial Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Current Capital Account in Zullinc Healthcare LLP (Refer Note 8)	109.34	103.99
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	1.67
Loan to Employees	11.23	13.35
Others	2.44	1.92
Total	123.01	120.93

19 Current Tax Assets (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Advance Income Tax :		
Advance Payment of Income Tax	Nil	1,500.00
Less: Provision for Income tax	Nil	(1,429.00)
Total	Nil	71.00

20 Other Current Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
(Unsecured, Considered good unless otherwise stated)		
Advances to Suppliers	1,014.95	831.55
Prepaid Expenses	92.31	76.94
Loans and advance to employees	42.73	45.22
Gratuity Fund	Nil	19.41
Balances with/amount receivable from Statutory authorities	1,427.01	1,309.65
Other receivables	0.14	5.32
Total	2,577.14	2,288.09

21 Equity Share Capital

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
[i] Authorised Share Capital: 2,00,00,000 (PY. 2,00,00,000) Equity shares of ₹10 each	2,000.00	2,000.00
[ii] Issued, Subscribed & Paid-up Capital : 2,00,00,000 (PY. 2,00,00,000) Equity shares of ₹10 each fully paid	2,000.00	2,000.00
Total	2,000.00	2,000.00

- (a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 is set out below:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares at the beginning	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	2,00,00,000	2,000.00	2,00,00,000	2,000.00

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

Name of the Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	14,00,000	7.00%	14,00,000	7.00%

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

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.

- (d) The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares or disinvestment.
- (e) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares or equity shares bought back for the period of 5 years immediately preceding the balance sheet date.

22 Other Equity

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
a) Capital Reserve		
Balance as per last financial Statement	35.00	35.00
Add: Addition during the year	Nil	Nil
Closing Balance	35.00	35.00
b) Equity Securities Premium		
Balance as per last financial Statement	6,461.66	6,461.66
Add: Share premium received during the year	Nil	Nil
Closing Balance	6,461.66	6,461.66
c) General Reserve		
Balance as per last financial Statement	741.22	691.22
Add: Transfer from Statement of Profit & Loss	50.00	50.00
Closing Balance	791.22	741.22
d) Retained Earnings		
Profit and Loss:		
Balance as per last financial Statement	17,009.32	12,757.30
Add : Profit for the year	4,956.35	4,663.69
Less: Transfer to General reserve	(50.00)	(50.00)
Less: Interim Dividend Paid	(300.00)	Nil
Less: Final Dividend Paid	(300.00)	(300.00)
Less: Tax on Interim Dividend	(61.67)	Nil
Less: Tax on Final Dividend	(61.67)	(61.67)
Net Surplus in the statement of profit and loss (i)	21,192.33	17,009.32
Other Comprehensive Income:		
Balance as per last financial Statement	13.20	8.86
Add: Remeasurement of Defined benefit plans (including deferred tax)	(43.94)	4.34
Net Surplus in the statement of other comprehensive income (ii)	(30.74)	13.20
Total Retained Earnings (i + ii)	21,161.59	17,022.52
Total	28,449.47	24,260.40

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 recognized in equity security premium. Being realized in cash, the same can be utilized by the company as per provision of Company Act, 2013.

Retained earnings: Retained earnings can be utilized 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 realized in cash and can be utilized by the company as per provision of Company Act, 2013.

23 Non-Current Borrowings

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Secured Borrowing		
Term Loan from Banks	Nil	276.93
Less : Current maturities of long-term debt (Note No. 28)	Nil	153.85
Closing Balance	Nil	123.08
Vehicle Loan	86.14	74.59
Less : Current maturities of long-term debt (Note No. 28)	34.17	28.45
Closing Balance	51.97	46.14
Total	51.97	169.22

Notes:

- The company has availed the secured term loan from Yes Bank for windmill which is secured against exclusive hypothecation charge on windmill & personal guaranty of Three Promoter directors. The loan is payable in 84 monthly instalment. Interest on said loan shall be payable at Yes Bank Limited Base Rate + 0.15% from time to time. The said loan has been repaid on September 20, 2019.
- Vehicle Loan includes loans from bank and finance companies. The Repayment period of these loans ranges from 12 to 37 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.
- Year wise repayment schedules:

Year	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
FY.2019-20	Nil	182.30
FY.2020-21	34.17	145.00
FY.2021-22	29.52	16.21
FY.2022-23	22.45	8.00
FY.2023-24	0.01	Nil
Total	86.14	351.51

24 Other Non Current Financial Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Trade Deposits	405.22	367.52
Total	405.22	367.52

25 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	359.05	368.82
Total Deferred Tax Liabilities	359.05	368.82
Deferred Tax Assets		
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	44.91	4.88
Allowance for Expected Credit Losses	46.85	54.97
Unused Tax Credit	Nil	Nil
Total Deferred Tax Assets	91.76	59.85
Net Deferred Tax Liability	267.29	308.98

₹ in Lakhs

Movements in Deferred Tax Liabilities	Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	Allowance for Expected Credit Losses	Unused Tax Credit
At April 01, 2018 *	(723.38)	(3.60)	51.91	89.94
Charged/(credited):				
- to profit and loss	(354.56)	(10.81)	(3.06)	89.94
- to other comprehensive income	Nil	2.33	Nil	Nil
At March 31, 2019 *	(368.82)	4.88	54.97	Nil
Charged/(credited):				
- to profit and loss	(9.77)	(21.98)	8.12	Nil
- to other comprehensive income	Nil	(18.05)	Nil	Nil
At March 31, 2020 *	(359.05)	44.91	46.85	Nil

* Figures in bracket denotes Deferred Tax Liability.

26 Current Borrowings

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Secured Borrowing		
From Bank (Repayable on Demand)	383.32	2,477.77
Unsecured Borrowing		
From Bank (Repayable on Demand)	Nil	531.58
Total	383.32	3,009.35

Security :

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

i) Primary Security :

Hypothecation of entire current assets of the company

ii) Collateral Security :

Charge over entire fixed assets of the company including

1. 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 admeasuring 1,692.94 Sq. mtrs, 3,590.30 Sq. mtrs respectively i.e. collectively 12,124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd. and
2. Hypothecation of Plant & machinery and other movable assets of the company excluding windmill.

iii) Personal Guarantees of all three promoter directors.

27 Trade payables

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Payable to Micro and Small Enterprise	654.39	272.80
Payable to others	3,545.59	3,298.10
Total	4,199.98	3,570.90

Notes:

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The disclosure in respect of the MSMED Act, 2006 has been provided at note 57.

28 Other Current Financial Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Current Maturity of long term borrowings (Note No : 23)	34.17	182.30
Unpaid dividend	15.14	13.21
Interest accrued but not due on borrowings	5.24	2.49
Creditors for Property, Plant & Equipment	350.78	374.80
Employee Benefit Payable	147.69	344.84
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	43.93	Nil
Total	596.95	917.64

29 Other Current Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Advance Received from Customer	152.73	Nil
Other Statutory dues	97.30	75.15
Total	250.03	75.15

30 Current Provisions

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Provision for Gratuity (refer note no. 45)	43.60	Nil
Total	43.60	Nil

31 Current Tax Liabilities (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Provision For Income tax	1,470.01	Nil
Less: Advance Payment of Income Tax	(1,396.89)	Nil
Total	73.12	Nil

32 Revenue from operation

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Sale of Products:		
Finished Goods	36,439.06	34,108.70
Sale of services:		
Job Work Charges	231.05	290.76
Other Operating Revenue:		
Export Incentive	899.19	866.04
Scrap Sales	39.53	38.74
	938.72	904.78
Total	37,608.83	35,304.24

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

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Gross Revenue	38,017.93	35,534.23
	38,017.93	35,534.23
Less: Rebate & Discount etc.	1,308.29	1,096.03
Revenue recognised from Contract with Customer	36,709.64	34,438.20

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

Particulars	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
Revenue from operation	37,608.83	35,304.24
Less: Export incentive	899.19	866.04
Revenue from contracts with Customers	36,709.64	34,438.20

33 Other Income

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Interest Income:		
Interest from bank	14.41	13.46
Interest income on financial assets on Unwinding of discount	116.82	108.67
Interest from others	124.50	76.31
Dividend Income	Nil	Nil
Share of profit from subsidiaries	5.36	10.82
Commission on Financial Guarantee issued	Nil	8.11
Gain on fair valuation of Current Investments	169.98	89.97
MTM Loss on Fair Valuation of Derivative contracts	Nil	10.14
Gain on sale of Current Investments	9.57	3.64
Gain on sale of Non Current investments	Nil	Nil
Foreign Exchange Gain (net)	772.34	336.42
Miscellaneous Income	0.11	Nil
Total	1,213.09	657.54

34 Cost of Materials Consumed

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Raw Material		
Inventory at the beginning of the year	1,033.49	907.93
Add: Purchase	7,920.95	6,156.87
Less: Inventory at the end of the year	1,132.20	1,033.49
Cost of Consumption of Raw Material	7,822.24	6,031.31
Packing Materials		
Inventory at the beginning of the year	295.68	389.66
Add: Purchase	2,496.94	1,958.20
Less: Inventory at the end of the year	417.80	295.68
Cost of Consumption of Packing Materials	2,374.82	2,052.18
Total	10,197.06	8,083.49

35 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Purchase of stock in trade	9,066.22	8,891.01
Total	9,066.22	8,891.01

36 Change In Inventories of Finished Goods, Work In Progress and Stock In Trade

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Stock in trade		
Stock at the Beginning of the financial year	1,091.13	1,378.79
Stock at the End of the financial year	897.84	1,091.13
	193.29	287.66
Finished Goods		
Stock at the Beginning of the financial year	404.14	397.42
Stock at the End of the financial year	757.59	404.14
	(353.45)	(6.72)
Work in Progress		
Stock at the Beginning of the financial year	122.96	575.32
Stock at the End of the financial year	548.30	122.96
	(425.34)	452.36
Summary		
Stock at the Beginning of the financial year	1,618.23	2,351.53
Stock at the End of the financial year	2,203.73	1,618.23
Change in inventory	(585.50)	733.30

37 Employee Benefit Expense

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Salary, Wages & Bonus	5,077.41	4,394.13
Contribution to Provident Fund & Other Funds	233.91	179.79
Staff welfare Expenses	178.59	266.14
Total	5,489.91	4,840.06

38 Finance Costs

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Interest to bank	110.36	265.91
Interest to others	36.18	32.41
Other Borrowing Cost	51.82	86.05
Total	198.36	384.37

39 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Depreciation on Property, Plant & Equipment	531.58	483.66
Depreciation on Right to use Assets	2.16	Nil
Depreciation on Intangible Assets	13.21	8.26
Total	546.95	491.92

40 Other Expenses

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Power and Fuel	756.75	707.54
Labour Charges	983.61	922.28
Loading & Unloading Charges	3.54	2.63
Stores And Spares Consumption	48.43	66.86
Factory Expenses	81.09	71.21
Laboratory & Testing Charges	316.14	352.76
Repairs & Maintenance:		
Building	123.60	211.79
Machinery	38.19	54.21
Other assets	120.10	103.91
	281.89	369.91
Loss On Sales Of Assets	4.02	19.76
Loss on sale of export licence	8.87	6.59
Amortisation of Lease Premium	Nil	2.16
Computer Expense	39.97	27.17
Rent	11.54	21.88
Rate & Taxes	141.81	215.06
Auditors' Remuneration (Refer Note No. 50)	9.00	9.00
Legal and Registration Expense	233.76	272.09
Professional & Consulting Fees	814.81	746.92
Inspection Fees	Nil	0.15
Conveyance & Vehicle Expense	60.71	57.13
Travelling Expense	532.31	481.51
Transportation Expense	237.51	228.51
Donation	8.47	2.80
Insurance	57.04	45.72

40 Other Expenses (Contd...)

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Office Expense	48.65	38.68
Post & Telephone Expense	43.16	50.90
Stationery, Printing & Xerox	42.88	51.73
Security Expense	54.63	41.65
CSR Expense	99.11	75.61
MTM Loss on Fair Valuation of Derivative contracts	45.60	Nil
Advertisement Expense	19.27	27.55
Sales Promotion & Marketing Expense	1,453.17	1,358.57
Sales Commission Expense	878.14	322.28
Bad debt Written off	180.11	67.42
Allowance for expected credit loss expenses	3.45	8.76
Miscellaneous Expense	4.83	50.64
Total	7,504.27	6,723.43

41 Income tax recognised in profit and loss

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Current tax	1,470.01	1,429.00
Tax expense related to prior period	1.92	Nil
	1,471.93	1,429.00
Deferred tax liability / (assets)	(23.63)	(278.49)
	(23.63)	(278.49)
Total	1,448.30	1,150.51

Income tax reconciliation

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Profit before tax	6,404.65	5,814.20
Tax expenses reported during the year	1,448.30	1,150.51
Income tax expenses calculated at 29.12% (PY.34.94%)	1,865.03	2,031.72
Difference	(416.73)	(881.21)
Permanent disallowances	30.16	85.18
Income not taxable under Income tax	(83.52)	(79.57)
Tax benefit available in respect of scientific research	(357.10)	(635.27)
Utilisation of MAT Credit	Nil	(81.78)
Adjustment of current tax of prior years	1.92	(164.53)
Other Items	(8.20)	(5.23)
Total	(416.73)	(881.21)

42 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	(61.99)	6.67
(ii) Income tax relating to these items that will not be reclassified to profit and loss		
Deferred tax impact on actuarial gain/(loss)	18.05	(2.33)
Total	(43.94)	4.34

43. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.03	0.58
Advance paid against such contracts	6.20	0.58
Remaining outstanding commitment	2.83	Nil

44. Contingent Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Income Tax demands disputed in appeal by the Company / Income Tax Authorities. Against which amount of Rs.Nil (PY. Nil/-) been deposited by the company	217.08	217.33

45. 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 ₹ 84.26 Lakhs (March 31, 2019: ₹ 13.75 Lakhs) has been charged to the Statement of Profit and Loss in respect of this plan.

(b) Defined Benefit Plan - Gratuity:

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

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

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

A. Expenses Recognized during the period

Particulars	Gratuity	
	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
In Income Statement	22.27	20.42
In Other Comprehensive (Income) / loss	61.99	(6.67)
Total Expenses Recognized	84.26	13.75

45. Details of Employee Benefits: (Contd.)
A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Current Service Cost	23.76	20.16
Past Service Cost	Nil	Nil
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	(1.49)	0.26
Expenses Recognized in the Statement of Profit and Loss	22.27	20.42

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Actuarial (gains) / losses on Obligation for the period	59.08	(8.95)
Return on plan assets, excluding amount recognized in net interest expense	2.91	2.28
Components of defined benefit costs recognized in other comprehensive income	61.99	(6.67)

B. Net Liability recognized in the balance sheet

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Present Value of Obligation	(243.89)	(162.60)
Fair value of plan assets	200.30	182.01
Surplus / (Deficit)	(43.59)	19.41
Net (Liability) recognized in the Balance sheet	(43.59)	19.41

B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Present Value of Obligation as at the beginning	162.60	155.87
Current Service Cost	23.76	20.16
Interest Expense or Cost	12.50	12.28
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(4.09)	3.21
- change in demographic assumptions	Nil	Nil
- experience variance	63.17	(12.16)
Past Service Cost	Nil	Nil
Benefits Paid Directly from Employer	(1.25)	(16.48)
Benefit Paid from the Fund	(12.80)	(0.28)
Present Value of Obligation as at the end of the year	243.89	162.60

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Fair value of Plan Assets at the beginning of the year	182.01	152.55
Interest Income	14.00	12.02
Contribution by Employer	20.00	20.00
(Benefit paid from the Fund)	(12.80)	(0.28)
Return on Plan Assets, Excluding Interest Income	(2.91)	(2.28)
Fair Value of Plan Assets at the end of the year	200.30	182.01

45. Details of Employee Benefits: (Contd.)
C. Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.83%	7.69%
Expected rate of salary increase	5.50%	6.50%
Expected Return on Plan Assets	6.83%	7.69%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Defined Benefit Obligation (Base)	243.89	162.60

Particulars	Year Ended March 31, 2020 ₹		Year Ended March 31, 2019 ₹	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	29.25	(24.48)	18.79	(15.79)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(24.98)	29.34	(16.09)	18.82
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(2.83)	2.34	(1.55)	1.29

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Weighted average duration (based on discounted cash flows)	13	12

45. Details of Employee Benefits: (Contd.)

Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
1 year	32.69	21.11
2 to 5 years	36.88	28.48
6 to 10 years	70.84	49.47
10 year and Above	483.18	364.12

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.

46. Segment Reporting

The Company's management, consisting of the Managing Director, the chief financial officer and other key managerial personnel for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments" and in the opinion of management the Company is primarily engaged in the business of "Pharmaceutical Products". All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

(i) The Geographic details of revenue and Non Current Assets are as under

Particulars	India	Rest of World	Total	Years
Segment Revenues	15,908.41	21,700.42	37,608.83	For 2019-20
	15,560.90	19,743.34	35,304.24	For 2018-19
Segment Non Current Assets	15,183.25	Nil	15,183.25	As at 31/03/2020
	15,226.95	Nil	15,226.95	As at 31/03/2019

(ii) Details of customer contributing 10% or more of total revenue:

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
No. of customers contributing 10% or more of total revenue (individually)	1	1
Amount of revenue	4,815.56	3,906.97
% of total revenue	12.40%	10.86%

47 Fair Value Measurements

Financial instrument by category and their fair value

(₹ in Lakhs)

As at March 31, 2020	Note Reference	Carrying Amount			Fair Value (only those items which are recognised at FVTPL / FVTOCI)				
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	2,578.62	2,578.62	Nil	Nil	Nil	Nil
Current	13	3,421.63	Nil	Nil	3,421.63	3,421.63	Nil	Nil	3,421.63
Non Current Loans	9	Nil	Nil	1,478.17	1,478.17	Nil	Nil	Nil	Nil
Current Loans	17	Nil	Nil	1,441.70	1,441.70	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	9,099.29	9,099.29	Nil	Nil	Nil	Nil
Cash and Cash	15	Nil	Nil	892.29	892.29	Nil	Nil	Nil	Nil
Equivalents									
Other Bank Balances	16	Nil	Nil	228.91	228.91	Nil	Nil	Nil	Nil
Non Current Other	10	Nil	Nil	1,684.03	1,684.03	Nil	Nil	Nil	Nil
financial assets									
Other Current Financial	18	Nil	Nil	123.01	123.01	Nil	Nil	Nil	Nil
Assets									
Total Financial Assets		3,421.63	Nil	17,526.03	20,947.66	3,421.63	Nil	Nil	3,421.63
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	51.97	51.97	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	383.32	383.32	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	405.22	405.22	Nil	Nil	Nil	Nil
Current	28	43.93	Nil	553.02	596.95	Nil	Nil	43.93	43.93
Trade Payables	27	Nil	Nil	4,199.98	4,199.98	Nil	Nil	Nil	Nil
Total Financial		43.93	Nil	5,593.51	5,637.44	Nil	Nil	43.93	43.93
Liabilities									

As at March 31, 2019	Note Reference	Carrying Amount			Fair Value (only those items which are recognised at FVTPL / FVTOCI)				
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	2,773.62	2,773.62	Nil	Nil	Nil	Nil
Current	13	1,807.08	Nil	Nil	1,807.08	1,807.08	Nil	Nil	1,807.08
Non Current Loans	9	Nil	Nil	1,580.05	1,580.05	Nil	Nil	Nil	Nil
Current Loan	17	Nil	Nil	175.00	175.00	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	11,299.81	11,299.81	Nil	Nil	Nil	Nil
Cash and Cash	15	Nil	Nil	530.94	530.94	Nil	Nil	Nil	Nil
Equivalents									
Other Bank Balances	16	Nil	Nil	211.96	211.96	Nil	Nil	Nil	Nil
Other Non Current	10	Nil	Nil	1,561.17	1,561.17	Nil	Nil	Nil	Nil
financial assets									
Other Current	18	1.67	Nil	119.26	120.93	Nil	Nil	1.67	1.67
Financial Assets									
Total Financial		1,808.75	Nil	18,251.81	20,060.56	1,807.08	Nil	1.67	1,808.75
Assets									
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	169.22	169.22	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	3,009.35	3,009.35	Nil	Nil	Nil	Nil
Other Financial									
Liabilities									
Non Current	24	Nil	Nil	367.52	367.52	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	917.64	917.64	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	3,570.90	3,570.90	Nil	Nil	Nil	Nil
Total Financial		Nil	Nil	8,034.63	8,034.63	Nil	Nil	Nil	Nil
Liabilities									

47 Fair Value Measurements: (Contd.)

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 liabilities

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

Level 3 - Inputs for the assets or liabilities 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 liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices 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.

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

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

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

I Credit Risk

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

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

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

48. Financial risk management : (Contd.)

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.

1) 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 of the same is based on historical data. The Company does not hold collateral as security.

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

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 160.75 Lakhs as at March 31, 2020 and ₹ 157.30 Lakhs as at March 31, 2019. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

Movement in allowance for Expected Credit Loss	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Balance at the beginning of the year	157.30	148.54
Add : Allowance made during the year	3.45	8.76
Less : Reversal of allowance made during the year	Nil	Nil
Balance at the end of the year	160.75	157.30

2) 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, 2020 and March 31, 2019; the Company had unutilized credit limits from banks of ₹ 6,773.68 Lakhs and ₹ 5,347.65 Lakhs respectively. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

48. Financial risk management : (Contd.)

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.

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2020	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note.23)	51.97	Nil	29.52	22.46	Nil	51.97
Current (Refer Note.26 & 28)	417.49	417.49	Nil	Nil	Nil	417.49
Other Financial Liabilities:						
Non Current (Refer Note.24)	405.22	Nil	405.22	Nil	Nil	405.22
Current (Refer note.28)	562.78	562.78	Nil	Nil	Nil	562.78
Trade Payables (Refer Note.27)	4,199.98	4,199.98	Nil	Nil	Nil	4,199.98
Total	5,637.44	5,180.25	434.74	22.46	Nil	5,637.44

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2019	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note.23)	169.22	Nil	145.00	24.21	Nil	169.22
Current (Refer Note.26 & 28)	3,037.80	3,037.80	Nil	Nil	Nil	3,037.80
Other Financial Liabilities:						
Non Current (Refer Note.24)	367.52	Nil	367.52	Nil	Nil	367.52
Current (Refer Note.28)	889.19	889.19	Nil	Nil	Nil	889.19
Trade Payables (Refer Note.27)	3,570.90	3,570.90	Nil	Nil	Nil	3,570.90
Total	8,034.63	7,497.89	512.52	24.21	Nil	8,034.63

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

48. Financial risk management : (Contd.)

and may continue to fluctuate substantially in the future. As of March 31, 2020, the Company had entered into derivative contracts of ₹ 2,165.54 Lakhs (PY. ₹ 592.26 Lakhs) to hedge exposure to fluctuations in foreign currency risk. The below sensitivity is calculated after netting off 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:

(₹ & FC in Lakhs)			
Particulars	Currency	As at March 31, 2020	As at March 31, 2019
a) Trade Receivables (Against Export)	USD	34.57	65.44
	INR	2,606.36	4,526.31
	EURO	1.06	4.35
	INR	88.36	337.73
b) Trade Payables (Against import - including capital import)	USD	0.48	1.47
	INR	36.21	101.43
Net Statement of Financial Exposure (a - b)	USD	34.09	63.97
	INR	2,570.15	4,424.88
	EURO	1.06	4.35
	INR	88.36	337.73

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, 2020 ₹ in Lakhs		Year Ended March 31, 2019 ₹ in Lakhs	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	128.51	(128.51)	221.24	(221.24)
EURO	4.42	(4.42)	16.89	(16.89)
Total	132.93	(132.93)	238.13	(238.13)

b) Interest Risk

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

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

i) Exposure to interest rate risk

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Fixed Rate Borrowings (Refer Note No. 23)	86.14	74.59
Variable Rate Borrowings (Refer Note No. 23,26 & 28)	383.32	3,286.28
Total	469.46	3,360.87

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 23,26 & 28 of these financial statements.

48. Financial risk management : (Contd.)**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, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
50bp increase would decrease the profit before tax by	(1.92)	(16.43)
50bp decrease would increase the profit before tax by	1.92	16.43

c) Price Risk

The company's exposure to price risk arises from investments in mutual funds (Refer Note 13). The company has not undertaken any risk mitigation measures to reduce the price risk. The table below summarises the impact of increases / decreases of share price of the investments and profit for the period. The analysis is based on the assumption that the market price of those investments in Mutual Funds move by 5% point on either side with all other variables held constant.

(₹ in Lakhs)					
Particulars	Total No. of Units held	Average price per unit	Fair Value	% Change in Fair Value	Effect on Profit before Tax
March 31, 2020	40,16,506.28	85.19	3,421.63	5.00%	171.08
March 31, 2019	39,68,507.80	45.54	1,807.08	5.00%	90.35
				-5.00%	(171.08)
				-5.00%	(90.35)

49 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, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Non Current Borrowing (Refer Note.23)	51.97	169.22
Current Borrowing (Refer Note.26)	383.32	3,009.35
Current maturity of long term borrowing (Refer Note.28)	34.17	182.30
Total Borrowing	469.46	3,360.87
Cash and cash Equivalents (Refer Note.15)	(892.29)	(530.94)
Net debt	Nil	2,829.93
Equity	30,449.47	26,260.40
Net debt to equity ratio	Nil	10.78%

50. Details of Payment to Auditors (Refer Note No. 40):

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Payment to auditors:		
To Statutory Auditor:		
Audit fee	6.00	6.00
Taxation matters	3.00	3.00
Total	9.00	9.00

51. 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) & 35(2) of the Income Tax act, 1961.

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

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	261.63	Nil	320.63	Nil
Electrical Equipment	24.92	Nil	10.25	Nil
Furniture & Fixture	37.42	Nil	13.26	Nil
Employee Benefit Expenses	Nil	361.39	Nil	308.22
Material Consumption	Nil	293.07	Nil	276.07
Manufacturing expense	Nil	121.90	Nil	286.96
Administration Expenses	Nil	53.60	Nil	22.58
Total Amount Eligible for deduction U/s 35(2AB) of the income Tax Act, 1961.	323.97	829.96	344.14	893.83
Capital work-in-progress	2.39	Nil	109.81	Nil
R&D Building	25.77	Nil	Nil	Nil
Total Amount Eligible for deduction U/s 35(2) of the income Tax Act, 1961.	28.16	Nil	109.81	Nil
Total	352.13	829.96	453.95	893.83

52. Earnings Per Share (EPS)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit / (Loss) for calculation of basic / diluted EPS	₹ in Lakhs	4,956.35	4,663.69
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	Nos.	2,00,00,000	2,00,00,000
Basic and Diluted Earnings Per Share	₹	24.78	23.32
Nominal Value of Equity Shares	₹	24.78	23.32

A. Reconciliation on Amount of EPS

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	24.78	23.32
Total basic earnings per share attributable to the equity holders of the company	24.78	23.32
(b) Diluted earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	24.78	23.32
Total diluted earnings per share attributable to the equity holders of the company	24.78	23.32

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	4,956.35	4,663.69
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	4,956.35	4,663.69

52. Earnings Per Share (EPS): (Contd.)**C. Weighted average number of shares used as the denominator**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,00,00,000	2,00,00,000
(b) Diluted earnings per share		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	2,00,00,000	2,00,00,000

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share	Nil	Nil
(b) Diluted earnings per share	Nil	Nil

53. Related Parties Disclosures**(i) List of related parties:**

Name of related party	Nature of relationship
Lincoln Parenteral Limited	Subsidiary
Zullinc Healthcare LLP	Subsidiary
Savebux Enterprises Private Limited (Under Liquidation)	Subsidiary
Key Managerial Personnel:	
Mahendra G Patel	Managing Director
Hasmukh I Patel	Whole-Time Director
Ashish R Patel	Whole-Time Director
Munjal M Patel	Whole-Time Director
Rajnikant G Patel	Director
Arvindbhai G Patel	Director
Ishwarlal A Patel	Director
Darshit A Shah	Chief Financial Officer
Niren A Desai (From February 28, 2020)	Company Secretary
Bhavik P Parikh (Upto February 27, 2020)	Company Secretary
Entities in which Key managerial personnel and/or their relatives have control:	
Avis Travels	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel/ or their relatives
Shree Corporation	Entity controlled by Key Managerial Personnel/ or their relatives
Ashish R Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives
Mahendra G Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives
Munjal M Patel HUF	Entity controlled by Key Managerial Personnel/ or their relatives

53. Related Parties Disclosures (Contd.)

Name of related party	Nature of relationship
Relatives of Key Managerial Personnel:	
Anand A Patel	Son of Director
Dharmisthaben H Patel	Wife of Whole Time Director
Hansaben A Patel	Wife of Director
Jigar H Patel	Son of Whole Time Director
Mansi M Patel	Wife of Whole Time Director
Nidhi M Patel	Daughter of Managing Director
Aniruddh H Patel	Son of Whole Time Director
Shardaben G Patel	Mother of Managing Director / Whole Time Director
Shivani B Shah	Wife of Whole Time Director
Siddarth R Patel	Son of Director
Kailashben M Patel	Wife of Managing Director
Kalpanaben R Patel	Wife of Director

(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, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Lincoln Parenteral Limited	Purchase of goods	3,846.13	4,677.11
	Sale of goods	268.05	467.82
	Sale of services (Job Work Charges)	63.95	50.07
	Interest income on Unwinding of discount	116.82	108.67
	Reimbursement of Expenses	70.50	Nil
	Guarantee commission income	Nil	8.11
Zullinc Healthcare LLP	Sale of products	45.94	25.33
	Share of profit	5.36	10.82
Savebux Enterprises Private Limited (Under Liquidation)	Investment in equity instruments Received Back	(195.00)	Nil
	Advance received back	(1.60)	Nil
	Advance given	Nil	1.60
Avis Travels	Travelling expenses	Nil	5.89
Downtown Finance Pvt Ltd	Dividend Paid	3.18	1.59
	Loan repaid	Nil	5.97
Downtown Travels LLP	Travelling expenses	49.98	9.26
	Dividend Paid	14.25	7.13
Sunmed Corporation LLP	Commission	6.20	5.90
	Dividend Paid	15.00	7.50
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	34.90	52.81
Shree Corporation	Advance Received back	12.59	2.43
	Advance given	16.56	12.59
Ashish R Patel HUF	Commission	27.49	Nil
Mahendra G Patel HUF	Commission	11.80	11.80
Munjal M Patel HUF	Commission	11.80	11.80
Ashish R Patel	Remuneration	40.01	33.50
	Dividend Paid	15.89	7.95
Hasmukh I Patel	Remuneration	27.85	23.74
	Dividend Paid	11.21	5.60

53. Related Parties Disclosures (Contd.)

Name of related party	Nature of Transaction	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Mahendra G Patel	Remuneration	23.08	18.57
	Dividend Paid	15.05	4.15
	Rent	3.50	7.50
	Advances given	1.85	Nil
Munjal M Patel	Remuneration	25.21	20.70
	Dividend Paid	24.47	8.86
Rajnikant G Patel	Remuneration	Nil	12.81
	Dividend Paid	9.16	4.58
Darshit A Shah	Remuneration	8.40	6.97
Niren A Desai (From February 28, 2020)	Remuneration	0.35	Nil
Bhavik P Parikh (Upto February 27, 2020)	Remuneration	1.56	1.53
Kailashben M Patel	Rent	5.35	12.50
	Dividend Paid	9.90	1.20
Kalpanaben R Patel	Dividend Paid	8.79	4.40
Anand A Patel	Dividend Paid	3.96	1.98
Arvindhbai G Patel	Dividend Paid	3.33	1.67
Dharmisthaben H Patel	Dividend Paid	1.95	0.98
Hansaben A Patel	Dividend Paid	3.52	1.76
Ishwarlal A Patel	Dividend Paid	1.51	0.76
Jigar H Patel	Dividend Paid	1.54	0.77
Mansi M Patel	Dividend Paid	6.00	12.00
Nidhi M Patel	Dividend Paid	1.62	0.81
Aniruddh H Patel	Dividend Paid	1.54	0.77
Nishit M Patel	Dividend Paid	5.46	2.73
Shardaben G Patel	Dividend Paid	0.94	0.47
Shivani B Shah	Dividend Paid	6.06	3.03
Siddarth R Patel	Dividend Paid	12.60	6.30

Compensation to Key Managerial Personnel:

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Short term Employee benefit	126.46	117.82
Post Employment Benefits	3.57	3.11
Other Long-term employee benefits	Nil	Nil
Total	130.03	120.93

Balances outstanding at each reporting date:

Name of related party	Nature of Amount	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Lincoln Parenteral Limited:			
Investment in equity instruments	Non-current investments	1,992.52	1,992.52
Investment in other equity instruments	Non-current investments	575.93	575.93
Security deposits	Non-current loans	1,674.42	1,557.60
Advances to Supplier	Other Current Asset	679.66	363.55

53. Related Parties Disclosures (Contd.)

Name of related party	Nature of Amount	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Zullinc Healthcare LLP:			
Investment in equity instruments	Non-current investments	5.00	5.00
Share of profit receivable	Other current financial assets	109.34	103.99
Outstanding receivable	Trade receivables	698.57	1,337.27
Savebux Enterprises Private Limited (Under Liquidation)			
Investment in equity instruments	Non-current investments	5.00	200.00
Advances given	Other current assets	Nil	1.60
Sunmed corporation LLP:			
Advance to suppliers	Other current assets	99.50	99.50
Outstanding receivables	Trade receivables	16.75	Nil
Outstanding payables	Trade payables	(4.37)	Nil
Avis Travels	Trade payables	Nil	Nil
Downtown Travels LLP	Trade payables	(19.91)	(14.16)
Ashish R Patel	Other current Financial Liability	Nil	2.37
Mahendra G Patel	Other current assets	8.36	Nil
Munjal M Patel	Other current assets	1.75	Nil
Kailashben M Patel	Other current assets	3.27	Nil
Kailashben M Patel	Trade payables	(1.27)	Nil
Shree Corporation	Trade Receivable	3.97	Nil
Hasmukh I Patel	Other current Financial Liability	5.00	0.88
Bhavik P Parikh	Other current Financial Liability	Nil	0.12
Darshit A Shah	Other current Financial Liability	Nil	0.47

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, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Loans & Advances in the nature of Loans to Subsidiaries			
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	1,674.42	1,557.60

Particulars	Purpose	Maxium Amount Outstanding	
		Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Loans & Advances in the nature of Loans to Subsidiaries			
Lincoln Parenteral Limited (Security Deposits)	Business Purpose	1,674.42	1,557.60

54. Changes in Liabilities arising from Financial Activities

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Opening Balance	8,034.55	9,856.33
Cash inflow of non-current borrowings	40.00	Nil
Cash outflow of non-current borrowings	(305.38)	(393.47)
Changes in current borrowings cash flows	(2,626.03)	(1,845.35)
Changes in trade payable cash flows	629.08	66.71
Change in other current financial liability	(197.15)	281.54
Change in other non-current financial liability	37.70	3.39
Others	24.59	65.41
Closing Balance	5,637.36	8,034.55

55. Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items**a Exposure in foreign currency - Hedged**

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

(₹ & FC in Lakhs)

Currency	Number of Contracts	Sell Amount in Foreign Currency	Indian ₹ Equivalent
Forward contract to sell USD - As at 31/03/2020	8	27.00	2,042.96
Forward contract to sell EURO - As at 31/03/2020	2	1.48	122.59
Forward contract to sell USD - As at 31/03/2019	3	26.66	592.26

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2020 and 31st March, 2019 are as under:

(FC in Lakhs)

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
USD	0.48	1.47	34.57	65.44
EURO	Nil	Nil	1.06	4.35

(₹ in Lakhs)

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
USD	36.21	101.43	2,606.36	4,526.31
EURO	Nil	Nil	88.36	337.73

56. 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, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Gross amount required to be spent by the company during the year	92.50	74.50
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	99.11	75.61
Yet to be paid	Nil	Nil

57. Due to Micro and Small Enterprise

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

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	654.39	272.80
b) Interest due thereon	Nil	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

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

58. Dividends

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Equity shares		
Final dividend for the year ended 31 March 2019 of ₹ 1.50/- (31 March 2018 – ₹ 1.50) per fully paid share has been distributed	300.00	300.00
Interim dividend for the year 2019-20 of ₹ 1.50/- (in the year 2018-19- ₹ Nil) per fully paid share has been distributed	300.00	Nil
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.50/- per fully paid equity share as on 31 March 2019. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	Nil	300.00

59. Assets Pledged as Security

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

Particulars	Note No	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Non-Current Assets			
Property Plant & Equipment	5	8,728.63	8,802.61
Total Non Current Assets pledged as Security		8,728.63	8,802.61
Current Assets			
Inventories	12	3,753.73	2,947.40
Financial Assets			
Investments	13	3,421.63	1,807.08
Trade Receivable	14	9,099.29	11,299.81
Cash and cash equivalents	15	892.29	530.94
Other Bank Balance	16	213.77	198.75
Loans	17	1,441.70	175.00
Other Financial Assets	18	123.01	120.93
Other Current Assets	20	2,577.14	2,288.09
Total Current Assets pledged as Security		21,522.56	19,368.00
Total Assets Pledged as Security		30,251.19	28,170.61

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

- 60.** Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The Management based on current estimates expects that the carrying amounts of Receivables, Inventories & Advances will be recovered, net of provisions made.

The extent to which the COVID-19 pandemic will impact the company's financial performance is dependent on future developments, which are highly uncertain including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic conditions the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

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

As per our report of even date attached herewith

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAW2092

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Lincoln Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Lincoln Pharmaceuticals Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31st March, 2020**, 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 Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act of the consolidated state of affairs (consolidated financial position) of the group as at 31st March 2020, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flow and the consolidated change in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in paragraph 15 of the other matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
Revenue from the sale of goods is recognized upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter	<ol style="list-style-type: none"> 1. Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". 2. We performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of revenue recognition as per the sales terms with the customers. 3. We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms. 4. We also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Information other than the Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion & Analysis, Report on Corporate governance and Director's report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated change in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind As specified under section 133 of the Act. The respective Board of Directors of the companies/entities included in the Group are responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS Financial statements. Further in terms of the provision of the Act, the respective Board of Directors of the companies included in the Group are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its associate are responsible for oversee the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. (a) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 968.41 lakhs as at 31st March, 2020, total revenues of ₹ 177.05 lakhs and net cash flows amounting to ₹ 33.23 lakhs 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) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the act, none of the directors of the Group companies covered under the Act, are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statement has disclosed the impact of pending litigations on its financial position in the Consolidated financial statements; (Refer Note 45 to the financial statements);
 - 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]

Place: Ahmedabad
Date : June 25, 2020

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 20045669AAAAAV8831

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16(f) of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2020**.

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, 2020**, 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 explanations 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 2020, 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]

Place: Ahmedabad
Date : June 25, 2020

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 20045669AAAAAV8831



LINCOLN

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	11,282.83	11,125.60
(b) Right to use Asset	5A	29.70	Nil
(c) Capital work-in-progress	6	4.03	209.69
(d) Goodwill on consolidation	7	922.56	922.56
(e) Other intangible assets	7	36.94	42.41
(f) Financial assets			
(i) Investments	8	8.55	8.55
(ii) Loans	9	1,478.17	1,580.06
(iii) Others	10	17.85	10.61
(g) Other non-current assets	11	358.44	294.79
Total Non - Current Assets		14,139.07	14,194.27
2 Current assets			
(a) Inventories	12	4,739.60	3,622.57
(b) Financial Assets			
(i) Investments	13	3,421.63	1,807.07
(ii) Trade receivables	14	10,133.59	12,246.94
(iii) Cash and cash equivalents	15	1,223.06	545.68
(iv) Other Bank balances	16	235.09	211.97
(v) Loans	17	1,588.40	425.00
(vi) Other financial assets	18	13.67	18.04
(c) Current Tax Assets (Net)	19	0.11	74.62
(d) Other current assets	20	3,444.56	3,452.33
Total Current Assets		24,799.71	22,404.22
Total Assets (1+2)		38,938.78	36,598.49
B EQUITY AND LIABILITIES			
1 Equity			
(a) Share capital	21	2,000.00	2,000.00
(b) Other Equity	22	29,308.89	24,934.46
Equity attributable to equity holders of the company		31,308.89	26,934.46
(c) Non-controlling interest	23	38.20	35.52
Total equity		31,347.09	26,969.98
LIABILITIES			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	84.89	169.21
(ii) Other financial liabilities	25	405.24	367.50
(b) Deferred Tax Liabilities (Net)	26	543.30	558.18
Total Non - Current Liabilities		1,033.43	1,094.89
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	383.32	3,009.35
(ii) Trade payables	28		
- Total outstanding dues of micro and small enterprises		799.13	365.42
- Total outstanding dues of creditors other than micro and small enterprises		4,325.13	4,036.04
(iii) Other financial liabilities	29	611.12	1,026.33
(b) Other current liabilities	30	301.49	84.38
(c) Provisions	31	44.38	Nil
(d) Current Tax Liabilities (Net)	32	93.69	12.10
Total Current Liabilities		6,558.26	8,533.62
Total Equity and Liabilities (1+2+3)		38,938.78	36,598.49
Summary of Significant Accounting Policies	4		

As per our report of even date attached herewith

For J. T. Shah & Co.**Chartered Accountants****(Firm Regd. No. 109616W)****(J. J. Shah)****Partner****(M.No.045669)****UDIN:20045669AAAAAV8831**

Place : Ahmedabad

Date : June 25, 2020

For and on behalf of the Board of Directors of
Lincoln Pharmaceuticals Limited**Mahendra G. Patel**

(Managing Director)

(DIN : 00104706)

Darshit A. Shah

(Chief Financial Officer)

Hashmukh I. Patel

(Whole Time Director)

(DIN : 00104834)

Niren A. Desai

(Company Secretary)

(M. No.: A60285)

Place : Ahmedabad

Date : June 25, 2020

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

Particulars	Note No.	Year ended March 31, 2020 ₹ in Lakhs	Year ended March 31, 2019 ₹ in Lakhs
I Revenue from operations	33	38,649.05	36,614.62
II Other Income	34	1,104.02	563.47
III Total Income (I + II)		39,753.07	37,178.09
IV EXPENSES			
(a) Cost of materials consumed	35	13,372.62	11,322.99
(b) Purchases of stock-in-trade	36	5,759.95	5,169.42
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	(841.34)	1,045.83
(d) Employee benefit expense	38	5,865.38	5,190.18
(e) Finance costs	39	201.76	399.71
(f) Depreciation and amortisation expense	40	732.62	667.90
(g) Other expenses	41	7,938.84	7,162.62
Total Expenses		33,029.83	30,958.65
V Profit before tax (III- IV)		6,723.24	6,219.43
VI Tax Expense			
(a) Current tax	42	1,566.96	1,508.10
(b) Deferred tax liability / (assets)	42	4.03	(162.53)
(c) Short/Excess Provision Reversal		5.62	Nil
Total tax expense		1,576.61	1,345.57
VII Profit for the year (V-VI)		5,146.63	4,873.86
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	43	(65.10)	5.24
(ii) Income tax relating to items that will not be reclassified to profit or loss	43	18.92	(1.93)
IX Total Other Comprehensive Income		(46.18)	3.31
X Total comprehensive income for the year (VII+IX)		5,100.45	4,877.17
Profit for the year attributable to			
Equity holders of the company		5,143.92	4,871.01
Non-controlling interest		2.71	2.88
Other comprehensive income attributable to			
Equity holders of the company		(46.15)	3.32
Non-controlling interest		(0.03)	(0.01)
Total comprehensive income attributable to			
Equity holders of the company		5,097.77	4,874.33
Non-controlling interest		2.68	2.86
XI Basic & diluted earnings per share of ₹10 each Fully Paid up			
(a) Basic in ₹	54	25.72	24.36
(b) Diluted in ₹	54	25.72	24.36

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAAV8831

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)



LINCOLN

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Cash flow from operating activities		
Profit before tax	6,723.24	6,219.45
Adjustments for :		
Depreciation and amortisation expense	732.62	667.90
Amortisation of lease premium	Nil	2.16
Finance costs	201.76	399.71
Provision for expected credit Loss	4.24	0.27
Bad-debt written off	207.49	67.42
MTM (gain) / loss on fair valuation of derivative financial instruments	45.60	(14.30)
Loss on sale of property, plant & Equipment (net)	4.02	19.77
Interest income	(150.03)	(119.14)
Dividend income	Nil	Nil
(Gain) / loss on fair valuation of non investment	(169.98)	(89.97)
Profit on sale of current investment	(9.57)	(3.64)
Operating profit before working capital changes	7,589.39	7,149.63
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(1,117.03)	918.57
(Increase)/Decrease in Trade receivables	1,901.62	(1,370.53)
(Increase)/Decrease in Other Non Current Financial Assets	(4.97)	Nil
(Increase)/Decrease in Other Current Financial Assets	2.70	(1.29)
(Increase)/Decrease in Other Non Current Assets	(18.89)	(22.18)
(Increase)/Decrease in Other Current Assets	7.77	3.56
Increase/(Decrease) in Trade Payable	722.80	(14.04)
Increase/(Decrease) in Other non current Financial Liabilities	37.74	3.05
Increase/(Decrease) in Other current Financial Liabilities	(295.03)	383.00
Increase/(Decrease) in Other Current Liabilities	217.11	(8.59)
Increase/(Decrease) in Short term Provisions	(20.72)	(3.32)
Cash flow generated from operations	9,022.49	7,037.86
Direct taxes Paid (net)	(1,480.97)	(1,753.40)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,541.52	5,284.46
Cash flows from investing activities		
Purchase of Property, Plant and Equipments	(769.08)	(1,493.78)
Proceeds from sale of Property, Plant and Equipments	50.76	31.59
(Increase)/Decrease in Margin Money	(23.45)	590.12
(Increase)/Decrease in Non current financial Assets	101.08	(617.51)
(Increase)/Decrease in current financial Assets	(1,163.40)	225.47
Interest received	150.84	61.57
Decrease in Non Current Investment	Nil	0.15
Dividend received	Nil	Nil
Sale of Current Investment	599.99	1,903.64
Purchase of Current Investment	(2,035.00)	(2,520.00)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(3,088.26)	(1,818.75)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Cash flows from financing activities		
Proceeds of Long Term Borrowings	81.00	Nil
Repayment of Long-term borrowings	(308.43)	(922.41)
Proceeds of Short Term Borrowings	Nil	Nil
Repayment of Short-term borrowings	(2,626.03)	(1,845.35)
Dividend Paid on equity shares (incl. tax thereon)	(723.34)	(361.67)
Finance costs Paid	(199.09)	(447.39)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,775.89)	(3,576.82)
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	677.37	(111.11)
Cash and cash equivalents at the beginning of the year	545.68	656.79
Cash and cash equivalents at the end of the year	1,223.06	545.68

Notes:

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

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Cash on hand	39.48	46.18
Balances with Bank	1,183.58	499.50
Total Cash and cash equivalents (Refer Note No. 15)	1,223.06	545.68

- (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.

See accompanying notes forming part of the Financial Statements

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAAV8831

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)



LINCOLN

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020**Equity Share Capital**

Particulars	Note No.	Amount ₹ in Lakhs
Balance as on 1st April, 2018	21	2,000.00
Changes during the year		Nil
Balance as on 31st March, 2019	21	2,000.00
Changes during the year		Nil
Balance as on 31st March, 2020	21	2,000.00

Other Equity

Other Equity								₹ in Lakhs
Particulars	Note No.	Reserves and Surplus			Capital Reserve	Equity Securities Premium	Non-Controlling Interest	Total
		Retained Earnings		General Reserve				
		Profit and Loss	Other Comprehensive Income					
Balance as at 31st March, 2018		13,188.94	9.98	726.22	35.00	6,461.66	32.65	20,454.45
Profit for the year		4,871.01	Nil	Nil	Nil	Nil	2.88	4,873.89
Other comprehensive income for the year (net of Tax)		Nil	3.32	Nil	Nil	Nil	(0.01)	3.31
Change in Minority Portion		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payment of Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil	Nil
Balance as at 31st March, 2019	22	17,648.28	13.30	776.22	35.00	6,461.66	35.52	24,969.98
Profit for the year		5,143.92	Nil	Nil	Nil	Nil	2.71	5,146.63
Other comprehensive income for the year (net of Tax)		Nil	(46.15)	Nil	Nil	Nil	(0.03)	(46.18)
Change in Minority Portion		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payment of Final Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Final Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Payment of Interim Dividends		(300.00)	Nil	Nil	Nil	Nil	Nil	(300.00)
Tax on Interim Dividends		(61.67)	Nil	Nil	Nil	Nil	Nil	(61.67)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil	Nil
Balance as at 31st March, 2020	22	22,018.86	(32.85)	826.22	35.00	6,461.66	38.20	29,347.09

As per our report of even date attached herewith

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAAV8831

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate information:

The consolidated financial statements relate to Lincoln Pharmaceuticals Limited ("the Group") and its subsidiary Companies. Lincoln Pharmaceuticals Limited is a listed Group, incorporated on January 20, 1995 under the provisions of the Companies Act 1956, having its registered office in the Ahmedabad, Gujarat, India. The shares of the Group are listed on BSE and NSE. The Group is engaged in the business of manufacturing and trading of pharmaceutical products. The Group 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 Group (Refer Note No. 52)	Accounting Period
Lincoln Parenteral Limited	Manufacturing and Trading of Pharmaceutical Products	98.58%	Considered for the period: April 1, 2019 to March 31, 2020
Zullinc Healthcare LLP	Manufacturing and Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2019 to March 31, 2020
Savebux Enterprises Private Limited (Under Liquidation)	Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2019 to March 31, 2020

The consolidated financial statements are approved for issue by the Group's Board of Directors on June 25, 2020.

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.

The current consolidated 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, 2020 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements.

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:

- Employee defined benefit plans – Plan assets - Note No. 46.
- Financial Instruments recognised 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:

- 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.
- 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-Group 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 Group's voting rights in an investee are sufficient to give it power, including:
 - a. the size of the Group'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 Group, other vote holders or other parties;
 - c. rights arising from other contractual arrangements; and
 - d. any additional facts and circumstances that indicate that the Group 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 Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.
- E. The financial statements of the Group and its subsidiaries have been consolidated using uniform accounting policies.

4. Summary of significant accounting policies:

i) Use of estimates:

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in financial statements have been specified in Note 4(ii) below. Accounting estimates could change from period to period. Actual results could differ from estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in consolidated financial statements in the period in which the changes are made and, if material, their effects are disclosed in these notes to the consolidated financial statements.

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

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions. (Also refer Note 11, 19 and 32)

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 5)

c. Impairment of Financial Assets

The impairment provisions for consolidated financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without undue cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 10 & 18)

d. Defined Benefit Plan

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 46)

e. Fair Value Measurement of Financial Instruments

When the fair value of consolidated financial assets and consolidated financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include

consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 48)

f. 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 from Contacts with Customers

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

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

(a) Sale of Goods

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

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company has a present right to payment for the asset.
- The Company has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

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

(b) Rendering of Services

Revenue from divisible service contracts:

- i) service contracts are recognised over a period of time determined using the percentage completion method, synchronized to the billing schedules agreed by the customers, identical with others in similar business and
- ii) the revenue relating to supplies are measured in line with policy set out in 4(ii)(a).

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

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

(c) Export Incentives

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

(d) Interest Income

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

(e) Insurance Claim:

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

iii) **Property, Plant & Equipment:**

Property, Plant & Equipment

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

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

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

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

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

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

Capital Work-in-progress

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

Compensation for impairment:

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

Derecognition of Property, Plant and Equipment:

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

iv) **Depreciation on Property, Plant & Equipment:**

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

Depreciation on tangible property, plant and equipment is provided over the useful lives specified under and no Depreciation has been provided on Free hold land.

The estimated useful lives are mentioned below:

Nature of Assets	Useful life (in Years)
Land (Free Hold)	Nil
Factory Buildings	30
Non Factory Building	
RCC Frame Structure	60
Non RCC Frame Structure	30
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:

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

vi) Impairment of Non-Financial Assets :

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

Recoverable Amount is determined:

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

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

vii) Borrowing Costs:

Interest and other costs that the Group incurs in connection with the borrowing of funds are identified as borrowing costs. The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred.

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

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

All other borrowing costs are recognised in 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 conversion 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:

As a Lessee

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As a Lessor

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

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

x) Government Grants and Subsidies:

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

xi) Financial Instruments:

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

Financial Assets

a. Initial recognition and measurement

At initial recognition, the 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 at fair value through other comprehensive income (FVTOCI).
 - 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 or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The 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').

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

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

c. Derecognition

The 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 then an amount equal to lifetime ECL is measured and recognized as loss allowance. 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 reverse the 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 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 Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated 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 consolidated 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 the consolidated statement of profit and 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.

Off setting 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

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

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

xiii) Foreign currency transactions and translations

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

At the end of the reporting period:

1. foreign currency monetary items are translated using the exchange rate for immediate delivery at the end of the reporting period;
2. non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
3. non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

xiv) Employee benefits

Short term employee benefits

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

Post employment benefits

a. Defined contribution plans

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

b. Defined benefit plans

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

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

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

xv) Income Taxes:

a) Current tax:

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Effective from 1st April, 2019, the Group has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment. However adoption of the same does not have any impact on the Balance Sheet, Statement of Change in Equity and Statement of Profit & Loss Account.

b) Deferred tax:

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

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.

xvi) Provisions, Contingent Liabilities and Contingent Assets :

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

xvii) Earnings per equity share:

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

xviii) Dividend:

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

xix) Goods and Service Tax:

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

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

(xx) Segment reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the 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 47 for segment information presented.

(xxi) Consolidated 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) 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 statement of profit and 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.

(xxiii) Standards issued but not yet effective

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

Note 5: Property, Plant and Equipment

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on March 31, 2018	1,478.29	3,345.21	6,252.35	280.73	277.38	18.29	55.20	76.87	11,784.32
Addition during the year	71.62	34.74	596.47	52.96	144.27	Nil	192.28	42.82	1,135.16
Deduction during the year	Nil	Nil	55.51	Nil	50.80	Nil	Nil	Nil	106.31
Gross Carrying Value as on March 31, 2019	1,549.91	3,379.95	6,793.31	333.69	370.85	18.29	247.48	119.69	12,813.17
Addition during the year	Nil	207.96	448.33	48.87	162.85	20.06	21.57	19.62	929.26
Deduction during the year	Nil	Nil	104.73	Nil	5.71	Nil	Nil	Nil	110.44
Gross Carrying Value as on March 31, 2020	1,549.91	3,587.91	7,136.91	382.56	527.99	38.35	269.05	139.31	13,631.99
Accumulated depreciation as on March 31, 2018	Nil	174.78	765.75	59.83	20.96	5.14	12.24	44.19	1,082.89
Addition during the year	Nil	108.27	440.67	38.88	43.44	2.65	7.30	18.44	659.65
Deduction during the year	Nil	Nil	36.04	Nil	18.93	Nil	Nil	Nil	54.97
Accumulated depreciation as on March 31, 2019	Nil	283.05	1,170.38	98.71	45.47	7.79	19.54	62.63	1,687.57
Addition during the year	Nil	110.33	464.87	42.13	56.98	3.07	14.00	25.87	717.25
Deduction during the year	Nil	Nil	51.39	Nil	4.27	Nil	Nil	Nil	55.66
Accumulated depreciation as on March 31, 2020	Nil	393.38	1,583.86	140.84	98.18	10.86	33.54	88.50	2,349.16
Net Carrying Value as on March 31, 2018	1,478.29	3,170.43	5,486.60	220.90	256.42	13.15	42.96	32.68	10,701.43
Net Carrying Value as on March 31, 2019	1,549.91	3,096.90	5,622.93	234.98	325.38	10.50	227.94	57.06	11,125.60
Net Carrying Value as on March 31, 2020	1,549.91	3,194.53	5,553.05	241.72	429.81	27.49	235.51	50.81	11,282.83

Notes:

i. Assets pledged as security:

Refer Note No. 60 for disclosure of assets pledged as security.

ii. Capitalised borrowing cost:

Borrowing Cost Capitalised on Property, Plant and Equipment during the year ended March 31, 2020 - ₹ Nil/- (for the year ended March 31, 2019: ₹ Nil/-).

iii. Contractual obligations:

Refer Note No. 44 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment:

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



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5A Right to use assets

₹ in Lakhs

Particulars	Write to use of Assets
Carring cost as at April 1, 2018	Nil
Addition	Nil
Disposal	Nil
Balance as on March 31, 2019	Nil
Addition	Nil
Disposal	Nil
Reclassification of Assets on Adoption of Ind AS 116	31.86
Balance as on March 31, 2020	31.86
Accumulated depreciation and impairment as on April 1, 2018	Nil
Addition	Nil
Eliminated on disposal	Nil
Balance as on March 31, 2019	Nil
Addition	2.16
Eliminated on disposal	Nil
Balance as on March 31, 2020	2.16
Net Carrying amount as on April 1, 2018	Nil
Net Carrying amount as on March 31, 2019	Nil
Net Carrying amount as on March 31, 2020	29.70

Note 6 : Capital Work in Progress

Particulars	₹ in Lakhs
Balance at March 31, 2018	29.12
Addition during the year	180.57
Capitalised during the year	Nil
Balance at March 31, 2019	209.69
Addition during the year	130.35
Capitalised during the year	336.01
Balance at March 31, 2020	4.03

Note 7 : Other Intangilble Assets

(₹ in Lakhs)

Particulars	Computer Software	Patents	Total Intangible Asset	Goodwill on Acquisition
Gross Carrying Value as on March 31, 2018	56.98	1.40	58.38	922.56
Addition during the year	17.12	Nil	17.12	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2019	74.10	1.40	75.50	922.56
Addition during the year	7.74	Nil	7.74	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2020	81.84	1.40	83.24	922.56
Accumulated amortisation as on March 31, 2018	24.03	0.80	24.83	Nil
Addition during the year	7.86	0.40	8.26	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2019	31.89	1.20	33.09	Nil
Addition during the year	13.11	0.10	13.21	Nil
Deduction during the year	Nil	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2020	45.00	1.30	46.30	Nil
Net Carrying Vaue as on March 31, 2018	32.95	0.60	33.55	922.56
Net Carrying Vaue as on March 31, 2019	42.21	0.20	42.41	922.56
Net Carrying Value as on March 31, 2020	36.84	0.10	36.94	922.56

Notes:

i. Amortization on intangible Assets

Refer Note No. 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

8 Non Current Investments

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
(a) Investments in Subsidiary at cost		
Investment in Other Equity Instruments:		
Lincoln Parenteral Limited		
Equity Component of Financial Instruments issued in favour of subsidiary		
Interest security deposits	7.73	7.73
Financial Guarantee	0.42	0.42
	8.15	8.15
(b) Investments in other equity instruments at amortised cost (unquoted)		
1,056 (PY.1,056) Equity Share of Navnirman Co operative Bank Limited of face value ₹ 25 each fully paid up	0.26	0.26
(c) Investments in government securities at amortised cost (unquoted)		
National Saving Certificate	0.14	0.14
Total	8.55	8.55
Aggregate amount of quoted investment - At cost	Nil	Nil
Aggregate amount of unquoted investment - At cost	8.55	8.55

9 Non-Current Other Financial Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Unsecured, considered good		
Inter-Corporate Loans	250.00	250.00
Loans to others	1,228.17	1,330.06
Total	1,478.17	1,580.06

10 Other Non Current Financial Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Margin Money Deposit	3.49	1.22
Loan to Employees	2.42	2.01
Security Deposit	11.94	7.38
Total	17.85	10.61

11 Other Non-Current Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Unsecured, considered good		
Prepayment charges*	Nil	31.86
Advances for Property, Plant & Equipment	13.59	1.46
Advance Income Tax :		
Advance Payment of Income Tax	3,557.25	1,989.85
Less: Provision For Income tax	(3,251.46)	(1,748.55)
Advance Income Tax (net)	305.79	241.30
Advance to Employees	39.06	20.06
Other receivables	Nil	0.11
Total	358.44	294.79

*Note: Effective from 1st April, 2019, the Company has adopted Ind AS-116 "Lease", hence right to use asset in respect of Leasehold Land which was earlier shown as Other Non-Current Assets, are now stated as Right to use asset in Note.5A in the financial statements at carrying value less amortization of leasehold premium.

12 Inventories

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Raw materials	1,359.96	1,243.49
Work-in-Process	696.44	193.53
Finished Stock	1,038.65	506.94
Packing Material	746.71	587.49
Stock in Trade	897.84	1,091.12
Total	4,739.60	3,622.57

- a) Inventory of Raw Material includes material in transit- as on 31-03-2020 of ₹ Nil (as on 31-03-2019 ₹ Nil)
- b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2020 ₹ 311.43/- Lakhs (as on 31-03-2019 ₹ 292.93 Lakhs/-)
- c) The cost of inventories recognised as an expenses includes ₹ Nil (during 2018-19 ₹ Nil) in respect of write-down of inventory to net realisable value, and has been reduced by ₹ Nil (during 2018-19 : ₹ Nil) in respect of the reversal of such write-down.
- d) Inventories pledged as Security with bank for borrowing as on 31-03-2020 of ₹ 3,753.73/- Lakhs (as on 31-03-2019 ₹ 2,947.39/- Lakhs)

13 Current Investments

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Investment in mutual fund at fair value through profit and loss		
39,47,201 (PY.39,47,201) units of SBI Savings Fund - Direct Plan - Growth	1,277.59	1,185.70
69,305.279 (PY. 21,306.804) units of SBI Liquid Fund-Regular Plan-Growth	2,144.04	621.37
Total	3,421.63	1,807.07
Aggregate Cost of Investment	3,068.45	1,622.58
Aggregate NAV of Investment	3,421.63	1,807.07

14 Trade receivables

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Trade Receivables (Unsecured)		
Trade Receivable Considered Good - Unsecured	8,324.80	9,063.36
Trade Receivables which have significant increase in Credit Risk	1,985.52	3,356.07
Trade Receivable Credit Impaired	Nil	Nil
	10,310.32	12,419.43
Less: Allowance for Expected Credit losses	176.73	172.49
	10,133.59	12,246.94
Total	10,133.59	12,246.94

Notes:

- i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note no. 55.
- 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, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Balance at the beginning of the year	172.49	172.21
Add : Expected credit loss allowance made during the year	4.24	8.76
Less : Reversal of allowance made during the year	Nil	8.48
Closing Balance	176.73	172.49

15 Cash & Cash Equivalents

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Cash on hand	39.48	46.18
Bank Balance	1,183.58	499.50
Total	1,223.06	545.68

16 Other Bank Balances

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Fixed deposits with banks (with original maturity more than 3 months but less than 12 months)	Nil	Nil
Margin Money Deposit	219.93	198.75
Bank Balances Earmarked for Dividend	15.16	13.22
Total	235.09	211.97

17 Current Loans

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Loans and Advances to Others	1,588.40	425.00
Total	1,588.40	425.00

18 Other Current Financial Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	Nil	1.67
Loan to Employees	11.23	13.35
Others	2.44	3.02
Total	13.67	18.04

19 Current Tax Assets (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Advance Payment of Income Tax	0.11	1,511.11
Less: Provision For Income tax	Nil	(1,436.49)
Total	0.11	74.62

20 Other Current Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Advances recoverable in cash or kind	1,578.21	1,752.53
Prepaid Expenses	108.86	77.69
Loans and advance to employees	42.63	49.42
Balance with/Amount receivable from Statutory authorities	1,714.73	1,545.34
Gratuity Fund	Nil	23.64
Others	0.13	3.71
Total	3,444.56	3,452.33

21 Equity Share Capital

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
[i] Authorised Share Capital:		
2,00,00,000 (PY.2,00,00,000) Equity shares of ₹10 each	2,000.00	2,000.00
[ii] Issued, Subscribed & Paid-up Capital :		
2,00,00,000 (PY.2,00,00,000) Equity shares of ₹ 10 each fully paid	2,000.00	2,000.00
Total	2,000.00	2,000.00

- (a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 is set out below:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	2,00,00,000	2,000.00	2,00,00,000	2,000.00

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

Name of the Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Digital Biotech Pvt. Ltd.	14,00,000	7.00%	14,00,000	7.00%

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

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.

- (d) The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares or disinvestment.
- (e) There are no shares issued pursuant to contract without payment being received in cash or by way of bonus shares or equity shares bought back for the period of 5 years immediately preceding the balance sheet date.

22 Other Equity

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
a) Capital Reserve		
Balance as per last financial Statement	35.00	35.00
Add: Addition during the year	Nil	Nil
Closing Balance	35.00	35.00
b) Equity Securities Premium		
Balance as per last financial Statement	6,461.66	6,461.66
Add: Share premium received during the year	Nil	Nil
Closing Balance	6,461.66	6,461.66
c) General Reserve		
Balance as per last financial Statement	776.22	726.22
Add: Transfer from Statement of Profit & Loss	50.00	50.00
Closing Balance	826.22	776.22

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
d) Retained Earnings		
i) Profit and Loss:		
Balance as per last financial Statement	17,648.28	13,188.94
Add : Profit for the year	5,143.92	4,871.01
Less: Increase in Minority Interest	Nil	Nil
Less: Transfer to General reserve	(50.00)	(50.00)
Less: Interim Dividend Paid	(300.00)	Nil
Less: Tax on Interim Dividend	(61.67)	Nil
Less: Final Dividend Paid	(300.00)	(300.00)
Less: Tax on Final Dividend	(61.67)	(61.67)
Net Surplus in the statement of profit and loss (i)	22,018.86	17,648.28
ii) Other Comprehensive Income:		
Balance as per last financial Statement	13.30	9.98
Add: Remeasurement of Defined benefit plans (including deferred tax)	(46.15)	3.32
Net Surplus in the statement of other comprehensive income (ii)	(32.85)	13.30
Total Retained Earnings (i + ii + iii)	21,986.01	17,661.58
Total (a + b + c + d)	29,308.89	24,934.46

Capital Reserve: Capital reserve was realised in cash and can be utilised by the company as per provisions of the Companies Act, 2013.

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 as per provisions of the Companies Act, 2013.

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

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

23 Minority Interest

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Minority interest attributable to 1.41% (P.Y. 1.41%) of share holders of Lincoln Parenteral Ltd		
Balance as per last financial Statement	35.52	32.65
Add : increase in Minority Portion upon reduction in group holding	Nil	Nil
Add : Profit for the year	2.71	2.88
Add: Remeasurement of Defined benefit plans (including deferred tax)	(0.03)	(0.01)
Total	38.20	35.52

24 Non-Current Borrowings

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Secured Borrowing		
Term Loan from Banks	Nil	276.92
Less : Current maturities of long-term debt (Note No. 29)	Nil	153.85
Closing Balance	Nil	123.07
Vehicle Loan	124.08	74.59
Less : Current maturities of long-term debt (Note No. 29)	39.19	28.45
Closing Balance	84.89	46.14
Total	84.89	169.21

- A Secured Borrowing: The group has availed 2 type of term loans, details of which is stated as under:
- i The company has availed the Secured term loan from Yes Bank was availed for windmill which was secured against exclusive hypothecation charge on windmill & personal guarantee of three Promoter directors. The loan was payable in 84 monthly instalment. Interest on said loan shall be payable at Yes Bank Limited Base Rate + 0.15% from time to time. The said loan has been paid on September, 20 2019.
- B Vehicle Loans: It includes loans from bank and finance companies. The Repayment period of these loans ranges from 12 to 48 months & Rate of interest ranging from 10% To 11%. These loans are secured against the asset under finance.
- C. Yearwise repayment schedules:

Year	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
FY 2019-20	Nil	182.30
FY 2020-21	39.19	145.00
FY 2021-22	35.12	16.21
FY 2022-23	28.69	8.00
FY 2023-24	21.08	Nil
Total	124.08	351.51

25 Other Non Current Financial Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Trade Deposits	405.24	367.50
Total	405.24	367.50

26 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	642.59	651.45
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	Nil	Nil
Total Deferred Tax Liabilities	642.59	651.45
Deferred Tax Assets		
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	48.00	6.02
Allowance for Expected Credit Losses on Trade Receivable	51.29	59.19
Unused tax credit	Nil	28.06
Total Deferred Tax Assets	99.29	93.27
Net Deferred Tax Liability	543.30	558.18

A Movement of deferred tax liability:

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At March 31, 2018	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	(977.82)	326.38	Nil	(651.45)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	(4.16)	12.10	(1.93)	6.02
Allowance for Expected Credit Losses	59.73	(0.54)	Nil	59.19
Unused tax credit	203.47	(175.41)	Nil	28.06
Total	(718.78)	162.53	(1.93)	(558.18)

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At March 31, 2019	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Compre. Income	Note - i Deferred Tax At March 31, 2020
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment	(651.45)	8.86	Nil	(642.59)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	6.02	23.06	18.92	48.00
Allowance for Expected Credit Losses	59.19	(7.90)	Nil	51.29
Unused tax credit	28.06	(28.06)	Nil	Nil
Total	(558.18)	(4.04)	18.92	(543.30)

i Figures in bracket denotes deferred tax liability.

ii Figures in bracket denotes creation of deferred tax liability or reversal of deferred tax asset.

27 Current Borrowings

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Secured Borrowing		
From Bank (Repayable on Demand)	383.32	2,477.77
Unsecured Borrowing		
From Bank (Repayable on Demand)	Nil	531.58
Total	383.32	3,009.35

Security :

Secured demand loans form Bank includes working capital loans. These loans are secured against :

i) Primary Security :

Hypothecation of entire current assets of the Group

ii) Collateral Security :

Charge over entire fixed assets of the Group including

1. 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 admeasuring 1,692.94 Sq. mtrs, 3,590.30 Sq. mtrs respectively i.e. collectively 12,124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd.

2. Hypothecation of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three Promoter Directors of holding company

28 Trade payables

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Payable to Micro and Small Enterprise	799.13	365.42
Payable to others	4,325.13	4,036.04
Total	5,124.26	4,401.46

Notes:

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors. The Disclosure in respect of the MSMED Act, 2006 has been provided at Note 59.

29 Other Current Financial Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Current Maturity of long term borrowings (Note No. 24)	39.19	182.30
Interest accrued but not due on borrowings	5.24	2.57
Unpaid dividend	15.16	13.22
Creditors for Property, Plant & Equipment	351.25	376.86
Employee Benefit Payable	156.35	421.45
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	43.93	Nil
Credit Balance in Current Account	Nil	29.83
Others	Nil	0.10
Total	611.11	1,026.33

30 Other Current Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Advance received from customers	152.72	Nil
Other Statutory dues	112.57	84.38
Other Payables	36.20	Nil
Total	301.49	84.38

31 Current Provisions

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Provision for Employee Benefits (Refer Note 46)	44.38	Nil
Total	44.38	Nil

32 Current Tax Liabilities (Net)

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Provision For Income tax	1,566.96	79.10
Less: Advance Payment of Income Tax	(1,473.27)	(67.00)
Total	93.69	12.10

33 Revenue from operation

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Sale of Products:		
Finished Goods	37,167.79	35,036.49
Sale of services:		
Job Work Charges	516.27	650.37
Other Operating Revenue:		
Export Incentive	910.24	867.64
Scrap Sales	54.75	60.12
	964.99	927.76
Total	38,649.05	36,614.62

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

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Gross Revenue	39,047.10	36,843.01
	39,047.10	36,843.01
Less: Rebate & Discount	1,308.29	1,096.03
Revenue recognised from Contract with Customers	37,738.81	35,746.98

(b) Reconciliation of Revenue from operation with Revenue from contracts with Customers :-

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Revenue from operation	38,649.05	36,614.62
Less: Export incentive	910.24	867.64
Revenue from contracts with Customers	37,738.81	35,746.98

34 Other Income

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Interest Income:		
Interest from bank	14.58	42.83
Interest from others	135.45	76.31
Gain on fair valuation of Current Investments	169.98	89.97
Gain on sale of Current Investments	9.57	3.64
Foreign Exchange Gain (Net)	774.33	336.42
Gain on sale of Non Current investments	Nil	Nil
Gain on Fair Valuation of Derivative contracts	Nil	14.30
Miscellaneous Income	0.11	Nil
Total	1,104.02	563.47

35 Cost of Materials Consumed

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Raw Material		
Inventory at the beginning of the year	1,243.50	1,096.66
Add: Purchase	9,012.67	7,497.32
Less: Inventory at the end of the year	1,359.96	1,243.50
Cost of Consumption of Raw Material	8,896.21	7,350.48
Packing Materials		
Inventory at the beginning of the year	587.48	606.18
Add: Purchase	4,635.64	3,953.81
Less: Inventory at the end of the year	746.71	587.48
Cost of Consumption of Packing Materials	4,476.41	3,972.51
Total	13,372.62	11,322.99

36 Purchase of Stock in Trade

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Purchase of stock in trade	5,759.95	5,169.42
Total	5,759.95	5,169.42

37 Change In Inventories of Finished Goods, Work in Progress and Stock in Trade

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Stock in trade		
Stock at the Beginning of the financial year	1,091.12	1,378.79
Stock at the End of the financial year	897.84	1,091.12
	193.28	287.67
Finished Goods		
Stock at the Beginning of the financial year	506.94	618.82
Stock at the End of the financial year	1,038.65	506.94
	(531.71)	111.88
Work in Progress		
Stock at the Beginning of the financial year	193.53	839.81
Stock at the End of the financial year	696.44	193.53
	(502.91)	646.28
Summary		
Stock at the Beginning of the financial year	1,791.59	2,837.42
Stock at the End of the financial year	2,632.93	1,791.59
Change in inventory	(841.34)	1,045.83

38 Employee Benefit Expense

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Salary, Wages & Bonus Expense	5,440.05	4,734.42
Contribution to Provident Fund & Other Funds	246.74	189.62
Staff welfare Expenses	178.59	266.14
Total	5,865.38	5,190.18

39 Finance Costs

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Interest Expense	110.47	276.98
Interest Paid to others	39.25	32.41
Other Borrowing Cost	52.04	90.32
Total	201.76	399.71

40 Depreciation And Amortisation Expense

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Depreciation of Property, Plant & Equipment	717.25	659.64
Depreciation of Intangible Assets	13.21	8.26
Depreciation of Right to Use Assets	2.16	Nil
Total	732.62	667.90

41 Other Expenses

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Power and Fuel	818.48	721.12
Labour Charges	929.18	1,102.56
Loading & Unloading Charges	184.07	2.63
Stores And Spares Consumption	83.48	107.83
Factory Expenses	93.54	87.84
Laboratory & Testing Charges	316.13	352.77
Repairs & Maintenance:		
Building	126.94	220.36
Machinery	75.01	120.21
Other assets	120.10	103.91
	322.05	444.48
Loss On Sales Of Property, Plant & Equipment	4.02	19.77
Loss on sale of export licence	8.87	6.59
Amortisation of Lease Premium	Nil	2.16
Computer Expense	39.97	27.17
Rent	11.54	21.87
Rate & Taxes	149.88	215.68
Auditors' Remuneration (Refer Note 51)	11.15	11.25
Legal and Registration Expense	248.72	272.09
Professional & Consulting Fees	814.81	767.42
Inspection Fees	Nil	0.15
Conveyance & Vehicle Expense	61.51	57.13
Travelling Expense	540.31	489.80
Transportation Expense	237.51	228.51
Donation	9.45	3.02
Insurance	62.05	47.40
Office Expense	48.65	42.42
Post & Telephone Expense	43.16	50.89
Stationery, Printing & Xerox	43.51	53.26
Security Expense	54.63	41.65
CSR Expense	99.11	75.61
MTM Loss on Fair Valuation of Derivative contracts	45.60	Nil
Advertisement Expense	19.32	27.55
Sales Promotion & Marketing Expense	1,453.57	1,358.88
Sales Commission Expense	968.39	387.28
Bad debt Written off	207.49	67.42
Allowance for Expected credit loss expenses	4.24	0.27
Miscellaneous Expense	4.45	68.16
Total	7,938.84	7,162.62

42 Income tax recognised in Statement of profit and loss

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Current tax	1,566.96	1,508.10
Tax expense related to prior period	5.62	Nil
	1,572.58	1,508.10
Deferred tax liability / (assets)	4.03	(162.53)
	4.03	(162.53)
Total	1,576.61	1,345.57

Income tax reconciliation

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Profit before tax	6,723.24	6,219.43
Tax expenses reported during the year	1,576.61	1,345.57
Income tax expenses calculated at CY 29.08% (P.Y. 34.50%)	1,955.11	2,145.79
Difference	(378.50)	(800.22)
Permanent disallowances	63.43	117.79
Income not taxable under Income tax	(83.52)	(80.73)
Tax benefit available in respect of scientific research	(357.10)	(635.27)
Effect on deferred tax balances due to change in income tax rate	Nil	50.61
Utilisation of MAT Credit	Nil	(138.42)
Utilisation of unabsorbed depreciation	Nil	Nil
Adjustment of current tax of prior years	5.62	(109.81)
Other Items	(6.93)	(4.39)
Total	(378.50)	(800.22)

43 Statement of Other Comprehensive Income

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	(65.10)	5.24
(ii) Income tax relating to these items that will not be reclassified to profit and loss		
Deferred tax impact on actuarial gain/(loss)	18.92	(1.93)
Total	(46.18)	3.31

44. Capital Commitment

Details of outstanding capital commitments are as under:

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	17.54	258.50
Advance paid against such contracts	13.59	258.50
Remaining outstanding commitment	3.95	Nil

45. Contingent Liabilities

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Income Tax demands disputed in appeal by the Group / Income Tax Authorities. Against which amount of ₹ 0.25/- Lakhs (PY ₹ Nil) has been paid by the company	219.22	219.47

46. 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 ₹ 89.27/- Lakhs (March 31, 2019: ₹ 16.91/- Lakhs) 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 Consolidated 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	Year Ended
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
In Income Statement	24.17	22.15
In Other Comprehensive (Income) / loss	65.10	(5.24)
Total Expenses Recognized	89.27	16.91

A1. Expenses Recognized in the Income Statement

Particulars	Gratuity	
	Year Ended	Year Ended
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Current Service Cost	25.99	22.25
Past Service Cost	Nil	Nil
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	(1.82)	(0.10)
Expenses Recognized in the Statement of Profit and Loss	24.17	22.15

A2. Other Comprehensive Income

Particulars	Gratuity	
	Year Ended	Year Ended
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Actuarial (gains) / losses on Obligation for the period	61.94	(7.81)
Return on plan assets, excluding amount recognized in net interest expense	3.16	2.57
Components of defined benefit costs recognized in other comprehensive income	65.10	(5.24)

B. Net Liability recognized in the balance sheet

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹ in Lakhs	₹ in Lakhs
Present Value of Obligation	(267.69)	(180.88)
Fair value of plan assets	223.31	204.52
Surplus / (Deficit)	(44.38)	23.64
Net (Liability) recognized in the Balance sheet	(44.38)	23.64
Provision for Employee Benefits (Gratuity) as per Note No. 31	(44.38)	Nil
Gratuity Fund as per Note No. 20	Nil	23.64
Net (Liability) recognised in the balance sheet	(44.38)	23.64

46. Details of Employee Benefits: (Contd.)
B1. Changes in the Present value of Obligation

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Present Value of Obligation as at the beginning	180.88	171.10
Current Service Cost	25.16	21.35
Interest Expense or Cost	14.74	14.37
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(4.48)	3.45
- change in demographic assumptions	Nil	Nil
- experience variance	66.42	(11.26)
Past Service Cost	Nil	Nil
Benefits Paid Directly from Employer	(2.23)	(17.86)
Benefit Paid from the Fund	(12.80)	(0.27)
Present Value of Obligation as at the end of the year	267.69	180.88

B2. Changes in the Fair Value of Plan Assets

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Fair value of Plan Assets at the beginning of the year	204.52	172.45
Interest Income	15.73	13.58
Contribution by Employer	20.00	21.50
(Benefit paid from the Fund)	(13.78)	(0.44)
Return on Plan Assets, Excluding Interest Income	(3.16)	(2.57)
Fair Value of Plan Assets at the end of the year	223.31	204.52

C. Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	7.82%	7.88%
Expected rate of salary increase	6.50%	6.50%
Expected Return on Plan Assets	7.69%	7.88%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of Employee Turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 2.00% p.a.
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

Particulars	Gratuity	
	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Defined Benefit Obligation (Base)	267.69	180.88

46. Details of Employee Benefits: (Contd.)

Particulars	Year Ended March 31, 2020 ₹ in Lakhs		Year Ended March 31, 2019 ₹ in Lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	32.01	(26.79)	20.81	(17.48)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(27.34)	32.12	(17.82)	20.85
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	(3.09)	2.59	(1.73)	1.44

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Weighted average duration (based on discounted cash flows)	13	12
Expected cashout flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
1 year	36.83	25.36
2 to 5 years	40.87	30.71
6 to 10 years	76.72	54.26
10 Years & above	528.79	404.63

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 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.

47. Segment Reporting

The Group's management, consisting of the Managing Director, the chief financial officer and other key managerial personnel for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments" and in the opinion of management the Company is primarily engaged in the business of "Pharmaceutical Products". All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

47. Segment Reporting (Contd.)

(i) The Geographic details of revenue and Non Current Assets are as under:

Particulars	India	Rest of World	Total	₹ in Lakhs
				Year
Segment Revenues	16,840.22	21,808.83	38,649.05	For 2019-20
	16,871.28	19,743.34	36,614.62	For 2018-19
Segment Non Current Assets	14,139.07	Nil	14,139.07	As at 31/03/2020
	14,194.27	Nil	14,194.27	As at 31/03/2019

(ii) Details of customer contributing 10% or more of total revenue :

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
No. of customers contributing 10% or more of total revenue (individually)	1	1
Amount of revenue	4,815.56	3,906.97
% of total revenue	12.46%	10.86%

48 Fair Value Measurements

Financial instrument by category and their fair value

₹ in Lakhs									
As at 31st March, 2020	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	8.55	8.55	Nil	Nil	Nil	Nil
Current	13	3,421.63	Nil	Nil	3,421.63	3,421.63	Nil	Nil	3,421.63
Loans									
Non Current	9	Nil	Nil	1,478.17	1,478.17	Nil	Nil	Nil	Nil
Current	17	Nil	Nil	1,588.40	1,588.40	Nil	Nil	Nil	Nil
Other Non Current Financial Asset	10	Nil	Nil	17.85	17.85	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	10,133.56	10,133.56	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	1,223.06	1,223.06	Nil	Nil	Nil	Nil
Other Bank Balances	16	Nil	Nil	235.09	235.09	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	Nil	Nil	13.67	13.67	Nil	Nil	Nil	Nil
Total Financial Assets		3,421.63	Nil	14,698.35	18,119.98	3,421.63	Nil	Nil	3,421.63
Financial Liabilities									
Borrowings									
Non Current	24	Nil	Nil	84.89	84.89	Nil	Nil	Nil	Nil
Current	27 & 29	Nil	Nil	422.51	422.51	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	25	Nil	Nil	405.24	405.24	Nil	Nil	Nil	Nil
Current	29	43.93	Nil	528.00	571.93	Nil	Nil	43.93	43.93
Trade Payables	28	Nil	Nil	5,124.26	5,124.26	Nil	Nil	Nil	Nil
Total Financial Liabilities		43.93	Nil	6,564.90	6,608.83	Nil	Nil	43.93	43.93

48 Fair Value Measurements (Contd.)

As at 31st March, 2019	Note Reference	Carrying Amount			Fair Value (only those items which are recognised at FVTPL / FVTOCI)					
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets										
Investments										
Non Current	8	Nil	Nil	8.55	8.55	Nil	Nil	Nil	Nil	
Current	13	1,807.07	Nil	Nil	1,807.07	1,807.07	Nil	Nil	1,807.07	
Loans										
Non Current	9	Nil	Nil	1,580.06	1,580.06	Nil	Nil	Nil	Nil	
Current	17	Nil	Nil	425.00	425.00	Nil	Nil	Nil	Nil	
Other Non Current Financial Asset	10	Nil	Nil	10.61	10.61	Nil	Nil	Nil	Nil	
Trade Receivables	14	Nil	Nil	12,246.91	12,246.91	Nil	Nil	Nil	Nil	
Cash and Cash Equivalents	15	Nil	Nil	545.68	545.68	Nil	Nil	Nil	Nil	
Other Bank Balances	16	Nil	Nil	211.97	211.97	Nil	Nil	Nil	Nil	
Other Current Financial Assets	18	1.67	Nil	16.37	18.04	Nil	Nil	1.67	1.67	
Total Financial Assets		1,808.74	Nil	15,045.15	16,853.89	1,807.07	Nil	1.67	1,808.74	
Financial Liabilities										
Borrowings										
Non Current	24	Nil	Nil	169.21	169.21	Nil	Nil	Nil	Nil	
Current	27 & 29	Nil	Nil	3,037.80	3,037.80	Nil	Nil	Nil	Nil	
Other Financial Liabilities										
Non Current	25	Nil	Nil	367.50	367.50	Nil	Nil	Nil	Nil	
Current	29	Nil	Nil	997.88	997.88	Nil	Nil	Nil	Nil	
Trade Payables	28	Nil	Nil	4,401.46	4,401.46	Nil	Nil	Nil	Nil	
Total Financial Liabilities		Nil	Nil	8,973.85	8,973.85	Nil	Nil	Nil	Nil	

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the 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 liabilities

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

Level 3 - Inputs for the assets or liabilities 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 liabilities required for financial reporting purposes, including level 3 fair values. The fair valuation of level 1 and level 2 classified assets and liabilities are readily available from the quoted prices 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.

49 Financial risk management (Contd.)

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

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

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

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

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

Credit risk is the risk of financial loss to the 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.

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

49 Financial risk management (Contd.)

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 176.72/- Lakhs as at March 31, 2020 and ₹ 172.49/- Lakhs as at March 31, 2019. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

Movement in allowance for Expected Credit Loss	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Balance at the beginning of the year	172.48	172.21
Add : Allowance made during the year	4.24	8.76
Less : Reversal of allowance made during the year	Nil	8.48
Balance at the end of the year	176.72	172.48

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 including approved borrowing facilities sanctioned by the Parent Group, 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, 2020, March 31, 2019; the Group had unutilized credit limits from banks of ₹ 6,773.68/- Lakhs and ₹ 5,347.65/- Lakhs 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.

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2020	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note No. 24)	84.89	Nil	35.12	49.78	Nil	84.89
Current (Refer Note No. 27 & 29)	422.51	422.51	Nil	Nil	Nil	422.51
Other Financial Liabilities:						
Non Current (Refer Note No. 25)	405.24	Nil	Nil	Nil	405.24	405.24
Current (Refer Note No. 29)	571.93	571.93	Nil	Nil	Nil	571.93
Trade Payables (Refer Note No. 28)	5,124.26	5,124.26	Nil	Nil	Nil	5,124.26
Total	6,608.83	6,118.70	35.12	49.78	405.24	6,608.83

Contractual maturities of financial liabilities as at March 31, 2019	Carrying Amount	Contractual Cash Flows				Total
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	
Borrowings:						
Non Current (Refer Note No. 24)	169.21	Nil	145.00	24.21	Nil	169.21
Current (Refer Note No. 27 & 29)	3,037.80	3,037.80	Nil	Nil	Nil	3,037.80
Other Financial Liabilities:						
Non Current (Refer Note No. 25)	367.50	Nil	Nil	Nil	367.50	367.50
Current (Refer Note No. 29)	997.88	997.88	Nil	Nil	Nil	997.88
Trade Payables (Refer Note No. 28)	4,401.46	4,401.46	Nil	Nil	Nil	4,401.46
Total	8,973.85	8,437.14	145.00	24.21	367.50	8,973.86

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 exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

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

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Group'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 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, 2020, the Group had entered into derivative contracts of ₹ 2,165.54/- Lakhs (PY ₹ 598.26/- Lakhs) to hedge exposure to fluctuations in foreign currency risk. The below sensitivity is calculated after netting off the impact of foreign currency forward contracts which largely mitigate the risk.

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	₹ & FC in Lakhs	
		As at March 31, 2020	As at March 31, 2019
a) Trade Receivables (Against Export)	USD	34.57	65.44
	INR	2,606.36	4,526.31
	EURO	1.06	4.35
	INR	88.36	337.73
b) Trade Payables (Against import - including capital import)	USD	0.48	1.47
	INR	36.21	101.43
Net Statement of Financial Exposure (a-b)	USD	34.09	63.97
	INR	2,570.15	4,424.88
	EURO	1.06	4.35
	INR	88.36	337.73

Note - Figures in bracket denotes credit balance.

49 Financial risk management (Contd.)**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, 2020 ₹ in Lakhs		Year Ended March 31, 2019 ₹ in Lakhs	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	128.51	(128.51)	221.24	(221.24)
EURO	4.42	(4.42)	16.89	(16.89)
Total	132.93	(132.93)	238.13	(238.13)

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.

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, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Fixed Rate Borrowings	124.08	74.59
Variable Rate Borrowings	383.32	3,286.27
Total	507.40	3,360.86

For details of the Group's short-term and long term loans and borrowings including interest rate profiles, refer to Note No. 24 and 27 of these consolidated financial statements.

ii) Interest Rate Sensitivity

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

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
50bp increase would decrease the profit before tax by	(1.92)	(16.43)
50bp decrease would increase the profit before tax by	1.92	16.43

c) Price Risk

The company's exposure to price risk arises from investments in mutual funds (Refer Note 13). The company has not undertaken any risk mitigation measures to reduce the price risk. The table below summarises the impact of increases / decreases of share price of the investments and profit for the period. The analysis is based on the assumption that the market price of those investments in Mutual Funds move by 5% point on either side with all other variables held constant.

(₹ in Lakhs)

Period	Total No. of Units held	Average price per unit	Fair Value in ₹	% Change in Fair Value	Effect on Profit before Tax in ₹
March 31, 2020	40,16,506.28	85.19	3,421.63	5.00%	171.08
				-5.00%	(171.08)
March 31, 2019	39,68,507.80	45.54	1,807.08	5.00%	90.35
				-5.00%	(90.35)

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.

50 Capital Management (Contd.)

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

Particulars	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Non Current Borrowing (Refer Note No. 24)	84.89	169.21
Current Borrowing (Refer Note No. 27)	383.32	3,009.35
Current maturity of long term borrowing (Refer Note No. 29)	39.19	182.30
Total Borrowing	507.40	3,360.86
Cash and cash equivalents	1,223.06	545.68
Net debt	Nil	2,815.18
Equity	31,347.06	26,969.98
Net debt to equity ratio	Nil	10.44%

51 Details of Payment to Auditors

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Payment to auditors:		
To Statutory Auditor:		
Audit fee	7.65	7.75
Taxation matters	3.50	3.50
Total	11.15	11.25

52 Interest in Subsidiaries:
52.1 Subsidiaries:

The group's subsidiaries at March 31, 2020 and March 31, 2019 are set out below:

Name of entity	Place of business	Principal activities	As at March 31, 2020	As at March 31, 2019
Lincoln Parenteral Limited				
Ownership Interest Held by the Company	India	Manufacturing and trading of Pharmaceutical Products	98.58%	98.58%
Ownership interest held by non-controlling interests			1.42%	1.42%
Zullinc Healthcare LLP				
Ownership Interest Held by the Company	India	Manufacturing and trading of Pharmaceutical Products	100.00%	100.00%
Ownership interest held by non-controlling interests			0.00%	0.00%
Savebux Enterprises Private Limited (Under Liquidation)				
Ownership Interest Held by the Company	India	Trading of Pharmaceutical Products	100.00%	100.00%
Ownership interest held by non-controlling interests			0.00%	0.00%

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:

₹ in Lakhs

Particulars	As at March 31, 2020		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Current assets	3,800.89	959.38	9.03
Current liabilities	1,564.26	845.03	Nil
Net Current assets / (liabilities)	2,236.63	114.35	9.03
Non-current assets	2,277.99	Nil	Nil
Non-current liabilities	1,983.34	Nil	Nil
Net Non-current assets / (liabilities)	294.65	Nil	Nil
Net Assets	2,531.28	114.35	9.03
Accumulated Non-controlling interest	38.20	Nil	Nil

₹ in Lakhs

Particulars	As at March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Current assets	3,080.46	1,616.34	216.08
Current liabilities	1,299.04	1,509.22	11.02
Net Current assets / (liabilities)	1,781.42	107.12	205.06
Non-current assets	2,367.61	1.87	Nil
Non-current liabilities	1,806.81	Nil	Nil
Net Non-current assets / (liabilities)	560.80	1.87	Nil
Net Assets	2,342.22	108.99	205.06
Accumulated Non-controlling interest	35.52	Nil	Nil

(ii) Summarised Statement of Profit and Loss of subsidiaries during each financial year:

₹ in Lakhs

Particulars	For the year ended March 31, 2020		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Revenue	4,448.33	177.05	Nil
Profit for the year	191.29	5.36	(1.03)
Other Comprehensive Income	(2.24)	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	2.71	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	(0.03)	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	2.68	Nil	Nil

₹ in Lakhs

Particulars	For the year ended March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Revenue	5,108.23	350.35	12.22
Profit for the year	203.19	10.82	2.64
Other Comprehensive Income	(1.03)	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	2.88	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	(0.01)	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	2.87	Nil	Nil

(iii) Summarised Cash Flows of subsidiaries:

₹ in Lakhs

Particulars	For the year ended March 31, 2020		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Cash flows from operating activities	236.42	25.23	203.11
Cash flows from investing activities	11.79	Nil	(195.00)*
Cash flows from financing activities	34.58	(0.09)	(0.02)
Net increase/ (decrease) in cash and cash equivalents	282.79	25.14	8.09

₹ in Lakhs

Particulars	For the year ended March 31, 2019		
	Lincoln Parenteral Limited	Zullinc Healthcare LLP	Savebux Enterprises Private Limited (Under Liquidation)
Cash flows from operating activities	390.84	2.05	0.75
Cash flows from investing activities	197.54	0.15	Nil
Cash flows from financing activities	(588.36)	(0.14)	Nil
Net increase/ (decrease) in cash and cash equivalents	0.02	2.06	0.75

*During the year under consideration, subsidiary of the company namely "Savebux Enterprises Private Limited (Under Liquidation)" has applied for voluntary winding up process and pursuant to the same Insolvency Professional has returned capital contribution of ₹ 195.00/- Lakhs to the company, hence the investment amount has been reduced to that extent.

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(2) and (2AB) of the Income Tax act, 1961.

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

₹ in Lakhs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Capital	Revenue	Capital	Revenue
Plant & Machinery	261.63	Nil	320.63	Nil
Electrical Equipment	24.92	Nil	10.25	Nil
Furniture & Fixture	37.42	Nil	13.26	Nil
Employee Benefit Expenses	Nil	361.39	Nil	308.22
Material Consumption	Nil	293.07	Nil	276.07
Manufacturing expense	Nil	121.90	Nil	286.96
Administration Expenses	Nil	53.60	Nil	22.58
Total Amount Eligible for deduction U/s 35 (2AB) of the Income Tax act, 1961.	323.97	829.96	344.14	893.83
Capital Work in Progress	2.39	Nil	109.81	Nil
R&D Building	25.77	Nil	Nil	Nil
Total Amount Eligible U/s 35 (2) of the Income Tax act, 1961.	28.16	Nil	109.81	Nil
Total	352.13	829.96	453.95	893.83

54. Earnings Per Share (EPS)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit for calculation of basic / diluted EPS	₹ in Lakhs	5,143.92	4,871.01
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	Nos.	2,00,00,000	2,00,00,000
Basic and Diluted Earnings/(Loss) Per Share	₹	25.72	24.36
Nominal Value of Equity Shares	₹	25.72	24.36

A. Reconciliation on Amount of EPS

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	25.72	24.36
Total basic earnings per share attributable to the equity holders of the company	25.72	24.36
(b) Diluted earnings per share in ₹		
From continuing operations attributable to the equity holders of the company	25.72	24.36
Total diluted earnings per share attributable to the equity holders of the company	25.72	24.36

B. Reconciliations of earnings used in calculating earnings per share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	5,143.92	4,871.01
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	5,143.92	4,871.01

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,00,00,000	2,00,00,000
(b) Diluted earnings per share		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	2,00,00,000	2,00,00,000

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Basic earnings per share	Nil	Nil
(b) Diluted earnings per share	Nil	Nil

55. Related Parties Disclosures
(i) List of related parties:

Name of related party	Nature of relationship
Key Managerial Personnel:	
Mahendra G Patel	Managing Director
Ashish R Patel	Whole-Time Director
Hasmukh I Patel	Whole-Time Director
Munjal M Patel	Whole-Time Director
Rajnikant G Patel	Director
Arvindbhai G Patel	Director
Ishwarlal A Patel	Director
Darshit A Shah	Chief Financial Officer
Niren A Desai (From February 28, 2020)	Company Secretary
Bhavik P Parikh (Upto February 27, 2020)	Company Secretary
Entities in which Key managerial personnel and/or their relatives have control:	
Avis Travels	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Finance Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Downtown Travels Pvt Ltd	Entity controlled by Key Managerial Personnel/ or their relatives
Sunmed corporation LLP	Entity controlled by Key Managerial Personnel/ or their relatives
Shardaben gulabdas Patel Public Charitable Trust	Entity controlled by Key Managerial Personnel/ or their relatives
Shree Corporation	Entity controlled by Key Managerial Personnel/ or their relatives
Relatives of Key Managerial Personnel:	
Anand A Patel	Son of Director
Ashish R Patel HUF	HUF of Whole-time Director
Arvind G Patel	Father of Director
Dharmisthaben H Patel	Wife of Whole Time Director
Hansaben A Patel	Wife of Director
Jigar H Patel	Son of Whole Time Director
Mansi M Patel	Wife of Whole Time Director
Mahendra G Patel HUF	HUF of Managing Director
Munjal M Patel HUF	HUF of Whole-time Director
Nidhi H Patel	Daughter of Managing Director

55. Related Parties Disclosures (Contd.)

Name of related party	Nature of relationship
Aniruddh H Patel	Son of Whole Time Director
Shardaben G Patel	Mother of Managing Director / Whole Time Director
Shivani B Shah	Wife of Whole Time Director
Siddarth R Patel	Son of Director
Kailashben M Patel	Wife of Managing Director
Kalpanaben R Patel	Wife of Director

(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, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Avis Travels	Travelling expenses	Nil	5.89
Downtown Finance Pvt Ltd	Dividend Paid	3.18	1.59
	Loan repaid	Nil	5.97
Downtown Travels LLP	Travelling expenses	49.98	9.26
	Dividend Paid	14.25	7.13
Sunmed Corporation LLP	Commission	6.20	5.90
	Dividend Paid	15.00	7.50
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	34.90	52.81
Shree Corporation	Advance Received back	12.59	2.43
	Advance given	16.56	12.59
Ashish R Patel HUF	Commission	27.49	Nil
Mahendra G Patel HUF	Commission	23.60	47.30
Munjal M Patel HUF	Commission	23.60	47.30
	Advance for Expense - Repaid	Nil	1.90
Anand A Patel	Dividend Paid	3.96	1.98
	Remuneration	15.96	11.12
Ashish R Patel	Remuneration	40.01	33.50
	Dividend Paid	15.89	7.95
Hasmukh I Patel	Remuneration	27.85	23.74
	Dividend Paid	11.21	5.60
Mahendra G Patel	Remuneration	23.08	18.57
	Rent	3.50	7.50
	Advance given	1.85	Nil
	Advance Settled	Nil	5.70
	Dividend Paid	15.05	4.15
Mansi M Patel	Dividend Paid	6.00	12.00
	Remuneration	20.79	16.89
Munjal M Patel	Remuneration	25.21	20.70
	Dividend Paid	24.47	8.86
Rajani G Patel	Remuneration	Nil	12.81
	Dividend Paid	9.16	4.58
Arvindbhai G Patel	Consultancy Fees	8.40	8.40
	Dividend Paid	3.33	1.67
Darshit A Shah	Salary Expenses	8.40	6.97
Niren A Desai (From February 28, 2020)	Salary Expenses	0.35	Nil
Bhavik P Parikh (Upto February 27, 2020)	Salary Expenses	1.56	1.53

55. Related Parties Disclosures (Contd.)

Name of related party	Nature of Transaction	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Mansi A Patel	Salary Expenses	16.39	10.69
Kailashben M Patel	Rent	5.35	12.50
	Salary Expenses	11.50	9.10
	Dividend Paid	9.90	1.20
Kalpanaben R Patel	Salary Expenses	5.45	4.55
	Dividend Paid	8.79	4.40
Dharmisthaben H Patel	Dividend Paid	1.95	0.98
	Salary Expenses	10.79	7.80
Hansaben A Patel	Dividend Paid	3.52	1.76
Ishwarlal A Patel	Dividend Paid	1.51	0.76
Jigar H Patel	Dividend Paid	1.54	0.77
Nidhi H Patel	Dividend Paid	1.62	0.81
	Salary Expenses	11.49	10.30
Aniruddh H Patel	Dividend Paid	1.54	0.77
Nishit M Patel	Dividend Paid	5.46	2.73
Shardaben G Patel	Dividend Paid	0.94	0.47
Shivani B Shah	Dividend Paid	6.06	3.03
Siddarth R Patel	Dividend Paid	12.60	6.30

Compensation to Key Managerial Personnel

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Short term Employee benefit	142.42	128.94
Post Employment Benefits	3.99	3.43
Other Long-term employee benefits	Nil	Nil
Total	146.41	132.37

Balances outstanding at each reporting date:

Particulars		As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Sunmed corporation LLP:			
Advance to suppliers	Other current assets	99.50	99.50
Outstanding receivables	Trade receivables	16.75	Nil
Outstanding payables	Trade payables	(4.37)	Nil
Avis Travels	Trade payables	Nil	Nil
Downtown Travels LLP	Trade payables	(19.91)	(14.16)
Mahendra G Patel HUF	Trade payables	Nil	22.60
Shree Corporation	Trade Receivable	3.97	Nil
Munjal M Patel HUF	Trade payables	Nil	22.60
Ashish R Patel	Other current Financial Liability	Nil	2.37
Mahendra G Patel	Other current assets	8.36	Nil
Munjal M Patel	Other current assets	1.75	Nil
Kailashben M Patel	Other current assets	3.27	Nil
	Other current Financial Liability	1.27	Nil
	Trade payables	(1.27)	Nil

55. Related Parties Disclosures (Contd.)

Particulars		As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Anand A Patel	Other current Financial Liability	Nil	(0.06)
Mansi A Patel	Other current Financial Liability	Nil	(0.10)
Arvind G Patel	Trade payables	(0.63)	(0.63)
Dharmisthaben H Patel	Other current Financial Liability	(3.08)	(0.54)
Hasmukh I Patel	Other current Financial Liability	5.00	0.88
Kalpanaben R Patel	Other current Financial Liability	Nil	(0.03)
Bhavik P Parikh	Other current Financial Liability	Nil	0.12
Darshit A Shah	Other current Financial Liability	Nil	0.47

Note: Figures in bracket denotes credit balance.

56. Changes in Liabilities arising from Financial Activities

Particulars	Year Ended March 31, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Opening Balance	8,973.85	11,344.94
Cash inflow of non-current borrowings	81.00	Nil
Cash outflow of non-current borrowings	(308.43)	(922.41)
Changes in current borrowings cash flows	(2,626.03)	(1,845.35)
Changes in trade payable cash flows	722.80	(14.04)
Change in other current financial liability	(295.03)	383.00
Change in other non-current financial liability	37.74	3.05
Others	22.93	24.66
Closing Balance	6,608.83	8,973.85

57. Details Of Hedged And Unhedged Exposure in Foreign Currency Denominated Monetary Items**a Exposure in foreign currency - Hedged**

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

(₹ & FC in Lakhs)

Currency	Number of Contracts	Sell Amount in Foreign Currency	Indian ₹ Equivalent
Forward contract to sell USD - As at 31/03/2020	8	27.00	2,042.96
Forward contract to sell EURO - As at 31/03/2020	2	1.48	122.59
Forward contract to sell USD - As at 31/03/2019	3	26.66	592.26

b Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2020 and 31st March, 2019 are as under:

(FC in Lakhs)

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
USD	0.48	1.47	34.57	65.44
EURO	Nil	Nil	1.06	4.35

(₹ in Lakhs)

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2020	As at 31/03/2019	As at 31/03/2020	As at 31/03/2019
USD	36.21	101.43	2,606.36	4,526.31
EURO	Nil	Nil	88.36	337.73

58. 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, 2020 ₹ in Lakhs	Year Ended March 31, 2019 ₹ in Lakhs
Gross amount required to be spent by the Group during the year	92.50	74.50
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	99.11	75.61
Yet to be paid	Nil	Nil

59. Due to Micro and Small Enterprise

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

Particulars	As At March 31, 2020 ₹ in Lakhs	As At March 31, 2019 ₹ in Lakhs
a) The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	799.13	365.42
b) Interest due thereon	Nil	Nil
c) Amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006	Nil	Nil
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
e) Amount of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil

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

60. Assets Pledged as Security

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

Particulars	As At March 31, 2020 ₹ in Lakhs	As At March 31, 2019 ₹ in Lakhs
Non-Current Assets		
Property Plant & Equipment	8,728.69	11,125.60
Total Non Current Assets pledged as Security	8,728.69	11,125.60
Current Assets		
Inventories	3,753.73	3,622.58
Financial Assets		
Investments	3,421.63	1,807.30
Trade Receivable	9,099.52	12,043.30
Cash and cash equivalents	892.30	532.78
Loans	1,441.70	175.00
Other Bank Balance	213.77	198.75
Other Financial Assets	123.01	107.57
Other Current Assets	2,576.83	2,301.23
Total Current Assets pledged as Security	21,522.49	20,788.51
Total Assets Pledged as Security	30,251.18	31,914.11

Note:

- Asset pledge as security by Parent Company of ₹ 30,251.18/- Lakhs (PY ₹ 28,170.54/- Lakhs) includes the Securities hypothecated with the bank for current and non-current borrowing by the company.
- Asset pledge as security by Subsidiary Company of ₹ Nil (PY ₹ 3,743.57/- Lakhs) includes the Securities hypothecated with the bank for current and non-current borrowing by the company. Further as on 31/03/2019 the company has repaid its entire current and non-current borrowings and Charge on Assets Pledged with the bank has been released on 2nd April, 2019.

61. Due to outbreak of COVID-19 globally and in India, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

The Management based on current estimates expects that the carrying amounts of Receivables, Inventories & Advances will be recovered, net of provisions made.

The extent to which the COVID-19 pandemic will impact the company's financial performance is dependent on future developments, which are highly uncertain including among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. Given the uncertainty over the potential macro-economic conditions the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

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

(J. J. Shah)
Partner
(M.No.045669)
UDIN:20045669AAAAV8831

Place : Ahmedabad
Date : June 25, 2020

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

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

Darshit A. Shah
(Chief Financial Officer)

Place : Ahmedabad
Date : June 25, 2020

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

Niren A. Desai
(Company Secretary)
(M. No.: A60285)

SALPHYLLIN-M

Levocetirizine Hcl 2.5 mg +
Montelukast sodium 4 mg / 5ml Suspension

Etocol 90 / MR 4

Etoricoxib 90 mg Tablets
Etoricoxib 60 mg, Thiocolchicoside 4 mg Tablets

SOLU-M

Mupirocin 2% Ointment 5 gm

Ellepra-M

Fexofenadine Hydrochloride 120 mg +
Montelukast 10 mg Tablets

NTAge

Vitamin A Palmitate 1000 IU,
Aloevera 10%, Allantoin 2.05%, Zinc Oxide 2%

Calalin

Calamine 8% w/w, Liq. Paraffin 10% w/w,
Aloe vera 2% w/w, Vit.E 0.1% w/w Lotion

KEZOLIN

Ketoconazole 2% w/w + Pyrithione zinc 1% w/w Lotion

Feminyl

Capsules of Evening Primrose Oil, Ginkgo Extract, L-Carnitine, Green Tea Extract,
Omega 3 Fatty Acid, Antioxidants, Vitamins, Minerals & Trace Elements

Udilink

Ursodeoxycholic Acid 300 mg Tablets

PROGUT Suspension

Bacillus Clausisporos 2 billion Spores

Fertilink

Myo Inositol 550mg + D-Chiro-Inositol 150mg + Folic Acid 1.5mg +
Vitamin D₃ 200 IU Tablet

ITRALIN 100 & 200

Itraconazole 100 mg/ 200 mg Capsule

ZOLU Cream

Luliconazole 1% Cream 10 gm / 30 gm



INFITY-YS/HS/DS

YOUTH SERUM / ANTI-HAIRFALL SERUM /
ANTI-DANDRUFF SHAMPOO

L-BEX-OD⁺

Nicotinamide 100mg + Chromium Picolinate 200mcg + Methylcobalamin 1500mcg + Folic Acid 1.5mg +
Pyridoxine HCL 3mg + Alpha Lipoic Acid 100mg + Vitamin D3 1000IU Tablet

FETON[®]

Ferrous Bisglycinate eq to 60 mg of elemental Iron + Zinc Bisglycinate eq to
15 mg elemental Zinc + Folic Acid 1.5 mg + Methylcobalamin 500 mcg Tablet



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