Fostering Business Growth

LINCOLN
PHARMACEUTICALS LTD.

HEALTHCARE FOR ALL

28th

ANNUAL REPORT
2021-22

LINCOLN

Table Of Content

01 COMPANY OVERVIEW

About the Company 02

Managing Director's Letter 04

Financial Highlights 06

Product Portfolio 08

Company's Milestones 09

Geographical Presence 10

Awards and Accolades 12

Board of Directors 14

Achievement in FY21-22 16

Business Performance & Growth Drivers 17

Future Roadmap & Strategy 21

Corporate information 22

02 STATUTORY REPORT

Management Discussion and Analysis 24

Notice to Shareholders 32

Directors' Report 56

03 FINANCIAL STATEMENT

Standalone Financials

Independent Auditors' Report 102

Balance Sheet 112

Statement of Profit and Loss 113

Statement of Cash Flows 114

Statement of Changes in Equity 116

Notes to Financial Statements 117

Consolidated Financials

Independent Auditors' Report 177

Balance Sheet 184

Statement of Profit and Loss 185

Statement of Cash Flows 186

Statement of Changes in Equity 188

Notes to Financial Statements 189

Providing Affordable and Innovative medicines for healthier lives.

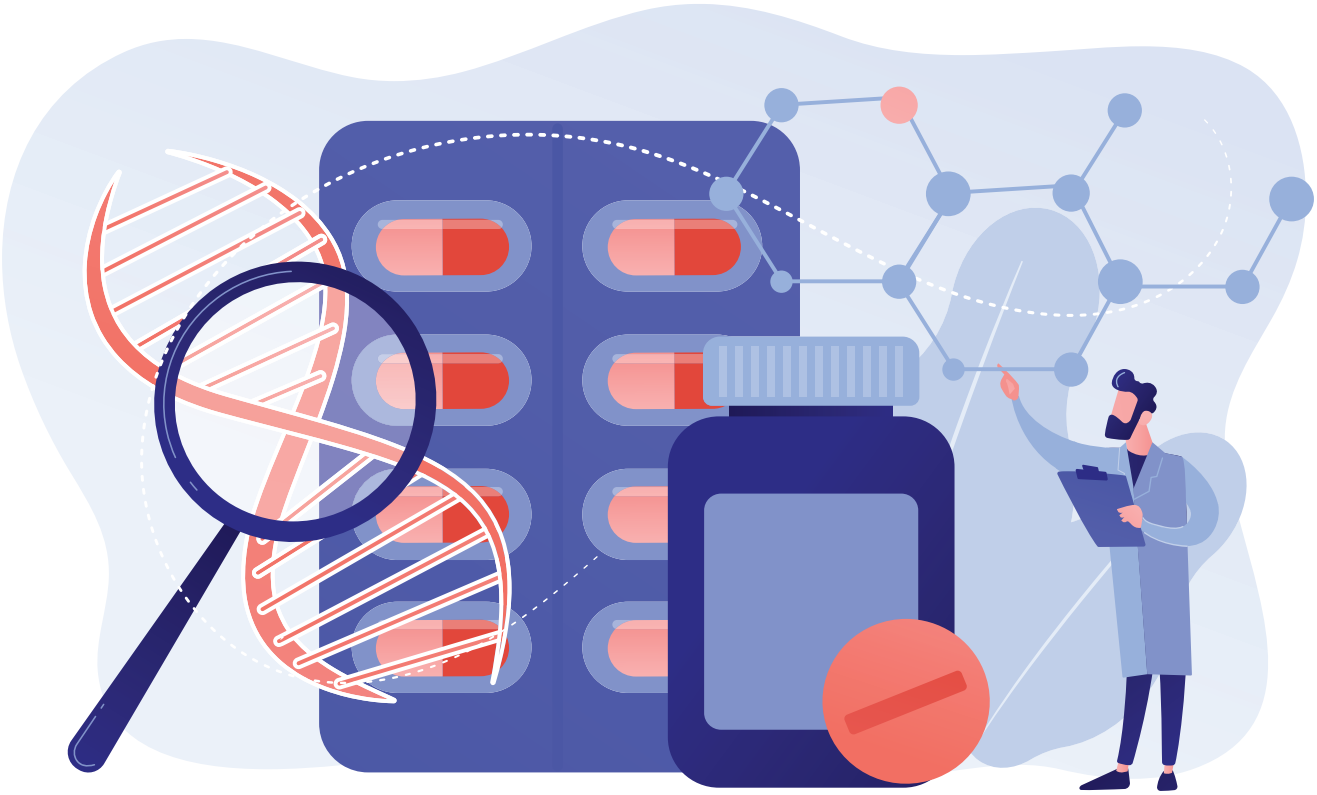
VISION

To spark a universal attempt to uncover cures of diseases by focused and targeted R&D, through forging Strategic alliances both domestically and internationally.

MISSION

Focused on delivering outcomes that meet important medical needs, making quality medicines more accessible and more affordable, and provide solutions for tomorrow's health challenges.

To create "Healthcare for All" an actuality by modest participation of premium low-cost pharma products.



About the Company

Established in 1979, the company has been a leader in branded generics due to its affordable and innovative medicines for healthier lives. With its own R&D and locus manufacturing facilities in Ahmedabad, the organisation is treading steadily towards its vision of "Healthcare for All". Furthermore, the company's manufacturing units have received European Union (EU) GMP certification, which grants them the marketing rights of their products in all the 27-member nations of the EU and access to European Economic Area (EEA) countries.

Lincoln Pharmaceuticals Limited is an organisation dedicated towards attaining progress in the industry through breakthrough innovation, proficient business techniques and total customer satisfaction. As a high-achieving pharmaceutical producer, we manufacture and advertise numerous therapeutic molecules adhering to the WHO-GMP guidelines in both domestic and international markets. We strive to develop using the best-in-class standards, our drugs are available at very cost-effective rates for the masses.

Established in 1979, the company has been a leader in branded generics due to its affordable and innovative medicines for healthier lives. With its own R&D and locus manufacturing facilities in Ahmedabad, the organisation is treading steadily towards its vision of "Healthcare for All". Furthermore, the company's manufacturing units have received European Union (EU) GMP certification, which grants them the marketing rights of their products in all the 27-member nations of the EU and access to European Economic Area (EEA) countries.

Lincoln Pharmaceuticals Limited stands out in the industry on the back of its cutting-edge R&D capabilities. With more than 30 scientists at the helm of the department, the company has filed patents for 25+ patents and received seven patents. Recognised by the Department of Scientific and Technology and the Government of India, the company's state-of-the art devices and equipment are capable of conducting internal physical, chemical and microbiological analyses of all products.

Listed on BSE in 1996 having Market Capitalistion of Rs. 623 crore as on 31 Mar 22,the company has developed 600 plus formulations in 15 therapeutic areas, with team strength of approx. 1500 employees.In FY22, Sales are at Rs. 472 crore & PAT at Rs. 69 crore.

As a responsible contributor to the society, the company is serious on its green initiatives and has set up a new solar plant of 1 MW in addition to two windmills. The result is savings of nearly 65% of electricity cost, propelling the organisation to become a self-sustaining and environment-friendly pharmaceutical company. Lincoln Pharmaceuticals Limited stands tall on the foundation of scientific, financial, managerial and operational expertise which works to revitalize your life. We take pride in lending a forward momentum to the Indian pharmaceutical industry, through our intellectual property, enterprise facilities and very vital personnel resources.

25+
Patents filed

7
Patents Received

15
Therapeutic Areas

1500+
Employees

₹472 Crore
Revenue

₹69 Crore
PAT

Managing Director's Letter

Dear Shareholders, Employees & Other Stake Holders,

It gives me immense happiness to share our progress in our Annual Report for the financial year 2021-22. Your company is growing with commitment and has had an incredible growth with a lot of promise.

The economic resurgence in India, will depend on numerous factors, including policy reforms, major investment drives,fiscal support and continuing the rapid vaccination program.Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. In the last nine years, Indian Pharma sector has grown steadily by CAGR of 9.43%. Pharma sector has been consistently earning trade surplus. Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics.

Indian pharmaceutical industry also plays significant role globally. India has the highest number of United States Food and Drug Administration (USFDA) compliant Pharma plants outside of USA. There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines with 20% share in the global supply by manufacturing 60000 different generic brands across 60 therapeutic categories. India is one of the biggest suppliers of low cost vaccines in the world. Because of the low price and high quality, Indian medicines are preferred worldwide, thereby rightly making the country the "pharmacy of the world".

The Indian pharma industry has also played an important role in meeting the challenges for mitigation of the infection in COVID pandemic. The industry worked in close collaboration with the government and academic institutes etc., to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19

The Indian economy is recovering well, thanks to the robust policies and strategies drafted by the Central Government. To further bolster the future of the Indian pharmaceutical industry, the Central Government is introducing numerous measures and policies for this sector. With India being one of the fastest growing economies, the IMF has forecasting India's GDP growth rate at 7.4% for FY2022-23, it will further boost the domestic and international trade across sectors.

Post Covid-19 and with a favorable environment for the Pharmaceutical industry, we have been able to encash this opportunity by launching new products in the domestic & international markets. There have been innovations which have helped us grow in expanding our product portfolio, gaining more patents and increasing focus on research and development.

Your company has reported its best results in a financial year with Highest Revenue, EBITDA and Net Profit. Standalone revenue for FY22 increased 11.63% to Rs. 472.07 crore. Exports for the same period were Rs.266.18 crore. Your company reported healthy ROCE at 21.93%, RONW at 16.02%with Net Profit margin of 11.41%. Our Book Value is Rs. 216.12 per share as on March 2022. Cash & Cash equivalents at Rs. 6.93 crore as on 31 March, 22

Your company has recommended 15% dividend-Rs.1.50 per share for FY21-22.Company has achieved strong liquidity position supported by healthy cash accruals and become Net Debt free.

We received an approval from Australia's medicines and medical devices regulator – Therapeutic Goods Administration (TGA). TGA and EUGMP approvals will help strengthen your company's presence in 90plus countries.

During FY22, your Company has launched 14 products in the domestic market and filled 110dossiers in the export market. In FY23, your company will look to building a strong product portfolio in the lifestyle and chronic segment especially women's healthcare, dermatology, gastro and pain management to complement it's strong presence in acute segment.

For FY 22-23 company is looking at maintaining a healthy growth in Sales, EBITDA and Net profit margins. It has additionally built our confidence with CRISIL upgrading its ratings and ICRA reaffirming your company's long-term and short-term bank's facilities.

As part of the product expansion strategy, your company has acquired a plant in Mehsana, Gujarat with entire funding from internal accruals, for the launch of Cephalosporin product for production & further expansion.

Your company is growing from strength to strength, delivering robust operational and financial performance, maintaining a healthy growth in revenue, margins and profitability. Expansion plans for Cephalosporin products and foray in EU and Australian markets are progressing well and looking forward to expand its presence in Africa, South East Asian countries also. We

are confident to improve our growth numbers in FY23.Your Company will continue to grow with maintaining its net debt status in the future also.

I also take this opportunity to express my gratitude to all my employees, customers, business partners and shareholders. The confidence and trust you have placed in us has motivated us to reach new heights. Your company will continue to set new standards of growth and excellence in the pharmaceutical segment and also achieve the collective vision.

Best Wishes & Warm Regards

Shri. Mahendra G. Patel
Managing Director
Lincoln Pharmaceuticals Ltd.

Financial Highlights (Standalone)

30%
10 Year Net Profit CAGR

₹ 6.93 crore
Cash & Cash equivalents as on 31 March 2022

13.67
EBITDA %

22%
ROCE

₹ 216
Book Value

₹ 472 crore
Standalone Revenue for the FY22

16%
RONW

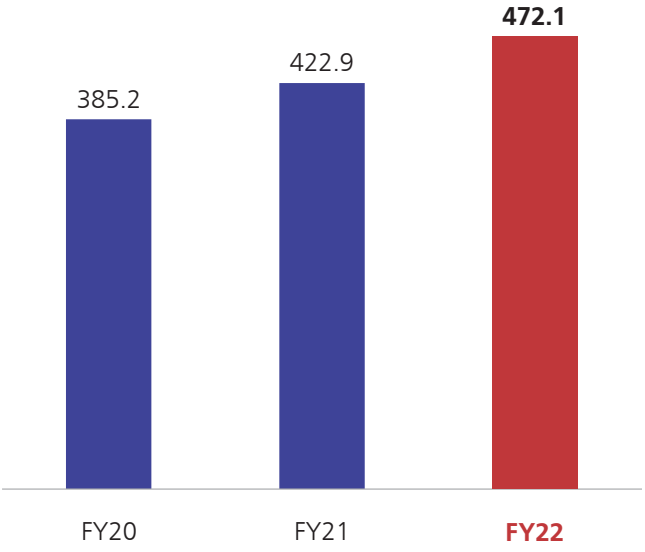
₹ 69 crore
Net Profit

Net Debt Free

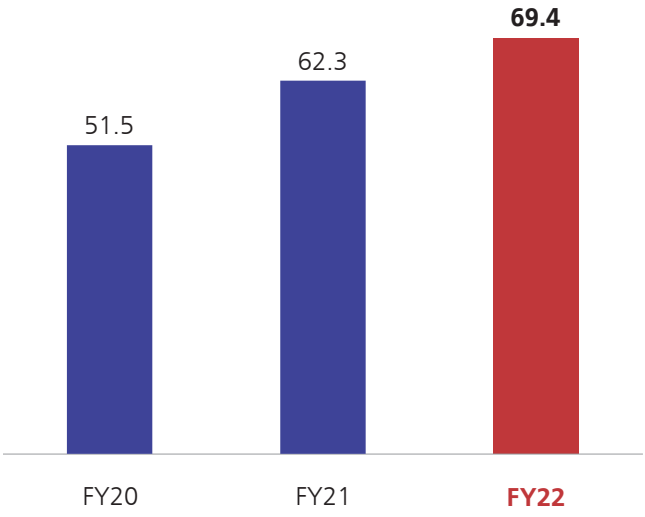
Financial Highlights (Standalone)

(₹ in Crs)

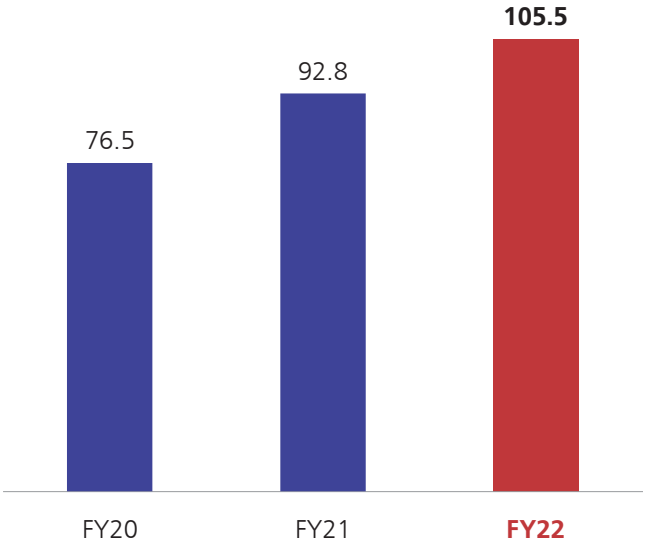
Revenue



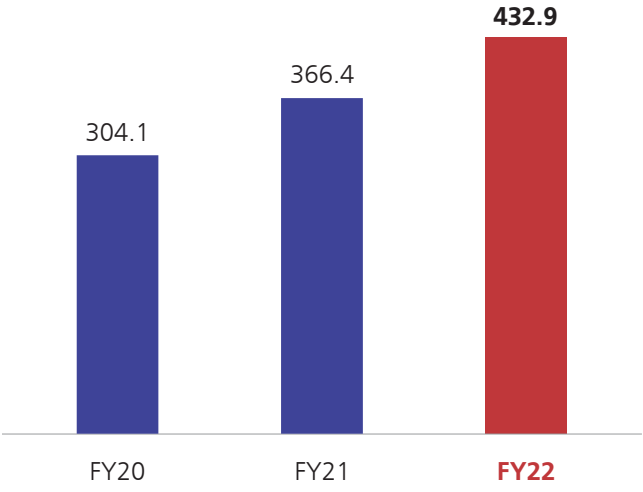
Profit Net



EBITDA



Net Worth



Product Portfolio

1700
Registered Products

700
Products in Pipeline

600
Formulations

15
Therapeutic Areas

500
People

78
R&D Team

NDDS Formulations Introduced as First Time in India

- Anti-fungal vaginal spray
- Diclofenac rectal spray
- Sildenafil oral spray
- Ondansetron Hydrochloride Oral Spray (DOMI-UP)
- Paracetamol 1000mg Programmed Release Tablet (PA-12)
- Micronized Progesterone Vaginal Spray (PROLIN)
- Namcold DX Oral Suspension
- First one to introduce TINNEX for the relief of Tinnitus

Wide Spectrum of Therapeutic Coverage /15+ Therapeutic areas

- Dermatologist Preparation
- Cough & Cold / Anti Allergic / Antiasthmatics
- Gyneacological Products
- Sterile Ophthalmic Eye Drops/Ointment
- Gastro Intestinal Rang
- Anti-malarial
- Vitamins / Minerals / Anti-oxidants5
- Anti-bacterial / Anti-viral/ Antifungal
- Analgesic / Antipyretic
- Otology
- Anti-Diabetic
- Anti-Psychotic / Anti-Convulsant /Anti-Depressant
- Cardiac / AntiHypertensives / Diuretic
- Anti-Diarrhoeal / Anti-Spasmodic / Laxative
- Phosphodiesterase Type 5 Inhibitor and General Anesthetics

Company's Milestones

1979

Lincoln was incorporated & commences operations as a Partnership Firm

1984-85

Received WHO – GMP for plant / production unit

1996-97

Launched IPO & Listed on BSE

2000

Domestic Market Expansion; Covered 80% of India Market

2010-11

Developed & Launched 3 NDDS products

2015-16

Listed on NSE

Installed Windmill 2.1 MW in addition to 600 KVA in 2009

2016-18

Launched 3 products which are first time in India; Entered regulated African & Latin American countries

Launched Next Generation Progesterone Therapy "ProlinSpray"

2018-19

1MW Solar Roof installed; Targeting Regulated Market Inspection

2019-20

Received EU GMP; Patent for Diclofenac Rectal Spray;

2020-21

Becomes Net Debt Free company ; Launched Vitamin C + Zinc

2021-22

Acquired plant in Mehsana (Gujarat) to launch Cephalosporin products

Receives Approval from Australian Regulator, TGA

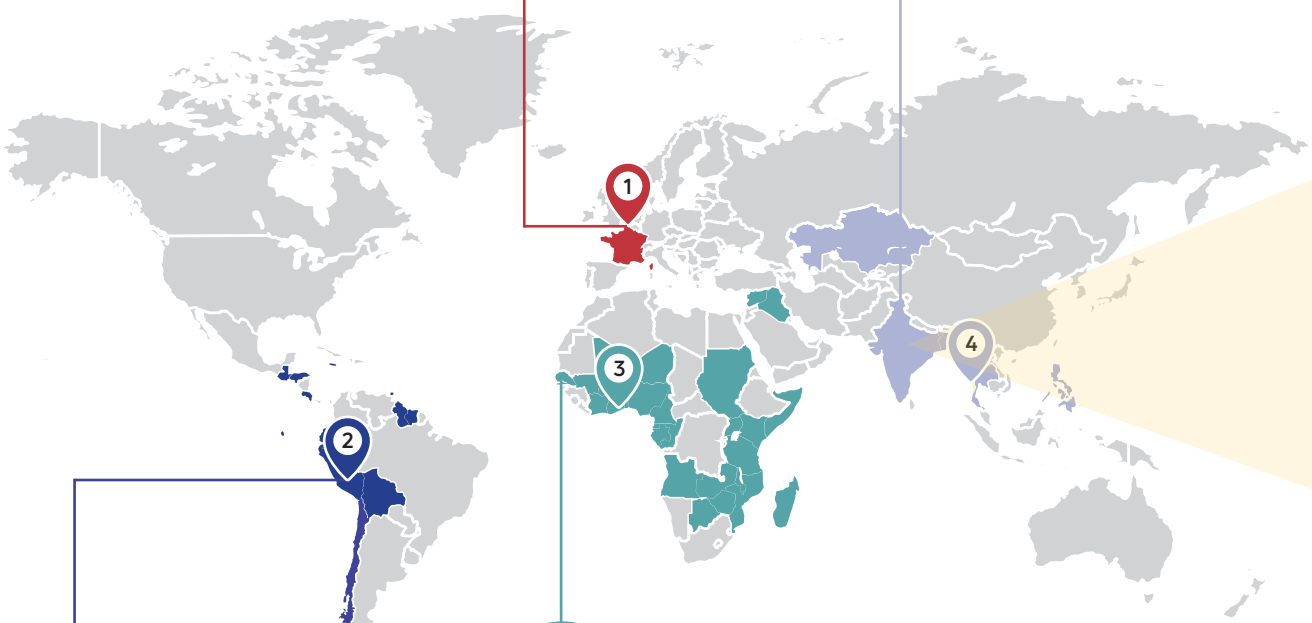
Geographical Presence

Presence over 60 + Countries in Europe, Latin America, Africa, Asia Pacific, South East Asia and 26 States across India

Europe: France

Asia

Afghanistan, Armenia,Azerbaijan, Bhutan, Cambodia, Fiji,Hong Kong, Iraq, Lebanon,Kazakhstan, Mauritius, Myanmar, Nepal, Philippines, Sri Lanka, Thailand, Turkmenistan, Uzbekistan, Vietnam, Yemen



Africa:

Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Ethiopia, Gab on, Ghana, Ivory Coast, Kenya, Madagascar, Malawi, Mali , Mozambique, Niger, Nigeria, Senegal, Seychelles, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe, Zanzibar

South & Central America

Bolivia, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Panama, Peru, Suriname, Trinidad & Tobago

International Presence

C&F Super stockiest Location in India

Awards & Accolades

1994-95 - Gujarat State Export Award -Gandhinar for LPL-Naroda

2011-12- Ambaji Padyatra Camp - Lions club of Kalol City

2012-Pharma-Excellence Award for Innovative R&D Co. of the year

2013 - Gujarat SME Excellence Award for Exemplary Achievement in Mfg. sector

2014-15 Outstanding Export Performance Award-MSME Commissionetrate-Govt. of India)

Export Award-2014-15 -Certificate (MSME)

ICME- Niryat Rattan Award for Indian Council for Small & Mediun Exporter

IDMA-Corporate Citizen Award-19.01.2019

IES-Udyog Rattan Award

Board of Directors

Mr. Kishor M. Shah

Non-Executive Director, Chairman

Mr. Kishor is associated with the company since more than twenty six years. 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

Managing Director

Mr. Mahendra is a Law Graduate. He has immense and varied experience in corporate planning. He is associated with the Company since incorporation. 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. Rajnikant G. Patel

Non-Executive Director

He is a B. Pharm. He is aged about 64 years and is having a rich and varied experience in the Pharma Industry. He is associated with the Company since incorporation. He looks after product development,manufacturing and research and development activities of the Company. He has been instrumental in bringing the Company to its present position.

Mr. Hashmukh I. Patel

Whole Time Director

Mr. Hasmukh is a science graduate. He is aged about 63 years and is having a rich and varied experience in the Pharmaceutical Industry. He manages 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. Ashish R. Patel

Whole Time Director

Armed with a degree in Marketing from U.K. and commerce graduate, he is having immense knowledge and great experience in the area of domestic marketing. He mainly looks after Domestic 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. Munjal M. Patel

Whole Time Director

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 handles International Operations, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.

Mr. Arvind G. Patel

Non-Executive Director

He is B. E. (Electrical) Engineer, aged about 72 years and is associated with Company for more than twenty five years. 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

Mr. Ishwarlal is a Commerce graduate. He is aged about 88 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

Mr. Pirabhai is M.B.B.S., aged about 76 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

Ms. Meha Patel is M.B.B.S., aged about 32 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

Mr. Saurin is aged about 51 years, holds a Bachelor degree of Engineering from the Gujarat University. He is having experience of more than 25 years in the field of manufacturing and export of cotton trade like raw cotton, yarn and its byproducts 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.

Achievement in FY21-22

In FY22, Lincoln Pharmaceuticals Limited managed to conduct business smoothly after the organized unlock in India. Apart from its manufacturing goals, the company achieved many objectives which ensured the financial year was filled with success and optimism.

Achievements highlights:

- Secured a patent for Diclofenac Rectal Spray
- Developed new NDDS formulations and introduced them for the first time in India
- Producing renewable energy for captive consumption
- Aggressive international operations in Africa and SouthEast Asia.
- Received EU GMP certificate to conduct business in the European Union.
- To amalgamate, synergise & enhance Lincoln Parenteral Limited and Lincoln Pharmaceuticals Limited operations thus leading to competitive strength, cost-effectiveness and productivity
- Set up API production unit and Cephalosporin Plant

Business Performance & Growth Drivers

The company is growing from strength to strength, delivering robust operational and financial performance, maintaining a healthy growth in revenue, margins and profitability. It has reported it's Best-Ever Results in a Financial Year with highest Revenue, EBITDA and Net Profit reported on a yearly basis. Company has recommended 15% dividend - Rs. 1.50 per share for FY21-22. Company has achieved strong liquidity position supported by healthy cash accruals and become Net Debt free.

Over the last 10 years, company has delivered a robust 30% CAGR in profits, higher single digit growth in sales. For FY22-23 company is looking at maintaining a healthy growth in Sales, EBITDA and Net profit margins. CRISIL has also upgraded its ratings on the company's bank facilities to 'CRISIL A/Stable/CRISIL A1'. ICRA has reaffirmed the company's long-term and short-term bank facilities to A and A1 respectively

We are confident to improve our growth numbers in FY23. Company will continue to grow with maintaining its net debt status in future also.

Business Performance & Growth Drivers

Manufacturing / CAPEX

Having a manufacturing facility at Khatraj near Ahmedabad, Company acquired a plant in Mehsana (Gujarat) to launch Cephalosporin products and invested Rs. 30 crore in the facility including capacity expansion. Entire funding is from internal accruals. Plant is expected to contribute sales of around Rs. 150 crore in next 3 years and cater to all Cephalosporin products i.e. Tablet, Capsule, Dry syrup, Injectable. It has received certifications such as EU-GMP, WHO-GMP, TGA and ISO-9001: 2015.

A Green Facility, is producing 65% of energy consumption through renewable Solar & Wind Project too.

Launches & Focus Area

During FY22, Company launched 14 products in the domestic market and filled 110 dossiers in the export market. In FY23, company will look into building a strong product portfolio in the lifestyle and chronic segment especially dermatology, gastro and pain management to complement it's strong presence in acute segment.

Exports & Markets

- Exports increased to 56% in FY22 from 11% in FY13.
- Exports for the FY22 was at Rs. 266 crore
- Exports to 60 plus countries currently & plans to expand to 90 countries in next 2-3 years
- Major Markets include - East & West Africa, Central & Latin America and Southeast Asia
- Expansion plans for Cephalosporin products and foray in EU and Australian markets are progressing well and looks to expand presence in Africa, South East Asian countries also.
- One of the key drivers of export growth is the 9% year-on-year increase in export (international)

Research & Development

- Awarded with 7 Patents; Filled 25 plus Patent Applications
- DSIR Approved R&D Facilities
- Approved by Government, 75 Plus R&D Professional including 30 Scientists
- In FY 2022 company received an approval from Australia's medicines and medical devices regulator - Therapeutic Goods Administration (TGA). TGA and EU GMP approvals will help strengthen company's presence in 90 plus countries.
- Certifications: EU-GMP, TGA, WHO-GMP Certified; ISO 9001:2015 Certified.
- Developed 600+ Formulations
- NDDS Formulations introduced as first time in India
- 86th Rank IQVIA (July 2022)

Future Roadmap & Strategy

During the year, we invested heavily on our R&D division for developing more specialty products. These strategic moves will support us in moving up the pharmaceutical value chain. We are also concentrating at creating a broader pipeline of product offerings for both emerging and developed markets. Consolidation and enhanced presence within our key markets continue to be the focal point of our strategies.

We, at LPL, understand the importance of every little effort as it contributes towards the bigger picture. The company is moving at a considerable pace to advance in the pharmaceutical space.

Going ahead, Lincoln Pharmaceuticals Limited is

- Dedicated to expanding its product portfolio
- Developing value-adding products in the lifestyle and chronic segments, especially for women and skincare
- Dermatology to complement its strong presence in the acute segment.
- Specialty Products
- Gaining more patents and Increasing focus on research and development

Key Areas

- Anti-infective
- Respiratory system
- Gynecology
- Cardio & CNS
- Anti-bacterial
- Anti-diabetic
- Anti-malaria among others DERMA.

Corporate Information

BOARD OF DIRECTORS

Mr. Kishor M. Shah - Non-Executive Chairman
Mr. Mahendra G. Patel - Managing Director
Mr. Hashmukh I. Patel - Whole Time Director
Mr. Ashish R. Patel - Whole Time Director
Mr. Munjal M. Patel - Whole Time Director
Mr. Rajnikant G. Patel - Non-Executive Director
Mr. Arvind G. Patel - Non-Executive Director
(Ceased w.e.f. 09.08.2022)
Mr. Anand A. Patel - Whole Time Director
(Appointed w.e.f. 09.08.2022)
Mr. Ishwarlal A. Patel - Independent Director
Mr. Pirabhai R. Suthar - Independent Director
Ms. Meha Patel - Independent Director
Mr. Saurin J. Parikh - Independent Director

CHIEF FINANCIAL OFFICER

Mr Darshit A. Shah

COMPANY SECRETARY

Mr Niren A. Desai
(Ceased w.e.f. 19.07.2022)

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

HS
OH
HN
NH
N
H
OH
N
NH2

LPL LINCOLN

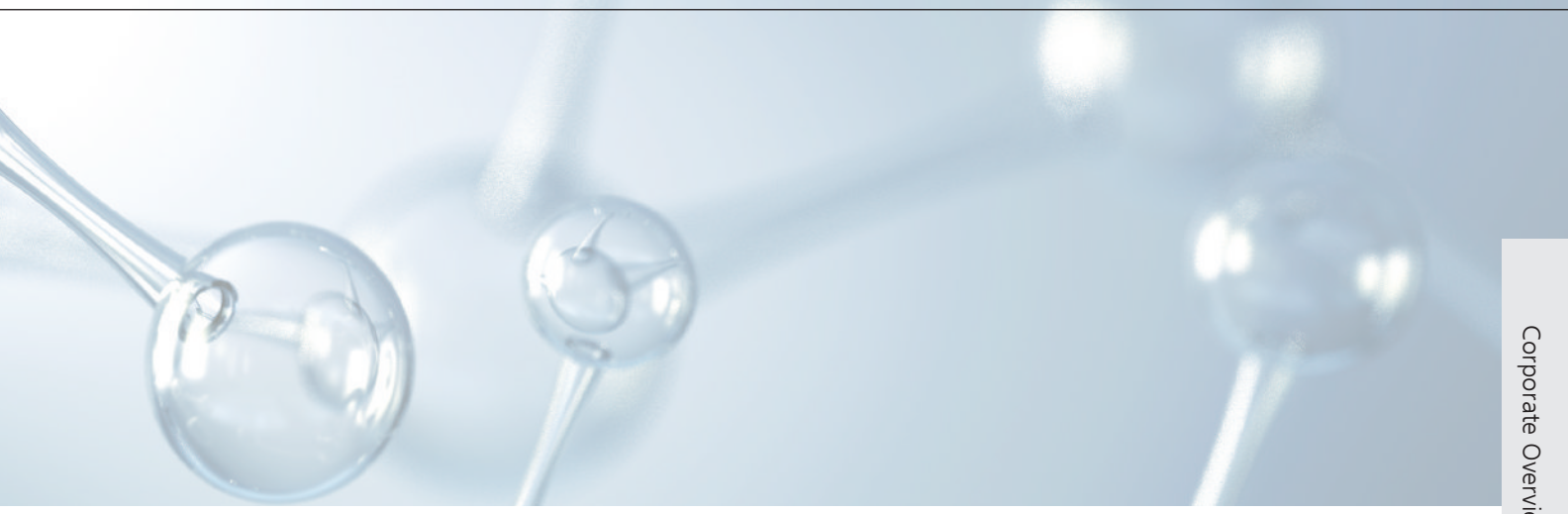
Management Discussion & Analysis

Global Economy

Still suffering from the effects of more than two years of pandemic, the global economy is experiencing yet another major negative shock. Russia's invasion of Ukraine has not only precipitated a humanitarian catastrophe—with thousands of civilians killed and millions more displaced—but also resulted in a deep regional slowdown and substantial negative global spillovers. These spillovers are magnifying preexisting strains from the pandemic, such as bottlenecks in global supply chains and significant increases in the price of many commodities. The effects of the invasion have also caused a further reduction in policy space, which is now much more limited than at the onset of the pandemic. Amid surging commodity prices and supply disruptions, inflation has soared across the world, exacerbating the exceedingly difficult tradeoffs policy makers face between supporting growth and controlling price pressures. Global financial conditions have tightened and borrowing costs have increased, particularly in emerging market and developing economies (EMDEs), reflecting reduced policy accommodation in response to inflationary pressures, elevated uncertainty, and heightened geopolitical risks. In addition, the unwinding of fiscal support measures has continued to weigh on global activity.

Against the backdrop of this significantly more challenging context, the world economy is expected to experience its sharpest deceleration following an initial recovery from global recession in more than 80 years. Global growth is projected to slow from 5.7 percent in 2021 to 2.9 percent in 2022 and average 3 percent in 2023-24, as Russia's invasion of Ukraine significantly disrupts activity and trade in the near term, pent-up demand fades, and policy support is withdrawn amid high inflation The effects of the war—including more acute inflationary pressures and a faster pace of monetary tightening than previously assumed— account for most of the 1.2 percentage points downward revision to this year's growth forecast. Growth projections for 2022 have been downgraded for most economies—including for the majority of commodity exporters despite improved terms of trade, partly due to higher input costs in non-energy exporters. The cumulative losses to global activity relative to its pre-pandemic trend are expected to continue mounting over the forecast horizon, especially among EMDE commodity importers, as a result of lasting damage inflicted by more than two years of negative shocks

Due to the present situation, this could eventually result in a sharp tightening of monetary policy in advanced economies, which could lead to financial stress in some emerging market and



developing economies. A forceful and wide-ranging policy response is required to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, and support vulnerable groups.

Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening— are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying geopolitical tensions, growing stagflationary headwinds, rising financial instability, continuing supply strains, and worsening food insecurity. These risks underscore the importance of a forceful policy response. The global community needs to ramp up efforts to mitigate humanitarian crises caused by the war in Ukraine and conflict elsewhere, alleviate food insecurity, and expand vaccine access to ensure a durable end of the pandemic. Meanwhile, EMDE policy makers need to refrain from implementing export restrictions or price controls, which could end up magnifying the increase in commodity prices. With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation

Key Global Challenges

The global community needs to urgently step up efforts to limit the humanitarian cost of Russia's invasion of Ukraine and armed conflicts in other parts of the world, such as through the coordinated delivery of emergency food, medical, and financial aid to war-torn areas. A concerted effort will also be required to equitably share the burden of housing and possibly relocating refugees displaced by war in Ukraine and conflict elsewhere (OECD 2022). Once the geopolitical situation has stabilized, coordinated efforts will be required to support and finance the reconstruction of war ravaged areas. One way to improve the economic effectiveness of reconstruction efforts is to offer grants rather than loans when appropriate, while closely aligning international support with the affected nation's interests

The global community also needs to maintain efforts to end the COVID-19 pandemic,

particularly in the poorest countries. Sustained collective action is required to bolster global pandemic preparedness and rapidly expand vaccination campaigns. Expanding vaccination coverage is a global priority—especially in LICs, where only about 14 percent of people have been fully vaccinated owing to a combination of insufficient supply, logistical challenges, and vaccine hesitancy. Much of the existing production capacity of vaccines continues to be allocated to vaccinations and boosters in higher-income countries.

Policymakers, moreover, should refrain from distortionary policies such as price controls, subsidies, and export bans, which could worsen the recent increase in commodity prices. Against the challenging backdrop of higher inflation, weaker growth, tighter financial conditions, and limited fiscal policy space, governments will need to reprioritize spending toward targeted relief for vulnerable populations.

Indian Economy

The global effect will surely have an impact on the Indian economy in the long run. Currently the Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20.

These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing 70% to the country's economic activity. With the economic scenario improving on recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must

continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past,

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over the recent decade, India's rapid economic growth has led to a substantial increase in demand for exports. Moreover, many of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country. The Government has been working to revise the National List of Essential Medicines hoping that it would result in a better quality of medical care, better management of medicines and cost-effective use of healthcare resources.

Economic activity in India is holding up better than anticipated. Electrivity consumption, manufacturing PMI, exports, power supply and other high frequency indicators indicate that the pace of economic activity has fully recovered from the COVID-19 pandemic shock. Recent government initiatives to boost revenue will aid in containing the rise in the current account deficit and ensure that any potential fiscal slippage is adequately contained. According to a Boston Consulting Group (BCG) analysis, India is expected to be the third-largest consumer economy as its consumption may quadruple to US$ 4 trillion by 2025 due to changes in consumer behaviour and spending patterns. By 2040, India is anticipated to overtake the US to become the second-largest economy in terms of purchasing power parity (PPP), according to a report by PricewaterhouseCoopers.

Global Pharmaceutical Industry

The world pharmaceutical market was worth an estimated $1.2 trillion at ex-factory prices in 2020. It is one of the top performing industries globally. New medications are constantly being developed, approved and marketed, resulting in significant market growth. The FDA approved 55 novel drugs in 2021. Other market growth drivers include the aging population, as seniors use more medicines per capita and there is a rise in the prevalence and treatment of chronic diseases.

Immunology, oncology and neurology are the fastest-growing therapy areas and are expected to be the main sources of growth through 2026. The biologics market is growing at significant rate and is expected to continue outstripping that of small molecules in the coming decade. The three largest biologic therapy areas include oncology, autoimmune and diabetes.

The U.S. dominates the global pharmaceutical markets, accounting for almost half of pharmaceutical sales globally in 2021. However, the industry faces many challenges including regulatory hurdles, escalating R&D costs, and competition from generic drugs and biosimilars.

The pharmaceutical industry, one of the most profitable industries in the world, is under significant pressure to bring in cost-effective and innovative drugs. The discipline of precision medicine and genomic medicine has gained significant interest from researchers and healthcare providers globally. Already, it is making an impact in the fields of oncology, pharmacology, rare and undiagnosed diseases, and infectious disease, and its popularity is

expected to grow significantly in coming years.

Sensing the huge opportunity in the field of precision medicine and genomic medicine, several big pharma companies have been making huge investments to expand their precision and genomic medicine portfolios and pipelines. The number of personalized drugs is expected to double or even triple in the upcoming years.

Indian Pharmaceutical Industry

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume.

Indian pharma companies enabled by their price competitiveness and good quality, have made a global mark, with 60 per cent of the world's vaccines and 20 per cent of generic medicines coming from India..The current market size of the domestic pharmaceutical industry is around USD 50 billion.

In the last nine years, Indian Pharma sector has grown steadily by CAGR of 9.43%. Pharma sector has been consistently earning trade surplus. Major segments of the Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. Indian pharmaceutical industry also plays significant role globally. India has the highest number of United States Food and Drug Administration (USFDA) compliant Pharma plants outside of USA.

The share of pharmaceuticals and drugs in the global exports is 5.92 per cent.Formulations and biologicals continue to account for a major share of 73.31 per cent of the country's total exports, followed by bulk drugs and drug intermediates. The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US$ 1,414 million between in FY 2021-22. The Indian pharmaceutical industry generated a trade surplus of US$ 15.81 billion in FY22.

Exports have touched Rs 1,83,422 crore in 2021-22 against Rs 90,415 crore in 2013-14. The exports in 2021-22 sustained a positive growth despite the global trade disruptions and drop in demand for COVID related medicines.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines with 20% share in the global supply by manufacturing 60000 different generic brands across 60 therapeutic categories. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. India is one of the biggest suppliers of lowcost vaccines in the world. Because of the low price and high quality, Indian medicines are preferred worldwide, thereby rightly making the country the "pharmacy of the world".

The Indian pharma industry has also played an important role in meeting the challenges for mitigation of the infection in COVID pandemic. The industry worked in close collaboration with the government and academic institutes etc., to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19 (e.g. Remdesivir, Ivermectin, Hydroxychloroquine, Dexamethasone, Tocilizumab, Favipiravir etc.). Indian drug supplies throughout the COVID-19 pandemic period have provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for paracetamol and about 96 countries for vaccines across the world.

Company Overview

Lincoln Pharmaceuticals Limited is an organisation dedicated towards attaining progress in the industry via breakthrough innovation, proficient business techniques and total customer satisfaction. As a high-achieving pharmaceutical

producer, we manufacture and advertise numerous therapeutic molecules adhering to the WHO-GMP guidelines in both domestic and international markets. Developed using the best-in-class standards, our drugs are available at very cost effective rates for the masses.

Established in 1979, the company has been a leader in branded generics due to its affordable and innovative medicines for healthier lives. With its own R&D and locus manufacturing facilities in Ahmedabad, the organisation is treading steadily towards its vision of "Healthcare for All". Furthermore, the company's manufacturing units have received European Union (EU) GMP certification, which grants them the marketing rights of their products in all the 27-member nations of the EU and access to European Economic Area (EEA) countries.

Lincoln Pharmaceuticals Limited stands out in the industry on the back of its cutting-edge R&D capabilities. With more than 30 scientists at the helm of the department, the company has filed patents for 25+ patents and received seven patents. Recognised by the Department of Scientific and Technology and the Government of India, the company's state-of-the art devices and equipment are capable of conducting internal physical, chemical and microbiological analyses of all products.

Lincoln Pharmaceuticals Limited is of the leading companies in pharmaceutical industry, engaged in the business of manufacturing of Tablets, Capsules, Dry Syrup, Liquid Vials, Injectables and Ointments etc. Company is also building a strong portfolio in lifestyle and chronic segment especially in women healthcare and dermatology to complement our strong presence in acute segment. 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 filed 25 plus patent applications and is awarded with seven patents. 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 IS0-9001: 2015. With the EU certification, company will expand its business network to 90 plus countries. 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.

Our Formulation Development team works on new active substances, generics, trouble shooting of existing products and patent non infringing products for Emerging markets and Domestic market.In our R&D centre we are developing all the dosage form of the pharmaceutical products like, Immediate release tablets, Delayed release tablets, Extended release tablets, Hard gelatin Capsules, Soft gelatin capsules, Liquid orals – syrup, Dry syrup, Powder in sachet, Suspension, Semi-solid – Creams, Gel, Ointments, Small & Large volume parental, Oral & Topical sprays formulation, etc.

Financial Operations

Revenue & Margins

Lincoln Pharma's performance has been significantly good with revenue increasing to Rs.472.1 crore in 2021-22 as against Rs.422.9 crore in 2020-21 showing a 11.63% increase. Net Profit has increased to Rs.69.4 crore in 2021-22 as against Rs.62.3 crore in 2020-21.EBITDA has shown a significant growth to Rs.105.5 crore as against Rs.92.8 crore in 2020-21, increase

of 13.67%.The company's Net Worth has significantly increased to Rs.432.9 crore in 2021-22 from Rs.366.4 crore in 2020-21.

Ratios

EBITDA Margin has increased to 22.3% in 2021-22 as against 21.9% in 2020-21.PAT margin has been maintained at 14.7% for 2020-21 & 2021-22. PBT has shown a growth of 14.65%.ROCE has shown a slight decline of 0.7% in 2021-22 (21.9%) from 22.6% in 2020-21. RONW has declined by 1% between both the years (2021-22 – 16% and 2020-21 – 17%)

Non Financial Operations

Over the last 10 years, company has delivered a robust 30% CAGR in profits, higher single digit growth in sales. For FY 22-23 company is looking at maintaining a healthy growth in Sales, EBITDA and Net profit margins. CRISIL has also upgraded its ratings on the company's bank facilities to 'CRISIL A/Stable/CRISIL A1'. ICRA has reaffirmed the company's long-term and short-term bank facilities to A and A1 respectively

During the year, we invested heavily on our R&D division for developing more specialty products. These strategic moves will support us in moving up the pharmaceutical value chain. We are also concentrating at creating a broader pipeline of product offerings for both emerging and developed markets. Consolidation and enhanced presence within our key markets continue to be the focal point of our strategies.

We, at LPL, understand the importance of every little effort as it contributes towards the bigger picture. The company is moving at a considerable pace to advance in the pharmaceutical space.

We are confident to improve our growth numbers in FY 23. Company will continue to grow with maintaining its net debt status in future also.

Achievement Highlights:

- Secured a patent for Diclofenac Rectal Spray
- Developed new NDDS formulations and introduced them for the first time in India
- Producing renewable energy for captive consumption
- Aggressive international operations in Africa and SouthEast Asia.
- Received EU GMP certificate to conduct business in the European Union.
- To amalgamate, synergise & enhance Lincoln Parenteral Limited and Lincoln Pharmaceuticals Limited operations thus leading to competitive strength, cost-effectiveness and productivity
- Set up API production unit and Cephalosporin Plant

Future Roadmap

Going ahead, Lincoln Pharmaceuticals Limited is dedicated to expanding its product portfolio by developing value-adding products in the lifestyle and chronic segments, especially for women and skincare. Dermatology to complement its strong presence in the acute segment. Build specialty products and gain more patents and increase focus on research and development.

Human Resources

With a work force of 700, which includes 78 R&D professionals and 30 scientists, we have a robust team of professionals and other stake holders who help us in achieving the company's strategies and goals. The Company encourages its employees to perform to their best ability and supports open collaboration, engagement and involvement. Constant improvements are brought about in work practices, technological and technical developments, and productivity of employees through training and learning development programmes. The Company believes in offering the best possible opportunities

to its human resource for growth, development and a better quality of life, while developing their potential and maximizing their productivity.

Risk Management

Apart from the general business risks and industry-related risks, there would be several other risks such as foreign exchange fluctuations, regulatory policy changes etc. As and when the risk is identified the same will be reviewed at the concerned department level to take necessary steps or will be brought to the notice of management to address the issue. The management aims to provide confidence to the stakeholders that the Company's risks are known and well managed. Further to this, the Company also focuses on protecting the environment and growing its awareness. Additionally, various other cost controlling measures have been taken to focus on the cost control.

Internal control and System

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operation, optimum utilisation of resources, and effective monitoring thereof as well as compliance with all applicable laws.The internal control mechanism comprises well-defined organisation structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility. Needless to mention, ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain the central point of the entire control systems

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "Forward looking statements" within the applicable laws and regulations. Actual results may vary from these expressed or implied; several factors that may affect Company's operations include Dependency on telecommunication and information technology system, Government policy and several other factors. The Company takes no responsibility for any consequences of the decisions made, based on such statements and holds no obligation to update these in future.

NOTICE

NOTICE is hereby given that the 28th(Twenty Eighth) Annual General Meeting ("AGM") of the members of **Lincoln Pharmaceuticals Limited** ("the Company" or "LPL") will be held on Friday, September 30, 2022 at 11:00 a.m.(IST) through Video Conference ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses. The venue of the AGM shall be deemed to be the registered office of the Company i.e. at "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad, Gujarat – 380 061, India.

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, 2022 together with the auditors' report thereon and the report of the board of directors of the Company.
2. To declare dividend of ₹ 1.50/- (15%) per equity share for the financial year 2021-2022.
3. To appoint a Director in place of Mr. Kishor M. Shah (DIN: 02769085), who retires by rotation and being eligible offers himself for re-appointment as a Director.
4. To appoint a Director in place of Mr. Ashish R. Patel (DIN: 01309017), who retires by rotation and being eligible offers himself for re-appointment as a Director.
5. To consider and if thought fit to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT in accordance with the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, including any statutory modification(s) or re-enactment(s) or modification(s) thereof, as may be applicable and pursuant to the recommendations of the Audit Committee and approval by the Board of Directors of the Company, Samir M. Shah & Associates, Chartered Accountants, (Firm Registration No.: 122377W), Ahmedabad be and is hereby appointed as the statutory auditors to hold office for term of 5 (five) consecutive years from the conclusion of 28thAGM until the conclusion of the 33rdAGM of the Company on such remuneration as may be mutually agreed between the board of directors of the Company and the statutory auditors plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them in place of J. T. Shah & Co., Chartered Accountants, (FRN: 109616W), who will vacate their office at the conclusion of this AGM, pursuant to Section 139 of the Act.

SPECIAL BUSINESSES:

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 the provisions of Section 152, 161 and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Anand A. Patel (DIN: 00103316), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 9, 2022 and who holds office up to the date of this AGM of the Company or up to three months from the date of his appointment, whichever is earlier and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things necessary and expedient to give effect to the resolution."

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

   RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulations, as amended from time to time (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of members of the Company be and is hereby accorded for appointment of Mr. Anand A. Patel (DIN: 00103316)

NOTICE (Contd.)

as a Whole Time Director of the Company, whose office will be liable to retire by rotation, for a period of 3 (three) years with effect from August 09, 2022 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Anand A. Patel, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to appointment of Mr. Anand A. Patel as the Whole Time Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Saurin J. Parikh (DIN: 02136530), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI Listing Regulations, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a further term of 5 (five) consecutive years on the Board of the Company with effect from March 27, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulations, for the time being in force), and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Mahendra G. Patel (DIN: 00104706) as a Managing Director of the Company, not liable to retire by rotation, for a period of 3 (three) years with effect from October 01, 2022 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to re-appointment of Mr. Mahendra G. Patel as the Managing Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Mahendra G. Patel, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all

NOTICE (Contd.)

such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulation (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Hashmukh I. Patel (DIN: 00104834) as a Whole Time Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from October 01, 2022 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to re-appointment of Mr. Hashmukh I. Patel as the Whole Time Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Hashmukh I. Patel, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Ashish R. Patel (DIN: 01309017) as a Whole Time Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from November 15, 2022 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to re-appointment of Mr. Ashish R. Patel as the Whole Time Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Ashish R. Patel, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

NOTICE (Contd.)

RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, schedule V and any other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of SEBI Listing Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Article of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Munjal M. Patel (DIN: 02319308) as a Whole Time Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from November 15, 2022 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the notice convening this AGM.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary such terms and conditions as it may deem appropriate in relation to re-appointment of Mr. Munjal M. Patel as the Whole Time Director of the Company, in compliance with the applicable provisions of the Act, other applicable laws and SEBI Listing Regulations.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Munjal M. Patel, the Company has no profits or profits are inadequate, the remuneration as provided in explanatory statements shall be paid as minimum remuneration in compliance with applicable law notwithstanding that such remuneration may exceed the limits.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to hereinafter include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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

RESOLVED THAT pursuant to provisions of section 148 (3) and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014,(including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded to ratify the payment of remuneration of ₹ 2,00,000/- (Rupees Two Lakh Only) p.a. plus goods and service tax and out of pocket expense at actual to Kiran J. Mehta & Co., Cost Accountants (FRN: 000025), Ahmedabad who were appointed by the board of directors as cost auditors to conduct the audit of cost records maintained by the Company pertaining to products manufactured by the Company for the financial year ended on March 31, 2023.

By Order of the Board
For Lincoln Pharmaceuticals Limited

Mahendra G. Patel
Managing Director
DIN:00104706

Place: Ahmedabad
Date: August 09, 2022

Registered Office:

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

NOTICE (Contd.)

NOTES:

1. The Ministry of Corporate Affairs **("MCA")** has vide its circulars dated May 05, 2022 and December 14, 2021 read with circulars dated January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020 (collectively referred to as **"MCA Circulars"**) and SEBI vide its circulars dated May 13, 2022 read with circulars dated January 15, 2021 and May 12, 2020 (collectively referred to as **"SEBI Circulars"**) permitted the holding of the AGM through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 28th AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the 28th AGM through VC/OAVM.

   As AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, the facility to appoint proxy will not be required for the AGM and hence the proxy form and attendance slip are not annexed to this Notice. Also, the route map is 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 is entitled to appoint authorised representative to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.

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

3. The Explanatory Statement pursuant to provision of section 102 of the Act, Secretarial Standard – 2 on General Meetings and SEBI Listing Regulations in respect of the agenda items as mentioned in Notice is annexed hereto.

4. In compliance with the MCA and SEBI Circulars, Notice of the 28th AGM along with the Annual Report 2021-2022 is being sent through electronic mode only to those Members whose E-Mail address is registered with the Company's Registrar and Share Transfer Agent ("RTA")/ Depository Participants ("DPs") as on Friday, September 02, 2022. Members may note that the Notice of AGM and the Annual Report of the Company for the financial year 2021-2022 is uploaded on the Company's website www.lincolnpharma.com and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. Members who have not registered their email addresses are requested to register the same with the Company / RTA/ respective DPs. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.

5. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited (RTA), Ahmedabad in case the shares are held by them in physical form.

6. The Register of Members and Share Transfer Book of the Company will remain close from Saturday, September 17, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of AGM and to determine the list of members entitled to receive dividend, if approved by the shareholders at the AGM. In view of the above book closure date, the members holding shares as on September 16, 2022 will be entitled to receive the Dividend.

7. The Board of Directors has recommended a dividend of ₹ 1.50/- per fully paid-up equity share (i.e. 15%) of ₹ 10/- each for the financial year ended on March 31, 2022. The members holding shares on record date i.e. the date prior to the commencement of the book closure, will only be entitled to receive the final dividend, if approved by the members at the AGM. The dividend, once approved by the members at the AGM, will be paid within statutory time limit of 30 days, through direct credit to the bank account or send demand drafts / cheques as per permitted mode.

8. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid / distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable

NOTICE (Contd.)

us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act. For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

- Members having valid PAN – 10% or as notified by the Government of India
- Members not having PAN / valid PAN – 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2021-2022 does not exceed ₹ 5,000 (rupees five thousand) and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified under the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower/ Nil withholding tax. PAN is mandatory for members providing Form 15G /15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the double tax avoidance agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following: Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member Copy of Tax Residency Certificate (TRC) for the FY 2021-2022 obtained from the revenue authorities of the country of tax residence, duly attested by member Self declaration in Form 10F Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty Self-declaration of beneficial ownership by the non-resident shareholder Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforesaid documents such as Form 15G / 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before September 15, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination / deduction received post September 15, 2022 shall not be considered.

9. The Board of Directors of the Company has appointed Mr. Umesh Parikh (FCS No. - 4152; CP No. 2413) and failing him, Mr. Uday Dave, Partners of M/s. Parikh Dave & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

10. The Scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes casted at the Meeting, votes casted through remote e-voting, make a consolidated scrutinizer's report and submit the same to the chairperson or a person authorized by him in writing, who shall countersign the same and declare the results (consolidated) within two working days from the conclusion of the AGM.

11. The result declared along with the scrutinizers report will be displayed on the Company's website at www.lincolnpharma.com and will be uploaded on the website of BSE Limited at www.bseindia.com and the website of National Stock Exchange of India Limited at www.nseindia.com also on the website of CDSL e-voting at www.evoting.cdslindia.com immediately after the declaration of results.

12. Pursuant to SEBI Circular dated November 03, 2021 read with SEBI Circulars dated December 14, 2021 and January 25, 2022 on Common and Simplified Norms for processing Investor's Service, the shareholders holding shares in Physical mode are mandatorily require to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/RTA of the Company. The salient features and requirements of the circular are as follows:

NOTICE (Contd.)

a) **If case of Non-Updation of KYC:** Folios wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid. And eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.

b) The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on RTA website. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.

c) **Mandatory Linkage of PAN with Aadhaar:** As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2023. A communication in this regard was already sent to physical shareholders. Security holders who are yet to link the PAN with Aadhaar number are requested to get the same done before March 31, 2023. Post March 31, 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid as on the notified cut-off date of March 31, 2023 or any other date as maybe specified by the CBDT, shall also be frozen.

In view of the above, we request you to submit the KYC Form, duly completed along with Investor Service Request Form (ISR) – 1 and the required supporting documents as stated in Form ISR-1 at the earliest with Link Intime India Private Limited, Ahmedabad.

Necessary communication through letters have been sent to all the physical shareholders in this regard on February 17, 2022.

13. All the relevant documents referred to in this Notice will be available for inspection electronically by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to investor@lincolnpharma.com by mentioning the details of Folio No. / Client ID - DP ID wherein the shares of the Company are held by the Member(s) till the date of Annual General Meeting.

14. 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 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 the dividend warrants or any subsequent dividend warrants may claim or approach to the 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. Further, no claims will be entertained by the Company for any unclaimed / unpaid dividend transferred to IEPF thereafter. Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the information in respect of the unclaimed / unpaid dividends on its website www.lincolnpharma.com and also on the website of the IEPF i.e. on www.iepf.gov.in.The unclaimed / unpaid dividends for the financial year 2014-2015 is due to be transferred to IEPF in the current financial year. Members who have not encashed their dividend warrants for the financial year 2014-2015 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial Year	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid of dividend to IEPF Account
2014-2015	September 30, 2015	10	September 30, 2022
2015-2016	September 30, 2016	10	September 30, 2023
2016-2017	September 29, 2017	12	September 29, 2024
2017-2018	September 29, 2018	15	September 29, 2025
2018-2019	September 30, 2019	15	September 30, 2026
2019-2020*	September 30, 2020	15	September 30, 2027
2020-2021	September 30, 2021	15	September 30, 2028

* Interim Dividend

NOTICE (Contd.)

15. Pursuant to the provisions of Section 124 of the Act, read with Rule 6 of the IEPF Rules as amendments thereto, all shares in respect of which dividend has not been paid / 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 current financial year. The concerned members are requested to claim the same to avoid transfer of shares / dividend to IEPF Authority. No claim shall lie against the company after the shares are transferred to IEPF Authority. Upon transfer, the Members will be claim the said equity shares by following the requisite procedure with IEPF Authority, 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.

16. As required in terms of Secretarial Standard – 2 and SEBI Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to directors recommended for re-appointment in the AGM are given below. The Directors have furnished the requisite consent / declarations for their re-appointment as required under the Act, and the Rules thereunder.

Name of Director	Mr. Ashish R. Patel	Mr. Kishor M. Shah	Mr. Anand A. Patel	Mr. Saurin J. Parikh	Mr. Mahendra G. Patel	Mr. Hashmukh I. Patel	Mr. Munjal M. Patel
Director Identification Number	01309017	02769085	00103316	02136530	00104706	00104834	02319308
Age	41	78	41	51	68	64	40
Qualification	M.B.A.	Matriculation	B.Com	B.E.	B.A. & LLB	B.Sc.	M.B.A.
Brief Profile/ Experience including expertisein specific functional areas	As per explanatory statements of this Notice.	He is associated with the company since more than two decades. He carries immense experience in the area of International marketing and directing projects across diverse industries and magnitudes	As per explanatory statements of this Notice.	As per explanatory statements of this Notice.	As per explanatory statements of this Notice.	As per explanatory statements of this Notice.	As per explanatory statements of this Notice.
No. of Shares held as on 31.03.2022	11,79,802	4,78,400	2,32,000	Nil	5,75,000	3,73,600	18,32,000
Terms and conditions of re-appointment	Executive Director liable to retire by rotation	Non-Executive Non-Independent Director liable to retire by rotation	Not Applicable being fresh appointment	Non-Executive Independent Director not liable to retire by rotation	Executive Director not liable to retire by rotation	Executive Director liable to retire by rotation	Executive Director liable to retire by rotation
Date of first appointment on Board	14/11/2014	16/08/1995	09-08-2022	27/03/2018	20/01/1995	20/01/1995	14/11/2014
Directorships held in other companies*	None	None	None	Pashupati Cotspin Limited	None	None	Sera Investment & Finance India Limited (Formerly known as Kapashi Commercial Limited)

NOTICE (Contd.)

Name of Director	Mr. Ashish R. Patel	Mr. Kishor M. Shah	Mr. Anand A. Patel	Mr. Saurin J. Parikh	Mr. Mahendra G. Patel	Mr. Hashmukh I. Patel	Mr. Munjal M. Patel
Directorship of listed entities from which director has resigned in the past 3 years	None	None	None	None	Sera Investment & Finance India Limited (Formerly known as Kapashi Commercial Limited)	None	None
Chairman / Member of the Committees in other Companies	None	None	None	Member of Audit Committee – Pashupati Cotspin Limited	None	None	None
Remuneration sought to be paid	As per explanatory statement thereof	N.A.	As per explanatory statement thereof	N.A.	As per explanatory statement thereof	As per explanatory statement thereof	As per explanatory statement thereof
Remuneration last drawn	₹ 47.17 Lakhs	N.A.	N.A.	N.A.	₹ 27.75 Lakhs	₹ 33.25 Lakhs	₹ 30.39 Lakhs
Number of meetings of the Board attended during the year.	1 (One)	1 (One)	Not Applicable	4 (Four)	5 (Five)	5 (Five)	4 (Four)
Relationship with other Directors and other Key Managerial Personnel of the Company	Mr. Ashish R. Patel is son of Mr. Rajnikant G. Patel	None	None	None	Mr. Mahendra G. Patel is father of Mr. Munjal M. Patel and Brother of Mr. Rajnikant G. Patel	None	Mr. Munjal M. Patel is son of Mr. Mahendra G. Patel

* excludes directorships held in Private / Foreign Companies.

17. INSTRUCTION FOR E-VOTING AND JOINING THE AGM:

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 SEBI 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 appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

NOTICE (Contd.)

b) The Members can 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 mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders 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) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.

e) **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGMAND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:**

The Company is pleased to provide remote e-voting facility for the Members of the Company to enable them to cast their votes electronically on the resolutions mentioned in this Notice of AGM of the Company.

i. The voting period will begin on September 27, 2022 and will end on September 29, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation44 of SEBI Listing Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

NOTICE (Contd.)

Pursuant to above said SEBI Circular, Login method for e-voting and joining VC / OAVM for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System My easi. 2) After successful login the Easi /Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress asper the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from ane-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders holding securities in Demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click athttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &voting during the meeting
Individual Shareholders (holding securities in Demat mode) with login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NOTICE (Contd.)

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities indemat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request atevoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 180022 44 30.

v. **Login method for e-voting and joining virtual meeting for Individual shareholders holding shares in Physical Form and shareholders other than individual shareholders holding shares in Demat form / physical form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

5) 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.

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

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in de mat 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.

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

10) Click on the EVSN for the relevant <Lincoln Pharmaceuticals Limited> on which you choose to vote.

11) On the voting page, you will see "RESOLUTIONDESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option

NOTICE (Contd.)

YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

13) 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.

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

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

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

vi. **INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1) Non-Individual shareholders (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.

2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@parikhdave.com and helpdesk.evoting@cdslindia.com.

3) After receiving the login details a Compliance User should 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.

4) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

5) 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.

6) Alternatively Non Individual shareholders 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 investor@lincolnpharma.com and evoting@parikhdave.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

vii. **PROCESS FOR THOSE SHAREHOLDERSWHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN(self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/ RTA email id.

2) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

viii. **PROCESS INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVMARE AS UNDER:**

1) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

2) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

3) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to

NOTICE (Contd.)

Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

4) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@lincolnpharma.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@lincolnpharma.com. These queries will be replied to by the company suitably by email.

5) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

6) If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

7) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25thFloor, 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 on 022-23058542/43.

ix. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company wil be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3) Only those shareholders, who are present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are other wise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

5) Shareholders who have voted through Remote e-voting will be eligible to attend theAGM. However, they will not be eligible to vote at the AGM.

x. **OTHER INSTRUCTIONS / INFORMATION FOR SHAREHOLDERS:-**

1) 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, 2022 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/ DPs, the Member may approach the Company/RTA as per details provided in the Notice.

2) The Results will be declared on receipt of Scrutinizer's Report at the registered office of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lincolnpharma.com and on the website of CDSL immediately and communicated to the NSE and BSE.

NOTICE (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:

Item No. 5:

Messrs J. T. Shah & Co., Chartered Accountants were appointed as Statutory Auditors of the Company at 23rdAGM held on September 29, 2017 to hold the office of the Statutory Auditors upto the conclusion of the 28thAGM of financial year 2021-2022.

The existing Auditor's firm has completed term of five consecutive years pursuant to Section 139(2) of the Act. The Audit Committee and the Board of Directors at their respective meetings held on August 09, 2022 recommended appointment of Samir M. Shah & Associates, Chartered Accountants (Firm Registration No.: 122377W), as the Statutory Auditors of the Company for a term of five years from the conclusion of 28thAGM till the conclusion of the 33rdAGMof Financial year 2026-2027, in place of retiring Auditors.

M/S. Samir M shah and Associates, Chartered Accountants, (Firm Registration No. 122377W. has been in the profession for over twelve years. Samir M. Shah & Associates is Ahmedabad-based firm of Chartered Accountants and Tax Consultants in India, providing integrated advisory and compliance services in the areas of corporate tax audit, sales tax audit, accounting, company law, income-tax, international tax and transfer pricing, service tax, STPI related compliance. Samir M. Shah & Associates is a professionally managed company that offers end to end solutions to a wide spectrum of services, including - Assurance Services, Accounting Services, Business Tax Planning Services and Business Financial Planning Services to Business Setup and Merger & Acquisition. The remuneration payable to the statutory auditors for the financial year 2022-23 has been fixed as Rs.11.50 Lakh per annum plus applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Samir M. Shah & Associates, Chartered Accountants, (Firm Registration No.: 122377W) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the ordinary resolution as per item No. 5 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution as per item No. 5 of the notice.

Item No. 6:

Mr. Anand A. Patel is a commerce graduate and is having rich and varied experience in the Pharma Industry. His fields of specialisations are procuring of raw and packing material, business, administration, distribution channel and social activities. Mr. Anand A. Patel was Whole Time Director of the erstwhile Lincoln Parenteral Ltd ("LPPL") since 2010.He ceased to be a Whole Time Director on account of sanctioning the Scheme of Amalgamation of Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective shareholders and creditors vide order of Hon'ble National Company Law Tribunal, Ahmedabad Bench dated September 14, 2021.

The Nomination & Remuneration Committee and the Board of Directors are of the opinion that Mr. Anand A. Patel's vast knowledge and varied experience will be of great value to the Company. Hence, pursuant to the provisions of Section 161(1) of the Act, the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, appointed Mr. Anand A. Patel (DIN: 00103316) as Additional Director of the Company who holds office up to the date of this AGM.

Pursuant to Regulation 17 of the SEBI Listing Regulations, the appointment of a director shall be approved by the shareholders at the next general meeting or within a period of three months from the date of appointment, whichever is earlier by way of a necessary resolution. Accordingly, shareholder's approval by way of an ordinary resolution is sought for appointment of Mr. Anand A. Patel as a Director of the Company with effect from August 09, 2022.

Mr. Anand A. Patel has given required consent, intimation and disclosure to act as Director of the Company and declaration in terms of Circulars No. NSE/CML/2018/24issued by NSE and LIST/COMP/14/2018-19 issued by BSE dated June 20, 2018 stating that he is not debarred /restrained for being re-appointed or for holding the office of director in the Company by virtue of any order issued by SEBI or any other competent authority.

NOTICE (Contd.)

The Board recommends the resolution set out in item no. 6 of this Notice for the approval of the members of the Company by way of an Ordinary Resolution.

Except Mr. Anand A. Patel, being an appointee, none of the other directors, key managerial personnel of the Company and their relatives are concerned or interested in the resolution set out at item no. 6 of the Notice.

Item No. 7:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, has approved the appointment and payment of remuneration to Mr. Anand A. Patel as a Whole Time Director for a period of 3 (Three) years commencing from August 09, 2022, subject to approval of the members.

The principal terms and conditions of appointment of Mr. Anand A. Patel including the terms of remuneration are given below:

a) **Basic Salary:** Basic Salary not exceeding ₹ 120 Lakhs per annum during his tenure as the Whole Time Director of the Company, with an annual increment not exceeding 20% of the last salary drawn (effective from April 01 of each year) based on the annual performance and policy of the Company.

b) **Variable Pay linked to profit:** In addition to (a) above, he shall be paid variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Whole Time Director of the Company.

c) **Reimbursement of expenses:** Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals.

d) Mr. Anand A. Patel along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

e) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Anand A. Patel may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

f) The overall remuneration payable every year to Mr. Anand A. Patel by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Act read with Schedule V of the Act.

g) He shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including provident fund, superannuation fund or annuity fund, gratuity, medical and health insurance plans etc.

h) All payments to be made or to be credited shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Anand A. Patel under Section 190 of the Act.

The information required under item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

A.	**General information: As per Annex-A**	
B.	**Information about the appointee:**	
a)	Background details	Mr. Anand A. Patel is a commerce graduate from Gujarat University. He has more than 12 years of experience in Pharma Industry.
b)	Past remuneration	Not Applicable
c)	Recognition or awards	NIL
d)	Job profile and his suitability	Mr. Anand A. Patel will be responsible for procuring of raw and packing materials. He will look after designing strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.
e)	Remuneration proposed	As proposed in explanatory statement.

NOTICE (Contd.)

f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Anand A. Patel of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Whole Time Director held in similar sized Companies.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Except for the proposed remuneration Mr. Anand A. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company except to the extent of his shareholding in the Company.
C.	**Other information: As per Annex-B**	

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto, and Regulation 17 (6) (e) of LODR Regulations the terms of appointment and remuneration specified above are now being placed before the Members for their approval. Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

The Board considers that his association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Anand A. Patel and accordingly, the Board recommend the resolution for his appointment as set out at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

Except, Mr. Anand A. Patel, being an appointee, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 7 of the Notice.

Item No. 8:

The Members of the Company at the 24thAGM held on September 29, 2018, had appointed Mr. Saurin J. Parikh (DIN: 02136530) as an Independent Director to hold office for a term of 5 (five) consecutive years commencing from March 27, 2018.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Board of Directors of the Company at its meeting held on August 09, 2022(based on the recommendations of the Nomination & Remuneration Committee, his performance evaluation and subject to the approval of the Members in this AGM), re-appointed Mr. Saurin J. Parikh as an Independent Director of the Company for a further term of office of 5 (five) consecutive years commencing from March 27, 2023.

A brief profile / expertise of Mr. Saurin J. Parikh is provided in the Annexure to the Notice for information to the Members. Mr. Saurin J. Parikh has given a declaration to the Board that he meets with the criteria of independence as provided under Section149 (6) of the Act read with Regulation 16 (1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, Mr. Saurin J. Parikh fulfils the conditions specified in the Act and the Rules framed thereunder read with the SEBI Listing Regulations for his re-appointment as an Independent Director and is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft appointment letter in relation to appointment / re-appointment of any Independent Director setting out the terms and conditions of the appointment / re-appointment would be available on the website of the Company and can be accessed by the Members at www.lincolnpharma.com.

The Company has immensely benefited during the tenure of Mr. Saurin J. Parikh as an Independent Director of the Company and the Board is satisfied with the integrity, expertise, and experience (including the proficiency) of the Independent Director, who is proposed to be re-appointed at this AGM.

The Directors recommend the resolution set out at item no. 8 in the accompanying notice, for approval by the Members.

Except Mr. Saurin J. Parikh, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 8.

Item No. 9:

The Members of the Company at the 25th AGM held on September 30, 2019, had re-appointed Mr. Mahendra G. Patel (DIN: 00104706) as a Managing Director to hold office for a term of 3 (three) years commencing from October 01, 2019. Based on the recommendation of Nomination and

NOTICE (Contd.)

Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, has approved the re-appointment and remuneration of Mr. Mahendra G. Patel as a Managing Director for a further period of 3 (Three) years commencing from October 01, 2022, subject to approval of the members.

Mr. Mahendra G. Patel has over 42 years of rich experience and expertise in the field of Corporate Planning, Export Business, legal – financial affairs and overall leadership and has played vital role in bringing the company to this level of success.

The principal terms and conditions of re-appointment of Mr. Mahendra G. Patel including the terms of remuneration are given below:

a) **Basic Salary:** Basic Salary not exceeding ₹150 Lakhs per annum during his tenure as the Managing Director of the Company, with an annual increment not exceeding 20% of the last salary drawn (effective from April 01 of each year) based on the annual performance and policy of the Company.

b) **Variable Pay linked to profit:** In addition to (a) above, he shall be paid variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Managing Director of the Company.

c) **Reimbursement of expenses:** Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals.

d) Mr. Mahendra G. Patel along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

e) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Mahendra G. Patel may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

f) The overall remuneration payable every year to Mr. Mahendra G. Patel by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Act read with Schedule V of the Act.

g) He shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including provident fund, superannuation fund or annuity fund, gratuity, medical and health insurance plans etc.

h) All payments to be made or to be credited shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Mahendra G. Patel under Section 190 of the Act.

The information required under item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

A.	**General information: As per Annex-A**	
B.	**Information about the appointee:**	
a)	Background details	Mr. Mahendra G. Patel is a Law Graduate from Gujarat University. He has been a Director of the Company since Company's incorporation. He has more than 42 years of experience in Pharma Industry.
b)	Past remuneration	During the financial year ended March 31, 2022, ₹ 27.75 Lakhs was paid as remuneration to Mr. Mahendra G. Patel.
c)	Recognition or awards	Not Applicable
d)	Job profile and his suitability	Mr. Mahendra G. Patel is the Managing Director of the Company carrying out the pivotal role in management and growth of the Company. He is the promoter of the Company and well acquainted with the industry and areas in which the Company operates. His immense experience and knowledge make him suitable for the position shouldered upon him.
e)	Remuneration proposed	As proposed in explanatory statement.

NOTICE (Contd.)

f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Mahendra G. Patel of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Managing Director held in similar sized Companies.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Except for the proposed remuneration and shares held along with relatives Mr. Mahendra G. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.
C.	**Other information: As per Annex-B**	

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto and Regulation 17 (6) (e) of LODR Regulations the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval. Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

The Company has immensely benefited during his tenure as Managing Director. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Mahendra G. Patel and accordingly, the Board recommend the resolution for his re-appointment as set out at Item No. 9 of the accompanying Notice for approval by the Members of the Company.

Except, Mr. Mahendra G. Patel, being an appointee, Mr. Rajnikant G. Patel, Director and Mr. Munjal M. Patel, Whole Time Director being relatives, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 9 of the Notice.

Item No. 10:

The Members of the Company at the 25th AGM held on September 30, 2019, had re-appointed Mr. Hashmukh I. Patel (DIN: 00104834) as a Whole Time Director to hold office for a term of 3 (three) years commencing from October 01, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, has approved the re-appointment and remuneration of Mr. Hashmukh I. Patel as a Whole Time Director for a further period of 3 (Three) years commencing from October 01, 2022, subject to approval of the members.

Mr. Hashmukh I. Patel has rich and varied experience of more than three decades in the Pharma Industry. Presently, he is responsible for entire gamut of domestic marketing as well as the entire sales distribution system of the Company.

The principal terms and conditions of re-appointment of Mr. Hashmukh I. Patel including the terms of remuneration are given below:

a) **Basic Salary:** Basic Salary not exceeding ₹ 120 Lakhs per annum during his tenure as the Whole Time Director of the Company, with an annual increment not exceeding 20% of the last salary drawn (effective from April 01 of each year) based on the annual performance and policy of the Company.

b) **Variable Pay linked to profit:** In addition to (a) above, he shall be paid variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Whole Time Director of the Company.

c) **Reimbursement of expenses:** Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals.

d) Mr. Hashmukh I. Patel along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

e) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Hashmukh I. Patel may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

f) The overall remuneration payable every year to Mr. Hashmukh I. Patel by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Act read with Schedule V of the Act.

NOTICE (Contd.)

g) He shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including provident fund, superannuation fund or annuity fund, gratuity, medical and health insurance plans etc.

h) All payments to be made or to be credited shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Hashmukh I. Patel under Section 190 of the Act.

The information required under item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

A.	**General information: As per Annex-A**	
B.	**Information about the appointee:**	
a)	Background details	Mr. Hashmukh I. Patel is a Science Graduate from Gujarat University. He has been a Director of the Company since Company's incorporation. He has more than three decades of experience in Pharma Industry
b)	Past remuneration	During the financial year ended March 31, 2022, ₹ 33.25 Lakhs was paid as remuneration to Mr. Hashmukh I. Patel.
c)	Recognition or awards	Not Applicable
d)	Job profile and his suitability	Mr. Hashmukh I. Patel is the Whole Time Director and responsible for 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.
e)	Remuneration proposed	As proposed in explanatory statement.
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Hashmukh I. Patel of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Whole Time Director held in similar sized Companies.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Except for the proposed remuneration and shares held along with relatives Mr. Hashmukh I. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.
C.	**Other information:** As per Annex-B	

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto and Regulation 17 (6) (e) of LODR Regulations the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval. Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

The Company has immensely benefited during his tenure as Whole Time Director. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Hashmukh I. Patel who is being re-appointed at this AGM and accordingly, the Board recommend the resolution for his re-appointment as set out at Item No. 10 of the accompanying Notice for approval by the Members of the Company.

Except, Mr. Hashmukh I. Patel, being an appointee, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 10 of the Notice.

Item No. 11:

The Members of the Company at the 25th AGM held on September 30, 2019, had re-appointed Mr. Ashish R. Patel (DIN: 01309017) as a Whole Time Director to hold office for a term of 3 (three) years commencing from November

NOTICE (Contd.)

14, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, has approved the re-appointment and remuneration of Mr. Ashish R. Patel as a Whole Time Director for a further period of 3 (Three) years commencing from November 14, 2022, subject to approval of the members.

Mr. Ashish R. Patel holds Master Degree in Marketing from UK. He possesses immense knowledge in the area of marketing. He is mainly responsible for Marketing Operation of the Company. He handles sales operations, formulation of strategies, policy decisions, etc. His expertise, experience and knowledge has helped the Company to a great extent.

The principal terms and conditions of re-appointment of Mr. Ashish R. Patel including the terms of remuneration are given below:

a) **Basic Salary:** Basic Salary not exceeding ₹ 120 Lakhs per annum during his tenure as the Whole Time Director of the Company, with an annual increment not exceeding 20% of the last salary drawn (effective from April 01 of each year) based on the annual performance and policy of the Company.

b) **Variable Pay linked to profit:** In addition to (a) above, he shall be paid variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Whole Time Director of the Company.

c) **Reimbursement of expenses:** Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals.

d) Mr. Ashish R. Patel along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

e) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Ashish R. Patel may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

f) The overall remuneration payable every year to Mr. Ashish R. Patel by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Act read with Schedule V of the Act.

g) He shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including provident fund, superannuation fund or annuity fund, gratuity, medical and health insurance plans etc.

h) All payments to be made or to be credited shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Ashish R. Patel under Section 190 of the Act.

The information required under item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

A.	**General information: As per Annex-A**	
B.	**Information about the appointee:**	
a)	Background details	Mr. Ashish R. Patel is an MBA in Marketing from UK. He has rich experience of Pharma Industry.
b)	Past remuneration	During the financial year ended March 31, 2022, ₹ 47.17 Lakhs was paid as remuneration to Mr. Ashish R. Patel.
c)	Recognition or awards	Not Applicable
d)	Job profile and his suitability	Mr. Ashish R. Patel is the Whole Time Director and responsible for Marketing Operation of the Company. He handles sales operations, designing strategies, policy decisions, etc.
e)	Remuneration proposed	As proposed in explanatory statement.
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Ashish R. Patel of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Whole Time Director held in similar sized Companies.

NOTICE (Contd.)

g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Except for the proposed remuneration and shares held along with relatives Mr. Ashish R. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.
C.	**Other information:** As per Annex-B	

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto and Regulation 17 (6) (e) of LODR Regulations the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval. Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

The Company has immensely benefited during his tenure as Whole Time Director. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Ashish R. Patel who is being re-appointed at this AGM and accordingly, the Board recommend the resolution for his re-appointment as set out at Item No. 11 of the accompanying Notice for approval by the Members of the Company.

Except, Mr. Ashish R. Patel, being an appointee, Mr. Rajnikant G. Patel, Director being relative, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 11 of the Notice.

Item No. 12:

The Members of the Company at the 25th AGM held on September 30, 2019, had re-appointed Mr. Munjal M. Patel (DIN: 02319308) as a Whole Time Director to hold office for a term of 3 (three) years commencing from November 14, 2019. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 09, 2022, has approved the re-appointment and remuneration of Mr. Munjal M. Patel as a Whole Time Director for a further period of 3 (Three) years commencing from November 14, 2022, subject to approval of the members.

Mr. Munjal M. Patel holds Master Degree in Finance from USA and Diploma in Investment & Financial Analysis brings immense knowledge and experience of the global financial services sector. He has more than 8 years of experience in operations. He has been on the Board since 2014.He is Whole Time Director and forms part of Promoter Group of the Company. He is actively involved in the decision making and management of day-to-day operations. His problem solving skills and strategic thinking make him suitable for the job profile. He is mainly responsible for international trade and financial matters.

The principal terms and conditions of re-appointment of Mr. Munjal M. Patel including the terms of remuneration are given below:

a) **Basic Salary:** Basic Salary not exceeding ₹ 120 Lakhs per annum during his tenure as the Whole Time Director of the Company, with an annual increment not exceeding 20% of the last salary drawn (effective from April 01 of each year) based on the annual performance and policy of the Company.

b) **Variable Pay linked to profit:** In addition to (a) above, he shall be paid variable pay up to 4% of the net profits of the Company computed in the manner laid down in Section 198 of the Act for the concerned financial year during his tenure as the Whole Time Director of the Company.

c) **Reimbursement of expenses:** Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and/or borne by the Company at actuals.

d) Mr. Munjal M. Patel along with the other employees of the Company, be entitled to the Bonus as per the Policy of the Company and will be in addition to the aforesaid Remuneration.

e) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Munjal M. Patel may be determined by the Board and / or the Nomination & Remuneration Committee of the Board.

f) The overall remuneration payable every year to Mr. Munjal M. Patel by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall be in accordance with the provision of the Section 197 of the Act read with Schedule V of the Act.

g) He shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of

NOTICE (Contd.)

the Company including provident fund, superannuation fund or annuity fund, gratuity, medical and health insurance plans etc.

h) All payments to be made or to be credited shall be subject to such deduction and withholdings of tax or otherwise as the Company may be mandated or required to do so whether by any applicable laws, regulations or guidelines or pursuant to any contract to such effect.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Munjal M. Patel under Section 190 of the Act.

The information required under item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 are as follows:

A.	**General information: As per Annex-A**	
B.	**Information about the appointee:**	
a)	Background details	Mr. Munjal M. Patel has obtained Master Degree of Finance (USA). He has 8 years of rich experience of Pharma Industry. He has been on the Board since 2014.
b)	Past remuneration	During the financial year ended March 31, 2022,₹ 30.39 Lakhs was paid as remuneration to Mr. Munjal M. Patel.
c)	Recognition or awards	Not Applicable
d)	Job profile and his suitability	Mr. Munjal M. Patel is the Whole Time Director of the Company. He is actively involved in the decision making and management of day-to-day operations. He is mainly responsible for international trade and financial matters.
e)	Remuneration proposed	As proposed in explanatory statement.
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by Mr. Munjal M. Patel of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and position of Whole Time Director held in similar sized Companies.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Except for the proposed remuneration and shares held along with relatives Mr. Munjal M. Patel does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company.
C.	**Other information: As per Annex-B**	

In compliance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, read with Schedule V thereto and Regulation 17 (6) (e) of LODR Regulations the terms of re-appointment and remuneration specified above are now being placed before the Members for their approval. Relevant documents in respect of the said item are open for inspection on all working days up to the date of the Meeting.

The Company has immensely benefited during his tenure as Whole Time Director. The Board considers that his continued association would be of immense benefit to the Company. The Board is satisfied with the integrity, expertise, and experience (including the proficiency) of Mr. Munjal M. Patel who is being re-appointed at this AGM and accordingly, the Board recommends the resolution for his re-appointment as set out at Item No. 12 of the accompanying Notice for approval by the Members of the Company.

Except, Mr. Munjal M. Patel, being an appointee, Mr. Mahendra G. Patel, Managing Director being relative, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 12 of the Notice.

Annex-A	**General information:**	
a)	Nature of industry	The Company is engaged in the business of manufacturing and selling of Pharmaceuticals formulations as well as undertakes contract manufacturing from reputed pharmaceuticals companies across the India and globe.

NOTICE (Contd.)

b)	Date or expected date of commencement of commercial production	The commercial production have already begun by the Company.
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
d)	Financial performance based on given indicators	Financial performance for financial year 2021-2022: i. Revenue from operations: ₹ 47,207.89 Lakhs ii. Other Income: ₹ 999.77 Lakhs iii. Total Expenditure: ₹ 38,614.74 Lakhs iv. Profit before tax: ₹ 9,592.93 Lakhs v. Net Profit after tax: ₹ 6,935.52 Lakhs
e)	Foreign investments or collaborations, if any	Not Applicable
Annex-B	**Other information**	
a)	Reasons of loss or inadequate profits	While the Company's operations are profitable, the overall managerial remuneration paid to all the executive directors in aggregate limits as specified under Section 197 read with schedule V of the Act and / or Regulation 17 (6) (e) of the SEBI Listing Regulations. Hence, as a matter of abundant caution, the members are requested to consider and approve the remuneration payable to executive Directors as proposed in this notice in accordance with the provisions of item (iv) of third proviso of Section II of Part II of Schedule V of Companies Act, 2013 and Regulation 17 (6) (e) of the SEBI Listing Regulations.
b)	Steps taken or proposed to be taken for improvement	Not Applicable
c)	Expected increase in productivity and profits in measurable terms	Not Applicable

Item No. 13:

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta & Co., Cost Accountants (FRN No.: 000025), Ahmedabad to conduct the audit of cost records relating to the products, manufactured by the Company for the financial year ending on March 31, 2023 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, 2023.

The Board recommends the Ordinary Resolution at Item No. 13 of the accompanying Notice for approval of the Members of the Company.

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 resolution set out at Item No. 13.

By Order of the Board
For Lincoln Pharmaceuticals Limited

Mahendra G. Patel
Managing Director
DIN: 00104706

Place: Ahmedabad
Date: August 09, 2022

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

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the 28th (Twenty Eight) Annual Report of the Lincoln Pharmaceuticals Limited ("the Company" or "LPL") together with the audited financial statements for the financial year ended March 31, 2022.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year ended March 31, 2022, in respect of the Company.

1. FINANCIAL AND OPERATIONAL HIGHLIGHTS:

The standalone financial performance of the company for the financial year ended March 31, 2022 are summarised below:-

(₹ In Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue from Operations	47,207.89	42,290.85
Other income	999.77	574.31
Total Income	**48,207.66**	**42,865.16**
Profit before Depreciation, Finance Costs and Taxation	10,546.81	9,278.38
Less: Depreciation	(808.79)	(756.02)
Less: Finance Cost	(145.10)	(155.23)
Profit before Taxation	**9,592.93**	**8,367.12**
Less: Tax Expenses	(2,657.41)	(2,142.10)
Profit after Tax	**6,935.52**	**6,225.02**
Other Comprehensive Income	13.00	1.91
Total comprehensive income for the year	**6,948.52**	**6,226.93**

2. STATE OF COMPANY'S AFFAIRS / OPERATIONS:

The Highlights of the company's performance (standalone) for the year ended March 31, 2022 are as under:

The Company reports 11.63% rise in the revenue from operations of ₹ 47,207.89 Lakhs (Domestic ₹ 20,589.89 Lakhs and Exports ₹ 26,618.00 Lakhs) as against ₹ 42,290.85 Lakhs (Domestic ₹ 16,327.31 Lakhs and Exports ₹ 25,963.54 Lakhs) in the previous year. EBITDA for the year was ₹ 10,546.81 Lakhs (increase 13.67%) as against ₹ 9,278.38 Lakhs in the previous year. The profit after tax has increased to ₹ 6,935.52 Lakhs on a standalone basis as against profit after tax of ₹ 6,225.02 Lakhs in previous year representing growth rate of 11.41% during the financial year ended March 31, 2022. EPS for the year was ₹ 34.63 (increase 11.41%) per share as compared to ₹ 31.08 in the previous year. Detailed working on operation of the Company is provided in the management discussion and analysis report as forms part of this.

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 healthy economic scenario.

3. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the provisions of the section 133 of the Act and the SEBI Listing Regulations read with IND AS – 110 – consolidated financial statement, the consolidated audited financial statement for the financial year ended March 31, 2022 forms part of this annual report.

DIRECTORS' REPORT (Contd...)

4. CREDIT RATING:

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agency. The details of credit ratings for long term bank loan facilities and short term bank loan facilities have been upgraded its ratings to 'CRISIL A/Stable and CRISIL A1'.

5. DIVIDEND:

Your company has an uninterrupted dividend payment history and considering the financial performance of the Company the Board of Directors on May 19, 2022 has recommended a dividend of ₹ 1.50/- (Rupees one and fifty paise only) per equity share on 2,00,29,728 equity shares of face value of ₹ 10/- each (i.e. 15%) for the financial year ended March 31, 2022 [Previous Year ₹ 1.50 (Rupees one and fifty paise only) per equity share (i.e. 15%)]. Dividend is subject to approval of members at the ensuing annual general meeting ("AGM"). The said dividend is in line with the Dividend Distribution Policy of the Company. In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of Dividend after deduction of tax at source, as may be applicable.

6. DIVIDEND DISTRIBUTION POLICY:

In terms of Regulation 43A of the SEBI Listing Regulations, the Board of the Company has adopted a Dividend Distribution Policy, which can be accessed on the Company Dividend distribution Policy weblink: https://www.lincolnpharma.com/investors/uploads/2022/04/Dividend%20Distribution%20Policy.pdf?_t=1649318313

7. TRANSFER TO RESERVES:

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, 2022 (Previous Year transferred a sum of ₹ 50.00 Lakhs was transferred to general reserve).

8. TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), and relevant circulars and amendments thereto, the amount of dividends of the company which remain unpaid or unclaimed for a period consecutive seven years from the date of transfer to the unpaid dividend account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

In terms of the foregoing provisions of the Act, the company will transfer outstanding unpaid or unclaimed dividend and corresponding shares for the financial year 2014-2015 to the IEPF authorities during the year under review.

9. TRANSFER OF SHARES TO IEPF:

Pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has been unpaid / unclaimed since last seven consecutive years shall be transferred by the Company to the designated demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred.

The Company has sent reminders to all such shareholders who have not claimed their dividends. Members who have not en-cashed dividend for the FY 2014-15 or any subsequent dividend declared by the Company, are advised to write to the Company Secretary of the Company immediately.

Any shareholder whose dividend/shares are transferred to IEPF can claim the shares by making an online application in Form IEPF-5 (available on www.iepf.gov.in).

10. AMALGAMATION / MERGER:

Hon'ble National Company Law Tribunal (Hon'ble NCLT) has sanctioned the scheme of amalgamation of Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective shareholders and creditors vide its order dated September 14, 2021. Subsequently, the said order has been challenged by the minority shareholders of Transferor Company before the Hon'ble High Court of Gujarat on the ground that Hon'ble NCLT has not follow the NCLT Rules. In this regards, after hearing both the parties, Hon'ble High Court remanded back the said matter to Hon'ble NCLT with a direction to list the matter for pronouncement and considering stay matter on the order dated September 14, 2021.Further, Hon'ble NCLT vide its order dated January 12, 2022 passed an order and concluded that it is not fit case to grant stay on the scheme. Consequent to that Transferor Company ceases to be the subsidiary of the Company.

DIRECTORS' REPORT (Contd...)

11. SHARE CAPITAL STRUCTURE:

During the year under review, Lincoln Parenteral Limited, an erstwhile subsidiary, merged with the Company, pursuant to the scheme of amalgamation and consequently the authorised share capital of Company increased from ₹ 20,00,00,000/- comprising of 2,00,00,000 equity shares of ₹ 10/- each to ₹ 32,00,00,000/- comprising of 3,20,00,000 equity shares of ₹ 10/- each.

During the year under review, the Company issued and allotted 29,728 equity shares of face value of ₹10/- each, pursuant to scheme of amalgamation of Lincoln Parenteral Limited ('Transferor Company') and Lincoln Pharmaceuticals Limited ('Transferee Company') and their respective shareholders and creditors ("scheme") to the eligible shareholders of the Transferor Company. After considering the allotment of above new equity shares, the issued, subscribed and paid-up share capital of the company as on March 31, 2022 is ₹ 20,02,97,280/- comprising of 2,00,29,728 equity shares of ₹ 10/- each fully paid up of the Company.

During the year under review, the Company has not issued shares with differential voting rights. The Company has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Re-Appointment of Director:

At the twenty fifth AGM of the Company held on September 30, 2019, the shareholders had approved the re-appointment of Mr. Mahendra G. Patel as Managing Director, Mr. Hashmukh I. Patel as Whole Time Director of the Company for further period of 3 (three) years till September 30, 2022 and also Mr. Munjal M. Patel and Mr. Ashish R. Patel as Whole Time Director of the Company for further period of 3 (three) years till November 13, 2022. Based on the recommendation of the Nomination and Remuneration Committee, the board of directors have approved the re-appointment of Mr. Mahendra G. Patel as Managing Director, Mr. Hashmukh I. Patel as Whole Time Director of the Company, on fresh terms and conditions of re-appointment and remuneration effective from October 01, 2022 and Mr. Munjal M. Patel and Mr. Ashish R. Patel as Whole Time Director of the Company, on fresh terms and conditions of re-appointment and remuneration effective from November 14, 2022, subject to approval of the shareholders of the Company at the forthcoming AGM. Except Mr. Mahendra G. Patel, Managing Director of the Company, other directors are liable to retire by rotation. The Board recommends their re-appointment.

In accordance with the provisions of Section 149 of the Act and other applicable provisions if any, read with relevant rules framed there under and SEBI Listing Regulations, Mr. Saurin J. Parikh (DIN: 02136530) being eligible for re-appointment as independent directors have offered himself for his re-appointment for further term of five consecutive years w.e.f. March 27, 2023. The Board recommended their re-appointment as Independent Directors.

B. Retire by Rotation of Director:

In accordance with the provisions of Section 152 of the Act and the rules framed there under, Mr. Kishor M. Shah, Director and Mr. Ashish R. Patel, Whole Time Director of the Company retire by rotation at the ensuing AGM and they being eligible offer themselves for re-appointment. The board recommends their re-appointment.

Necessary proposal for appointment / rotations / re-appointment have been placed for the approval at the ensuing AGM.

The brief profile of Directors appointing / reappointing has been detailed in the Notice convening the AGM of the Company. Your Directors recommend all appointment / rotation / re-appointment of Directors mentioned in the notice.

C. Key Managerial Personnel:

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, Mr. Mahendra G. Patel, Managing Director, Mr. Darshit A. Shah, Chief Financial Officer and Mr. Niren A. Desai, Company Secretary are the Key Managerial Personnel(KMP) of the Company.

13. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received the necessary declarations from all the independent directors of the Company in accordance with Section 149 (7) of the Act and Regulation 16 (1) (b) and 25 (8) of the SEBI Listing

DIRECTORS' REPORT (Contd...)

Regulations confirming that they meet the criteria of independence prescribed under the Act and the SEBI Listing Regulations. All the Independent Directors have also confirmed that in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database as prescribed under the Act. Further, in terms Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, out of four Independent Directors of the Company as on March 31, 2022, one Independent Director has passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA) and three Independent Directors were exempted from appearing for Online Proficiency Self-Assessment Test as required by IICA.

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

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

Pursuant to the provisions of the Act, and the SEBI 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 was also 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.

During the year under review, the performance evaluation of the Board, Committees and Directors was conducted based on the criteria, framework and questionnaires approved by the Nomination and Remuneration Committee and the Board. The details of the performance evaluation exercise conducted by the Company are set out in the Corporate Governance Report.

15. CHANGE(S) IN THE NATURE OF BUSINESS:

During the FY 2021-2022, there was no change in the nature of the business of the Company.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

In terms of the requirements under the Act and SEBI Listing Regulations, the Company has in place a Nomination & Remuneration Policy, inter-alia, detailing the director's appointment, remuneration, criteria for determining qualifications, attributes, independence of a director and other matters. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination & Remuneration Policy of your Company. The said Nomination & Remuneration Policy is placed on the Company's website at http://investors.lincolnpharma.com/uploads/2014/11/Nomination-and-Remuneration-Policy.pdf

17. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) (c) of the Act and based on the information provided by the management, the Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2022, 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, 2022 and of the profit of the Company for the year under review;

c) 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;

DIRECTORS' REPORT (Contd...)

e) 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) 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.

18. NUMBER OF MEETINGS OF THE BOARD:

During the FY 2021-2022, 5 (five) meetings of the Board of Directors of the Company were held and the details of Board and Committee meetings held are provided in the Report on Corporate Governance, which forms part of this report.

19. SECRETARIAL STANDARDS:

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

20. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The corporate governance guide the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The code of conduct for senior management and employees of your Company (the Code of Conduct) commits management to financial and accounting policies, systems and processes. The corporate governance and the code of conduct stand widely communicated across your Company at all times. Your Company's financial statements are prepared on the basis of the significant accounting policies that are carefully selected by management and approved by the audit committee and the board. These accounting policies are reviewed and updated from time to time.

Your Company has in place adequate internal financial controls with reference to the financial statements commensurate with the size, scale and complexity of its operations. 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 are adequate and operating effectively. 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.

21. 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, 2022 to which the financial statements relates and the date of signing of this report.

22. 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.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

24. SUBSIDIARY COMPANIES:

The Company has only one subsidiary as on March 31, 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Act. There has been no material change in the nature of the business of the subsidiaries.

On account of order passed by Hon'ble NCLT sanctioning amalgamation of Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective shareholders and creditors vide its order dated September 14, 2021 Lincoln Parenteral Limited ceases to be subsidiary of the Company.

During the year under review, save and except as provided herein above, no other company has become or ceased to be subsidiary, joint venture or associate of the Company. Pursuant to the provisions of Section 129 (3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiary in Form No. AOC-1 forms part of this directors' report (Annexure – 1). Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with

DIRECTORS' REPORT (Contd...)

relevant documents and separate audited financial statements in respect of subsidiary, are available on the Company's website athttps://www.lincolnpharma.com.

25. INSURANCE:

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

26. RISK MANAGEMENT POLICY:

The Company has a risk management policy consistent with the provisions of the Act and the SEBI Listing Regulations. The Internal Audit Department facilitates the execution of risk management practices in the areas of risk identification, assessment, monitoring, mitigation and reporting in the Company. The committee is responsible for assisting the board in understanding existing risks and reviewing the mitigation and elimination plans for those. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The audit committee is also looking after the area of financial risks and controls. The said policy and constitution of the committee is available on the website of Company and can be accessed at www.lincolnpharma.com.

27. RELATED PARTY TRANSACTIONS:

During the year under review, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with Companies (Specification of Definitions Details) Rules, 2014, SEBI Listing Regulations and applicable accounting standards, which were in the ordinary course of business and on arms' length basis and in accordance with the policy on related party transactions of the Company. During the year, there was no material transaction with any related parties as per the related party transactions policy of the Company and/or any other related party transaction entered into by the Company that requires disclosure in Form AOC-2, hence, disclosure in Form AOC-2 is not applicable to the Company.

During the year under review, the Company has revised its related party transactions policy to bring it in line with the amendments made by SEBI in SEBI Listing Regulations. The said Policy is effective from April 01, 2022. The Policy ensures proper approval and reporting of the concerned transactions between the Company and related parties.

The disclosures pertaining to related party transactions as per the applicable Accounting Standards form part of the notes to the financial statements provided in this Annual Report.

In terms of Regulation 23 (9) of the SEBI Listing Regulations, the Company have submitted related party transaction within prescribed time limit with the stock exchange(s) for the each half year. The policy on related party transactions is placed on the Company's website at https:// www.lincolnpharma.com.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility (CSR) is an integral part of our culture. The Company strongly believes that "Think of giving not as a duty, but as a privilege". One of the key features of our CSR projects is focus on participatory and collaborative approach with the community. The Company continues to emphasize on implementation of key areas denoted and chosen in its sustainability. The Company has adopted a CSR Policy incompliance with the provisions of the Act. The Company has spent ₹148 Lakhs towards the CSR projects for the Financial Year 2021-22.The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

In accordance with Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the report on CSR activities along with its annexure as forms part of this directors' report (Annexure – 2).

29. HUMAN RESOURCES DEVELOPMENT:

The management believes that competent and committed human resources are vitally important to attain success in the organization. In line with this philosophy, utmost care is being exercised to attract quality resources and suitable training is imparted on various skillsets and behavior. It is always proactive with respect to the human resource development activities. A significant effort has also been undertaken to develop leadership as well as technical / functional capabilities in order to meet future talent requirement.

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a vigil mechanism / whistle blower policy in line with the provisions of Section 177 (9) and Section 177 (10) of the Act, read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, that provides a formal

DIRECTORS' REPORT (Contd...)

mechanism for directors, employees or business associates for reporting the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to approach the chairman of the audit committee. The mechanism also lays emphasis on making enquiry into whistle-blower complaint received by the Company. 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 and can be accessed at www.lincolnpharma.com.

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

In accordance with the requirements of the sexual harassment of women at workplace (prevention, prohibition & redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formulated and implemented a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. During the year under review, the Company has not received any complaint under the policy. The Company has many systems, processes and policies to ensure professional ethics and harmonious working environment. The policy aims the protection of the women employees at work place and providing the safe working environment where women feels secure. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

32. PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as forms part of this directors' report (Annexure – 3).The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including amendment thereto, is provided in the Annexure forming part of the Report. In terms of the second proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining the same may write to the Company Secretary at the registered office of the Company.

33. AUDITORS AND AUDITORS' REPORT:

A. STATUTORY AUDITORS:

Messrs J. T. Shah & Co., Chartered Accountants [ICAI FRN: 109616W] were appointed as Auditors at 23rd Annual General Meeting ('AGM') held on September 29, 2017 to hold the office of the Auditors up to the conclusion of the 28th Annual General Meeting.

The existing auditor's firm has completed terms of five consecutive years pursuant to Section 139(2) of the Companies Act, 2013. Necessary resolution will be placed in the notice of Annual General Meeting for appointment of statutory auditors for the term of 5 years for approval by members.

The auditors' report are with unmodified opinion i.e. it does not contain any qualification, reservation or adverse remark or disclaimer for the financial year ended March 31, 2022.

B. COST AUDITOR:

The board of directors on the recommendation of the audit committee, appointed Messrs Kiran J. Mehta & Co., cost accountants (Firm Registration Number 000025), as the cost auditors of the Company to audit the cost records for the financial year ended on March 31, 2023 as per Section 148 of the Act. Messrs Kiran J. Mehta & Co., cost accountants have confirmed that their appointment is within the limits of Section 141 (3) (g) of the Act and have also certified that they are free from any disqualifications specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Act.

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

C. 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 Messrs Vishwas Sharma & Associates, Practicing

DIRECTORS' REPORT (Contd...)

Company Secretaries (Certificate of Practice Number: 16942) to undertake the secretarial audit of the Company for the financial year ended March 31, 2022. The secretarial auditors report issued by Messrs Vishwas Sharma & Associates, Practicing Company Secretaries in Form MR – 3 forms part of this directors' report (Annexure – 4).

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

a) 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, 2022 for all applicable SEBI Regulations and circulars / guidelines issued thereunder. The annual secretarial compliance report issued by Messrs Vishwas Sharma & Associates, Practicing Company Secretaries have been submitted to the stock exchanges within prescribed time limit.

34. REPORTING OF FRAUDS BY AUDITORS:

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

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

Pursuant to Section 148 (1) of the Act, read with the Companies (Cost Records and Audit) (Amendment) Rules, 2014, the cost audit records maintained by the Company in respect of drug and pharmaceuticals products of the Company are required to be audited by a cost accountant. The audit report of the cost accountant of the Company for the financial year ended March 31, 2022 will be submitted to the relevant authority in due course.

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

During the financial year ended on March 31, 2022, there is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

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

Not applicable during the year under review.

38. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to the Regulation 34 (2) (f) of the SEBI Listing Regulations, the initiatives taken by the Company from an environmental, social and governance perspective, are provided in the Business Responsibility and Sustainability Report which is forms part of this directors' report (Annexure – 5).

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 forms a part of this Report which as forms part of this directors' report (Annexure – 6).

40. PROHIBITION OF INSIDER TRADING:

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ("SEBI PIT Regulations"), the Company has adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" ("the Code"). The Code is applicable to promoters, all directors, designated persons and connected persons and their immediate relatives, who are expected to have access to unpublished price sensitive information relating to the Company. The Company has also formulated a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The aforesaid codes are available on the website of the Company and can be accessed at www.lincolnpharma.com.

41. ANNUAL RETURN:

Pursuant to provision of Section 92 (3) read with Section 134 (3) (a) of the Act, the annual return as on March 31, 2022 is available on the website of the Company at www.lincolnpharma.com.

DIRECTORS' REPORT (Contd...)

42. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A separate section on Management Discussion and Analysis Report ("MD&A") forms part of this report as required under Regulation 34 (2) of SEBI Listing Regulations.

43. CORPORATE GOVERNANCE 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 separate section 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 SEBI Listing Regulations as forms part of this directors' report (Annexure –7).

44. 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. Further, all the recommendations made by the audit committee were accepted by the Board.

45. 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.

46. CAUTIONARY STATEMENT:

The annual report including those which relate to the directors' report, management discussion and analysis report may contain certain statements on the Company's intent expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for Company's product and services, changes in government regulations, tax laws, forex volatility etc.

47. ACKNOWLEDGEMENTS:

The Board of Directors acknowledges and places on record their sincere appreciation of all stakeholders, customers, vendors, banks, Central and State Governments, and all other business partners, for their continued co-operation and for the excellent support received from them.

The Board also wishes to place on record its appreciation to the esteemed investors for showing their confidence and faith in the management of the Company.

Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to promote its development.

For and on behalf of the board
For Lincoln Pharmaceuticals Limited

M. G. Patel	**H. I. Patel**
Managing Director	**Whole-Time Director**
DIN: 00104706	**DIN: 00104834**

Ahmedabad, May 19, 2022

DIRECTORS' REPORT (Contd...)

ANNEXURE – 1 TO THE DIRECTORS' REPORT

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 statements of subsidiaries / associate companies / joint ventures as included in the Consolidated Financial Statements

Part "A": Subsidiaries (as per section 2 (87) of the Act)

(₹ in Lakhs)

Particulars	Details
Name of the Subsidiaries	Zullinc Healthcare LLP (Wholly-Owned Subsidiary)
The date since when subsidiary was acquired.	October 16, 2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2021 to March 31, 2022
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.
Share Capital / Partners Contribution	5.00
Reserves and Surplus	116.95
Total Assets	182.27
Total Liabilities	60.33
Investments	0.00
Turnover	36.41
Profit Before Taxation	0.71
Provision for Taxation	1.03
Profit After Taxation	(0.32)
Proposed Dividend	0.00
% of shareholding	100%

Notes:

1. There is no subsidiary which is yet to commence its operation.
2. During the year under review, Lincoln Parenteral Limited, an erstwhile subsidiary has been merged with Lincoln Pharmaceuticals Ltd, pursuant to the order of Hon'ble NCLT, Ahmedabad on scheme of amalgamation.
3. 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 / Joint Ventures (as per Section 2(6) of the Act) – 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)

Place : Ahmedabad
Date: May 19, 2022

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: May 19, 2022

DIRECTORS' REPORT (Contd...)

ANNEXURE – 2 TO THE DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)ACTIVITIES

1. **Brief outline on CSR Policy of the Company.**

   Company focus on areas like providing education, imparting skills, promoting entrepreneurship and employment. It seeks to help people and communities bridge the opportunity gap. The Company also supports health, wellness, water, sanitation and hygiene needs of communities, especially those that are marginalized. By applying its resources towards communities that need it the most, company ensures equitable access. The Company's CSR strategy incorporates an inclusive approach into the design of every program. Company aims to create innovative solutions to societal challenges applying its contextual knowledge; execute and scale programs using its technology capabilities; engage its large employee base to volunteer their time, skills. The projects undertaken are within the broad framework of schedule VII of the Act. Details of the CSR policy and projects or programs undertaken by the Company are available on the website of the Company at www.lincolnpharma.com

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ishwarlal A. Patel	Member, Non-Executive Independent Director	2	2
2.	Mr. Mahendra G. Patel	Member, Executive Director	2	2
3.	Mr. Munjal M. Patel	Member, Executive Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.lincolnpharma.com

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not applicable

6. **Average net profit of the Company as per Section 135 (5):** ₹ 6687.30 Lakhs

7.

a) **Two percent of average net profit as per section 135(5)**: ₹ 137.56 Lakhs

b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** ₹ 1.61 Lakhs

c) **Amount required to be set off for the financial year, if any:** NIL

d) **Total obligation for the financial year (7a+7b-7c):** ₹ 135.95 Lakhs

8.

a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 148.49 Lakhs	Not Applicable				

DIRECTORS' REPORT (Contd...)

b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs).	Mode of Implementation – Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number.
Nil												

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount allocated for the project (₹ in Lakhs)	Amount spent for the Project (₹ in Lakhs).	Mode of Implementation – Direct (Yes / No).	Mode of Implementation – Through Implementing Agency	
			State	District				Name	CSR Registration number.
Providing support to the differently abled	Clause (ii) Promoting education to differently abled people	Yes	GJ	AHM	6.41	6.41	No	Blind People's Association	CSR00000936
Contribution towards education activities	Clause (ii) Promoting Education	Yes	GJ	AHM	2.00	2.00	No	Dr. Jit Mehta Balshala Trust	CSR00010884
Contribution towards hunger, education, & healthcare activities	Clause (i) & (ii) Eradicating hunger, poverty and malnutrition and promoting education	Yes	GJ	AHM	75.26	75.26	No	Shardaben Gulabdas Patel Public Charity Trust	CSR00007105
Contribution towards education activities	Clause (i) Promoting Education	Yes	GJ	Mehsana	52.51	52.51	No	Shri Sarswati KanyaKelavani Mandal	CSR00008338

DIRECTORS' REPORT (Contd...)

Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount allocated for the project (₹ in Lakhs)	Amount spent for the Project (₹ in Lakhs).	Mode of Implementation – Direct (Yes / No).	Mode of Implementation – Through Implementing Agency	
			State	District				Name	CSR Registration number.
Contribution towards healthcare activities	Clause (i) Promoting healthcare	Yes	GJ	AHM	8.61	8.61	No	Sri Sathya Sai Heart Hospital	CSR00007410
Contribution towards hunger, education, & healthcare activities	Clause (i) & (ii) Eradicating hunger, poverty and malnutrition and promoting education	Yes	GJ	AHM	3.70	3.70	No	Tathastu Foundation	CSR00005063

* GJ – Gujarat, AHM – Ahmedabad

d) **Amount spent in administrative overheads:** Nil

e) **Amount spent on Impact Assessment, if applicable:** Nil

f) **Total amount spent for the Financial Year (8b+8c+8d+8e):**₹ 148.49 Lakhs

g) **Excess amount for set off, if any:**

Sr. No.	Particular	₹ in Lakhs
1.	Two percent of average net profit of the company as per section 135(5)	137.56
2.	Total amount spent for the financial year	148.49
3.	Excess amount spent for the financial year [(ii)-(i)]	10.93
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	10.93

9.

a) **Details of unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Name of the Fund	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		
					Amount (₹ in Lakhs)	Date of transfer	Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
Not Applicable							

DIRECTORS' REPORT (Contd...)

b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sr. No.	Project ID	Name of Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in Lakhs).	Amount spent on the project in the reporting Financial Year (₹ n Lakhs).	Cumulative amount spent at the end of reporting Financial Year. (₹ in Lakhs).	Status of the project – Completed / Ongoing.
Not Applicable								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).** Not Applicable

For and on behalf of the board
For Lincoln Pharmaceuticals Limited

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

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

Ahmedabad, May 19, 2022

DIRECTORS' REPORT (Contd...)

ANNEXURE – 3 TO THE DIRECTORS' REPORT

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 Ended March 31, 2022;**

(₹ in Lakhs)

SN	Name of Directors	Remuneration (Per Annum)	Ratio
1.	Mr. Mahendra G. Patel	27.75	5:1
2.	Mr. Hashmukh I. Patel	33.25	6:1
3.	Mr. Ashish R. Patel	47.17	9:1
4.	Mr. Munjal M. Patel	30.39	6:1

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 Ended March 31, 2022;**

SN	Name of Directors / KMP	Designation	% Increase
1.	Mr. Mahendra G. Patel	Managing Director	17.61
2.	Mr. Hashmukh I. Patel	Whole-Time Director	15.44
3.	Mr. Ashish R. Patel	Whole-Time Director	12.77
4.	Mr. Munjal M. Patel	Whole-Time Director	16.90
5.	Mr. Darshit A. Shah	Chief Financial Officer	16.46
6.	Mr. Niren A Desai	Company Secretary	14.46

The other directors are non-executive directors and they are not receiving remuneration and sitting fees during the financial year ended March 31, 2022.

3) **The percentage increase in the median remuneration of employees in the financial year ended March 31, 2022: 16.90%.**

4) **The number of permanent employees on the rolls of company;** There are 1,525 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 2021-2022 was 20-21% percentage increase in the managerial remuneration for the year was 15-16%. 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

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

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

Ahmedabad, May 19, 2022

DIRECTORS' REPORT (Contd...)

ANNEXURE – 4 TO THE DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
LINCOLN PHARMACEUTICALS LIMITED,
"LINCOLN HOUSE",Behind Satyam Complex,
Science City Road, Sola, Ahmedabad – 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 **31st March, 2022**('Audit Period')**complied** with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the company during the audit period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the company during the audit period);**

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

(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;

DIRECTORS' REPORT (Contd...)

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

(d) Drugs Price Control Order, 2013;

(e) Food Safety and Standards Act, 2006;

(f) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(g) The Factories Act,1948;

(h) The Minimum Wages Act, 1948, and rules made there under;

(i) Payment of Gratuity Act, 1972;

(j) Payment of Bonus Act, 1965.

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

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

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

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

I further report that:

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

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

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

I further report that:

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

I further report that:

During the audit period, Hon'ble National Company Law Tribunal (NCLT) Ahmedabad Bench approved the scheme of amalgamation of Lincoln Parenteral Limited ("Transferor Company") with Lincoln Pharmaceuticals Limited ("Transferee Company") and their respective Shareholders and Creditors by passing order dated 14/09/2021. The Company has filed the copy of order in e-form INC-28 with Registrar of Companies, Gujarat.

I further report that there were no other instances of:

(i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.

(ii) Redemption/buy-back of securities.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Foreign technical collaborations.

FOR VISHWAS SHARMA & ASSOCIATES
COMPANY SECRETARIES

VISHWAS SHARMA
PROPRIETOR
M. NO.: 33017 CP NO: 16942
UDIN: A033017D000345813

AHMEDABAD, MAY 19, 2022

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.

DIRECTORS' REPORT (Contd...)

Annexure to Secretarial Audit Report

To,
The Members,
LINCOLN PHARMACEUTICALS LIMITED,
"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: A033017D000345813

AHMEDABAD, MAY 19, 2022

DIRECTORS' REPORT (Contd...)

ANNEXURE – 5 TO THE DIRECTORS' REPORT

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 Limited
3.	**Registered address**	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad – 380 060, Gujarat, India.
4.	**Website**	www.lincolnpharma.com
5.	**E-Mail ID**	investor@lincolnpharma.com
6.	**Financial Year reported**	April 01, 2021 to March 31, 2022
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 business of 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)	Nil
	(b) Number of National Locations	There are two manufacturing unit, one R&D unit, and twenty one plus 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, 2022**	₹ 2,002.97 Lakhs
2.	**Total Turnover**	₹ 47,207.89 Lakhs (on standalone basis)
3.	**Total profit after taxes**	₹ 6,935.52 Lakhs (on standalone basis)
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	a) **Total amount contributed: ₹ 148.49 Lakhs** b) **Prescribed CSR Expenditure:** ₹ 135.95 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:-**	The expense has been incurred in the area of education, healthcare, eradicating hunger and malnutrition and reducing inequalities by promoting gender equality. (The report on CSR activities along with its annexure as forms part of this directors' report [Annexure – 2]).

DIRECTORS' REPORT (Contd...)

SECTION C: OTHER DETAILS

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

As on March 31, 2022, the Company does not have any subsidiary Company, further, Company have one LLP as its wholly owned subsidiary, the details of the subsidiaries are provided in form AOC – 1 which are attached to this 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 subsidiary 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, distributer 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 / Director 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**	investor@lincolnpharma.com

Note: As such the entire Board is 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 BRR 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 dis-advantaged, 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.

DIRECTORS' REPORT (Contd...)

(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.								
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 BRR and the same is available on the website of Company and can be accessed at www.lincolnpharma.com.

DIRECTORS' REPORT (Contd...)

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 five products are: ARHL Tablet (used to treat chloroquine resistant falciparum malaria symptoms), Ibuprofen Tablet (used to treat pain, fever, and inflammationa), Dolomol Tablet (used to treat aches and pains), Namcold Tablet (used to treat common cold symptoms) and Tinnex Capsule [used to treat tinnitus (ringing or buzzing sound in the ears despite the absence of any external noise)]. 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?**

DIRECTORS' REPORT (Contd...)

(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.

Principle 3: Businesses should promote the wellbeing of all employees (As on March 31, 2022)

1) **Please indicate the Total number of employees:** The total number of on the rolls employees are 1,525 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 750 of the Company.

3) **Please indicate the Number of Permanent Women Employees:** The total number of permanent women employees are 95 of the Company.

4) **Please indicate the Number of permanent employees with disabilities:** The total number of permanent employees with disabilities is 3 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	:	97%
(b)	Permanent Women Employees	:	99%
(c)	Casual/Temporary/Contractual Employees	:	99%
(d)	Employees with Disabilities	:	100%

The Company cares for its employees the most and always endavours for the wellbeing of its employees.

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

DIRECTORS' REPORT (Contd...)

details of projects undertaken during the year 2021-2022, please refer the report on CSR as forms part of this directors' report (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 (2.7MW).

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 (GCCI).

DIRECTORS' REPORT (Contd...)

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 2021-2022, please refer the report on CSR as forms part of this directors' report (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 2021-2022, please refer the report on CSR as forms part of this directors' report (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, 2022, 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.

DIRECTORS' REPORT (Contd...)

ANNEXURE – 6 TO THE DIRECTORS' REPORT

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

[Section 134(3) (m) of the Act 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.
(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.

(A)	**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

(A) 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, 2022	March 31, 2021
1.	Foreign Exchange Earned	26,948.96	26,856.47
2.	Outgo of Foreign Exchange	1224.71	542.86

For and on behalf of the board
For Lincoln Pharmaceuticals Limited

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

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

Ahmedabad, May 19, 2022

ANNEXURE – 7 TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V to the SEBI Listing Regulations]

1. A BRIEF STATEMENT ON 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 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, 2022, board comprises of 11 (Eleven) directors out of which 4 (Four) are executive directors, 3 (Three) are non-executive directors and remaining 4 (Four) are independent directors. Independent Directors are appointed in compliance with the definition as defined under Regulation 16 (1) (b) of the SEBI Listing Regulations as amended from time to time. The maximum tenure of the independent directors is in compliance with the Act. The composition of the board is in conformity with the Regulation 17 of the SEBI Listing Regulations.

None of the directors on the board is a member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees across all listed companies in which he / she is a director, pursuant to Regulation 26 of SEBI Listing Regulations. Further, none of the independent directors on the board is serving as an independent director in more than 7 (seven) listed companies.

B. No. of Board of Directors and Meetings, attendance at the board meetings and the last AGM and other Directorship:

During the year under review, five board meetings were held on May 25, 2021, August 10, 2021, October 05, 2021, November 11, 2021 and February 10, 2022. 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 SEBI Listing Regulations and the Secretarial Standards by the Institute of Company Secretaries of India.

The composition of the board, attendance at the board meetings during the year ended on March 31, 2022 and the last AGM and also the number of other directorships and committee memberships are given below:

DIRECTORS' REPORT (Contd...)

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, 2021 attended	*No. of other Directorships
Mr. Kishor M. Shah DIN: 02769085	August 16, 1995	Non-Executive Non-Independent (Chairman)	1 out of 5	----	----	----
Mr. Mahendra G. Patel DIN: 00104706	January 20, 1995	Executive and Promoter	5 out of 5	----	Yes	----
Mr. Hashmukh I. Patel DIN: 00104834	January 20, 1995	Executive and Promoter	5 out of 5	----	Yes	----
Mr. Ashish R. Patel DIN: 01309017	November 14, 2014	Executive and Promoter	1 out of 5	----	----	----
Mr. Munjal M. Patel DIN: 02319308	November 14, 2014	Executive and Promoter	4 out of 5	----	Yes	**Sera Investment & Finance India Limited (Formerly known as Kapashi Commercial Limited)** – Non-Executive Non – Independent Director
Mr. Rajnikant G. Patel DIN: 00104786	June 08, 2018	Non-Executive Non-Independent and Promoter	1 out of 5	----	Yes	----
Mr. Arvind G. Patel DIN: 00104885	February 03, 1995	Non-Executive Non-Independent and Promoter	1 out of 5	----	----	----
Mr. Ishwarlal A. Patel DIN: 00217324	February 03, 1995	Non-Executive Independent	5 out of 5	----	Yes	----
Mr. Pirabhai R. Suthar DIN: 00453047	October 30, 1999	Non-Executive Independent	5 out of 5	----	Yes	----
Ms. Meha M. Patel DIN: 07254852	August 04, 2015	Non-Executive Independent	3 out of 5	----	Yes	----
Mr. Saurin J. Parikh DIN: 02136530	March 27, 2018	Non-Executive Independent	4 out of 5	1	----	**Pashupati Cotspin Limited** – Executive Director

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

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

DIRECTORS' REPORT (Contd...)

C. Disclosure of relationships between Directors inter-se:

Mr. Mahendra G. Patel, Mr. Rajnikant G. Patel and Mr. Arvind G. Patel, are brothers. Mr. Munjal M. Patel is son of Mr. Mahendra G. Patel. Mr. Ashish R. Patel is son of Mr. Rajnikant G. Patel. No other Directors on the board are related to each other.

D. Number of shares and convertible instruments held by non-executive directors:

Details of shares held by the Non-executive directors of the Company are as under:

Sr. No.	Name of the Non-executive director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr. Rajanikant G. Patel	7,56,801	There is no convertible instruments issued by the Company, during the year under review.
2.	Mr. Arvind G. Patel	1,11,000	
3.	Mr. Kishor M. Shah	4,78,400	
4.	Mr. Ishwarlal A. Patel	51,150	
5.	Mr. Pirabhai R. Suthar	---	
6.	Ms. Meha M. Patel	---	
7.	Mr. Saurin J. Parikh	---	

E. Web Link for details of familiarisation programmes 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 available on the website of Company and can be accessed at www.lincolnpharma.com.

F. Chart / Matrix Setting out the 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:

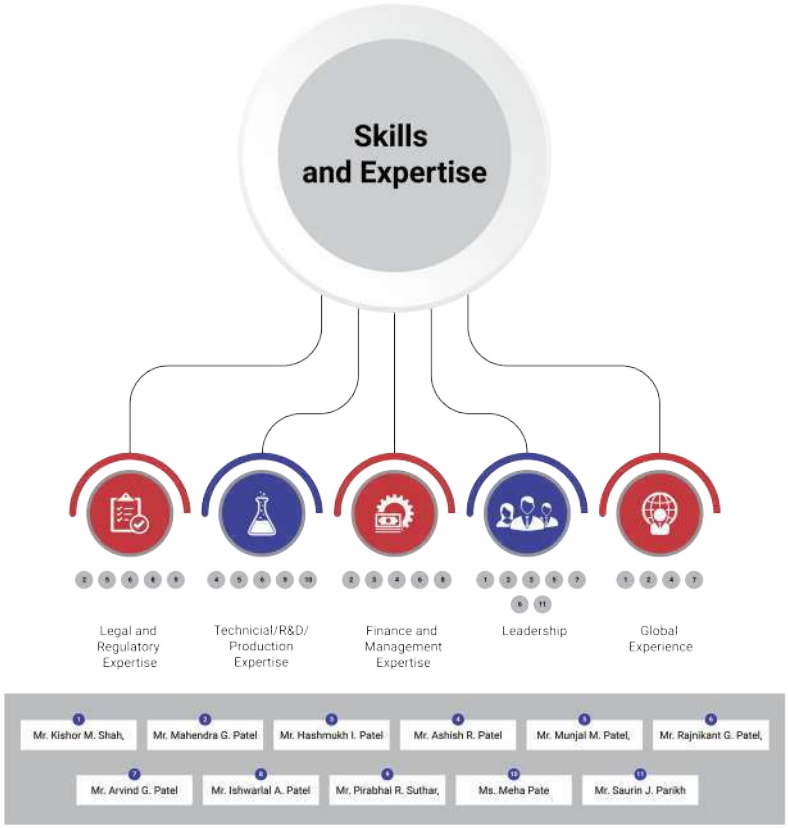
1. **Finance and Management Expertise:** Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
2. **Leadership:** Extensive leadership experience of an organization 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:** Understanding the legal eco system in which the Company operates and possesses the required skill and knowledge of compliance, governance, laws and regulations applicable to the Company and ensuring its compliance in best possible manner.

DIRECTORS' REPORT (Contd...)

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 twenty five years. 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 68 years and has immense and varied experience in corporate planning. He is associated with the Company since incorporation. 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 64 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 64 years and is having a rich and varied experience in the Pharma Industry. He is associated with the Company since incorporation. He looks after product development, manufacturing and research and development activities of the Company. He has been instrumental in bringing the Company to its present position. His expertise, experience and knowledge has helped the Company to a great extent.
Mr. Arvind G. Patel, Non-Executive Director, DIN:00104885	September 29, 1950	February 03, 1995	He is B. E. (Electrical) Engineer, aged about 72 years and is associated with Company for more than twenty five years. 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 89 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.

DIRECTORS' REPORT (Contd...)

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief Resume, Qualification Expertise and Experience
Mr. Pirabhai R. Suthar, Independent Director, DIN:00453047	May 07, 1946	October 30, 1999	He is M.B.B.S., aged about 76 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 32 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 51 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.



DIRECTORS' REPORT (Contd...)

G. Confirmation regarding Independent Directors:

On the basis of the annual declarations given by the Independent Directors of the Company, the Board hereby confirms that all the Independent Directors fulfils the conditions as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are independent of the management.

The independent directors confirms on annual basis that they fulfil the criteria prescribed under Section 149 (6) of the Act, and Regulation 16 (1) (b) of the SEBI 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 10, 2022, 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. Detailed reasons for the resignation of an Independent Director:

During the financial year ended March 31, 2022, none of the independent director has resigned from the directorship of the Company before the expiry of his / her term of appointment.

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. Composition, Meetings and attendance:

During the financial year ended March 31, 2022, the audit committee met four times on May 25, 2021, August 10, 2021, November 11, 2021 and February 10, 2022. 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	4 out 4
Mr. Pirabhai R. Suthar	Member	Independent Director	4 out 4
Mr. Munjal M. Patel	Member	Executive Director	3 out 4

- The constitution of the committee is in accordance with the applicable provisions of the Act and SEBI 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 AGM held on September 30, 2021.

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.

DIRECTORS' REPORT (Contd...)

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 financial year ended March 31, 2022, nomination and remuneration committee met on May 25, 2021. 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	1 out 1
Mr. Pirabhai R. Suthar	Member	Independent Director	1 out 1
Ms. Meha Patel	Member	Independent Director	0 out 1

The composition of the committee is in compliance of the provisions of the Act and SEBI 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.

5. Stakeholders Relationship Committee:

A. Brief description of Terms of Reference:

The role and brief terms of reference of the Stakeholders Relationship Committee are as per Section 178 (5) of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations, the Company has in place, a Stakeholders' Relationship Committee ("SRC").

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 financial year ended March 31, 2022, stakeholder's relationship committee met five times on September 27, 2021, October 11, 2021, December 08, 2021, March 14, 2022 and March 23, 2022. The composition of the Committee is in compliance of the provisions of the Act and SEBI 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. Ishwarlal A. Patel	Chairman	Independent Director	5 out 5
Mr. Mahendra G. Patel	Member	Executive Director	5 out 5
Mr. Hasmukh I. Patel	Member	Executive Director	5 out 5

C. Status Report of Investor Complaints during the year:

Status of Investor Complaints as on March 31, 2022 as reported under Regulation 13 (3) of the SEBI Listing Regulations is as under:

Number of complaints at the beginning of the year	NIL
Number of complaints received during the year	NIL
Number of Complaints resolved during the year	NIL
Number of complaints pending at the ending of the year	NIL

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

Mr. Niren Desai, Company Secretary and Compliance Officer,

Lincoln Pharmaceuticals Limited, Regd. Office: "LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad – 380060. Ph. No.: +91-79-4107-8000, E-Mail: investor@lincolnpharma.com.

6. Risk Management Committee:

A. Brief description of Terms of Reference:

The terms of reference of RMC articulates the roles, responsibilities and powers of the RMC under Regulation 21 read with Schedule II (Part D) of the SEBI Listing Regulations, besides other terms as may be referred to by the board of directors from time to time.

The terms of reference of the RMC are as under:

1. To consider, review and recommend the Risk Management Policy, guidelines, processes and practices of the Company.
2. To ensure that the Company is taking the appropriate measures to achieve balance between the risk and reward in ongoing and new business activities.
3. To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
4. To coordinate its activities with the Audit Committee in instances of overlap with audit activities.
5. To provide periodical reports/ recommendations to the Board of Directors.
6. To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

B. Composition, meetings and attendance:

During the financial year ended March 31, 2022, Risk Management Committee met on May 25, 2021 and November 11, 2021.The composition of the Committee is in compliance of the provisions of the Act and SEBI 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. Ishwarlal A. Patel	Chairman	Independent Director	2 out of 2
Mr. Munjal M. Patel	Member	Executive Director	2 out of 2
Mr. Darshit A. Shah	Member	Chief Financial Officer	2 out of 2

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.

A. Brief description and terms of reference:

The terms of reference of CSR articulates the roles, responsibilities and powers of the CSR under Section 135 read with Schedule VII of the Act, besides other terms as may be referred to by the board of directors from time to time.

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

During the financial year ended March 31, 2022, CSR committee met two times on May 25, 2021 and November 11, 2021. 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:

DIRECTORS' REPORT (Contd...)

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. Munjal M. Patel	Member	Executive Director	1 out 1

8. 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 SEBI 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:

- **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.
- **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.

DIRECTORS' REPORT (Contd...)

B. Remuneration Pattern:

Executive Directors:

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

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

Key Management Personnel and senior Management and Other Employees:

- "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.
- The remuneration package of the Key Management and Senior Management and Other Employees comprises of:
  - **Fixed Remuneration**: This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans;
  - **Annual Allowances:** This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance.
  - **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 director's appointment and remuneration in the meeting held on August 14, 2014. During the year, the Company has reviewed the nomination and remuneration policy in compliance of the provisions of SEBI Listing Regulations and the same has been available on the website of the Company at www.lincolnpharma.com.

DIRECTORS' REPORT (Contd...)

- **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 commencing from September 30, 2019	Managing Director	27.46	0.29	27.75
Mr. Hashmukh I. Patel	3 years commencing from September 30, 2019	Whole-Time Director	32.96	0.29	33.25
Mr. Ashish R. Patel	3 years commencing from November 14, 2019	Whole-Time Director	46.88	0.29	47.17
Mr. Munjal M. Patel	3 years commencing from November 14, 2019	Whole-Time Director	30.10	0.29	30.39
	Total		**137.40**	**1.16**	**138.56**

- 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.

9. General Body Meetings:

A. The details of location, date and time of the last three AGMs held and any special resolutions passed:

Annual General Meeting				
Financial Year Ended	**Venue**	**Date**	**Time**	**Particulars of Special Resolution passed**
March 31, 2021	Through video conference / other audio visual means	September 30, 2021	11:00 A.M.	Nil
March 31, 2020	Through video conference / other audio visual means	September 30, 2020	11:00 A.M.	**1.** Approval to continue availing services of Mr. Pirabhai R. Suthar as a Non-Executive Independent Director of the Company on his attaining the age of 75 years.
March 31, 2019	"LINCOLN HOUSE", Behind Satyam Complex, Science City Road, Sola, Ahmedabad-380060.	September 30, 2019	10:30 A.M.	**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.

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

No special resolution was required to be put through postal ballot last year.

DIRECTORS' REPORT (Contd...)

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

No item of business requiring voting by postal ballot is included in the notice convening the AGM / extra ordinary general meeting ("EGM") of the Company.

10. Means of Communication:

The board believes that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with 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 / annually financial results were published in accordance with the requirements of the SEBI listing regulations.
Newspapers wherein results normally published	The quarterly / annually financial were published in the leading english newspapers "The Indian Express" and gujarati newspaper "Financial Express".
Any website, where displayed	The quarterly / annually financial results were displayed on the website of the Company on www.lincolnpharma.com
Whether it also displays official news releases	The 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	During the year under review, the company has not made any presentation to institutions investors / analysts.

11. General Shareholder Information:

AGM with Date, Time and Venue	28th AGM, on or before September 30, 2022 (Friday), through video conference (VC) or other audio visual means (OAVM) as per the circulars issued by the MCA / SEBI.	
Financial Year	April 01, 2021 to March 31, 2022	
Tentative Schedule for considering Financial Results	Will be published on or before (tentative and subject to change):	
	For the quarter ending June 30, 2022	On or before August 14, 2022
	For the quarter ending September 30, 2022	On or before November 14, 2022
	For the quarter ending December 31, 2022	On or before February 14, 2023
	For the quarter ending March 31, 2023	On or before May 30, 2023
Dividend Payment Date	Within statutory period of 30 days from the date of approval of members at the ensuring AGM.	
Listing on Stock Exchanges with Scrip Code	Company's equity shares are listed at: 1. **BSE Ltd. (BSE) – (Scrip Code: 531633)** PhirozeJeeJeebhoy 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 has paid the listing fees for the financial year 2022-2023 to above stock exchanges.	
Whether the securities are suspended from trading	During the year under review, there was no suspension from trading in equity shares of the company.	
Registrar and Share Transfer Agent (for Shares held in both Physical and Demat mode)	**LINK INTIME INDIA PRIVATE LIMITED** **Corporate Office:** 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's Collage Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. **Tel.:** +91-79-2646-5179 / 3000-2684, **Email:** ahmedabad@linkintime.co.in	

DIRECTORS' REPORT (Contd...)

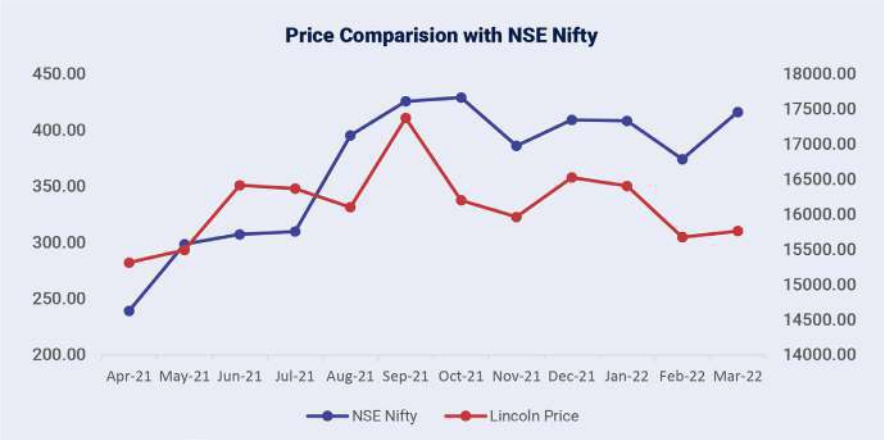
Share Transfer System	As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) is not being processed after March 31, 2019, unless the securities are held in the dematerialized form with the depositories. All shares sent for transmission / transposition by the shareholder(s) in physical form are registered by the registrar and share transfer agents as per the SEBI Listing Regulations. In case of any objection(s), the same is normally attended to within 15 days from the receipt of the request provided the documents are in order. Pursuant to the provisions of Regulation 40 (9) of the SEBI Listing Regulations, certificate received from a practicing company secretary which is submitted to the both the stock exchanges, on half yearly basis. Further, certificate of reconciliation of the share capital has been received from a practicing company secretary which is submitted to the both the stock exchanges, on a quarterly basis. For addressing the investors' grievances, Email: investor@lincolnpharma.com.
Dematerialization of shares and liquidity	As on March 31, 2022, 1,98,86,694(99.29%) equity shares of the Company were held in dematerialized form.
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, 2022, there are no outstanding global depository receipts / american depository receipts or warrants or any convertible instruments which impacts on equity.
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.
Plant Locations	**1)** The Company's plant is located at 10,12,13, Trimul Estate, At. Khatraj, Ta-Kalol, District – Gandhinagar, Gujarat, India. **2)** Re-Survey Block No – 410 / P 1, Old Block No – 125 / P 1, B/h. Shanku's Water Park, Gam Mouje – Baliyasan, Mehsana, Gujarat – 382 732, India.
Address for Correspondence	To, The Company Secretary, **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 financial year ended March 31, 2022, The details of credit ratings for long term bank loan facilities and short term bank loan facilities have been upgraded its ratings to 'CRISIL A / Stable and CRISIL A1'.

DIRECTORS' REPORT (Contd...)

a) **Market Price Data-High / Low during each month in the financial year 2021-2022 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 2021	293.25	221.30	293.25	225.50
2	May 2021	338.85	276.35	337.95	276.20
3	June 2021	363.95	279.40	363.95	286.05
4	July 2021	385.15	332.65	384.00	333.00
5	August 2021	367.15	306.00	367.35	306.70
6	September 2021	414.75	326.15	414.70	326.25
7	October 2021	409.00	335.85	407.75	335.55
8	November 2021	362.95	310.05	362.75	309.00
9	December 2021	375.50	310.00	377.50	322.10
10	January 2022	382.65	339.25	385.00	340.00
11	February 2022	365.00	285.90	365.90	286.00
12	March 2022	344.90	297.00	342.50	297.05

b) **Share Performance of the Company:**



DIRECTORS' REPORT (Contd...)

c) **The Distribution of Shareholdings as on March 31, 2022 is as under:**

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
1 – 500	30,688	93.06	24,63,235	12.30
501 – 1000	1,251	3.79	9,93,229	4.96
1001 – 2000	495	1.50	7,47,729	3.73
2001 – 3000	182	0.55	4,61,059	2.30
3001 – 4000	103	0.31	3,70,228	1.85
4001 – 5000	54	0.16	2,49,121	1.24
5001 – 10,000	75	0.23	5,61,179	2.80
10,001 and above	127	0.39	1,41,83,948	70.81
TOTAL	**32,975**	**100.00**	**2,00,29,728**	**100.00**

d) **Shareholding Pattern as on March 31, 2022:**

Sr. No.	Category	No. of Shares	(%) of Holding
1.	Promoters & Promoter group	84,22,173	42.05
2.	Mutual Funds/ UTI / Trust	300	0.00
3.	Foreign Portfolio Investors	1,53,462	0.77
4.	Bodies Corporate	19,60,610	9.79
5.	Body Corporate-LLPs	6,516	0.03
6.	NRI (Repatriable & Non-Repatriable)	9,30,085	4.64
7.	Individuals / HUF	84,54,360	42.22
9.	Clearing Members	64,354	0.31
10.	Central Government (IEPF)	37,868	0.19
	Total	**2,00,29,728**	**100.00**

12. 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 with ordinary course of business 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 SEBI 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 SEBI 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 SEBI 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 commodity 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.

DIRECTORS' REPORT (Contd...)

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 SEBI 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 forms part of this corporate governance report.

I. During the year under review, there has been no such incidence where the board has not accepted the recommendation of any committees.

J. The details of total fees paid on a consolidated basis to the statutory auditors:

(₹ in Lakhs)

Particulars	Fees paid for the FY 2021-2022
Fees paid for Statutory Audit of the Company and its Subsidiary	8.00
Fees paid for other services	3.50
Total	**11.50**

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 - Nil

ii. Number of Complaints disposed off during the year - Nil

iii. Number of cases pending as on end of the Financial Year - Nil

13. All the requirements of corporate governance report of sub paragraphs (2) to (10) of Para C of Schedule V of SEBI Listing Regulations has been duly complied with.

14. Disclosure of the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:

During the year under review, Company not give loans and advances in the nature of any loans to firms / companies in which directors are interested.

15. Adoption of discretionary requirements as specified in Part E of Schedule II of the SEBI 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 reports directly to the audit committee.

iii. The Company has moved towards the regime of obtaining the report of auditors with un-modified opinion with respect to the audited financial results (standalone and consolidated) of the Company for the year ended on March 31, 2022.

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

17. 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. The code of conduct is also posted on the website of the Company i.e. www.lincolnpharma.corm.

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

As on March 31, 2022, the Company does not have any equity shares lying in Demat suspense account/ unclaimed suspense account.

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

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

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

Ahmedabad, May 19, 2022

DIRECTORS' REPORT (Contd...)

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 SEBI 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, 2022.

FOR LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

AHMEDABAD, MAY 19, 2022

CEO AND CFO CERTIFICATE

To,
The Board of Directors,
Lincoln Pharmaceuticals Limited

We hereby certify that:

a) We have reviewed Audited Financial Statements for the financial year Ended March 31, 2022 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 LINCOLN PHARMACEUTICALS LIMITED

M. G. PATEL
MANAGING DIRECTOR
DIN: 00104706

D. A. SHAH
CHIEF FINANCIAL OFFICER

AHMEDABAD, MAY 19, 2022

DIRECTORS' REPORT (Contd...)

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

LINCOLN PHARMACEUTICALS LIMITED,

"LINCOLN HOUSE",Behind Satyam Complex,

Science City Road, Sola, Ahmedabad – 380060.

I have examined the compliance of conditions of Corporate Governance by Lincoln Pharmaceuticals Limited for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the Financial Year ended March 31, 2022. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

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.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended on March 31, 2022.

I further 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: A033017D000345868

AHMEDABAD, MAY 19, 2022

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 LIMITED,
"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 31st March, 2022 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.

DIRECTORS' REPORT (Contd...)

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	MAHENDRABHAI GULABDAS PATEL	00104706	20/01/1995
2.	RAJANIKANT GULABDAS PATEL	00104786	01/10/2008
3.	HASHMUKHBHAI ISHWARLAL PATEL	00104834	20/01/1995
4.	ARVINDBHAI GULABDAS PATEL	00104885	03/02/1995
5.	ISHWARLAL AMBALAL PATEL	00217324	03/02/1995
6.	PIRABHAI RAMJIBHAI SUTHAR	00453047	30/10/1999
7.	ASHISH RAJANIKANT PATEL	01309017	14/11/2014
8.	SAURIN JAGDISH BHAI PARIKH	02136530	27/03/2018
9.	MUNJAL MAHENDRABHAI PATEL	02319308	14/11/2014
10.	KISHOR MEGHJI SHAH	02769085	16/08/1995
11.	MEHA PATEL	07254852	04/08/2015

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 these 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: A033017D000345824

AHMEDABAD, MAY 19, 2022

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, 2022**, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, 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	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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

    h) 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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;

iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities , including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures applied by us, nothing has come to our notice that has caused us to believe that the representations made under sub clause (i) and (ii) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

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

(J. J. Shah)
Partner
[M. No. 045669]
UDIN : 22045669ALVDNS8259

Place: Ahmedabad
Date: 19/05/2022

INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 2022.**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. In respect of Property, Plant and Equipment :

(a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments.

(ii) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

(b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. In respect of immovable and movable properties that have been taken on lease and disclosed in the financial statements as right-of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) Company has not revalued its Property, Plant & Equipments and intangible assets during the year.

(e) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 and rules made there under.

2. In respect of its Inventories :

(a) The physical verification of inventories has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by management is appropriate and no material discrepancies of 10% or more in aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) The company has been sanctioned working capital limit in excess of Rs.5.00 Crores in aggregate. Copies of quarterly statement and return, furnished to bank have also been made available for our verification. We have verified the same on random sampling basis and found the same in agreement with books of accounts. Discrepancies noticed during the verification, were reasonably explained by the management.

3. (a) The company has not made any investments in, provided any guarantee or security or advances in the nature of loans, however the Company has provided loans in nature unsecured loans to other parties during the year and details of the same are given below:

(Amount ₹ In Lakhs)

Particulars	In Nature of Security	In Nature of Loan
Aggregate amount granted/ provided during the year to other parties	Nil	7170.00
Balance outstanding as at Balance Sheet date	25.00	5836.78

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, there has been no stipulated schedule of repayment of principal and payment of interest thereon, hence verification repayment or receipts are regular as per stipulation does not arise.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the

INDEPENDENT AUDITOR'S REPORT (Contd.)

nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year, the details of the same are as under:

(Amount Rs. In Lakhs)

Particulars	In Nature of Security	In Nature of Loan	% of Total Loan Granted during the year
Aggregate amount granted / provided during the year	Nil	7170.00	100%
a) Amount granted to Promoters as defined in Clause (76) of Section 2 of the Companies Act, 2013	Nil	Nil	Nil
b) Amount granted to Other parties	Nil	7170.00	100%

4. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

5. **In respect of Deposits:**

The company has not accepted any deposits or amount which are deemed to be 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. Accordingly, clause 3(v) of Companies (Auditor's Report) Order, 2020 is not applicable.

6. **Cost Records:**

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

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

7. **In respect of Statutory Dues :**

(a) The Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Value Added tax, cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues were outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) There were no dues of Sales tax, Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Excise, Duty of Customs, cess and any other statutory dues which have not been deposited on account of any dispute. The particulars of dues of Income Tax which have not been deposited on account of disputes and the forum where the dispute is pending is given below:

Name of the Statute	Nature of the Dues	Year	Amount (₹ In Lakhs)	Forum where dispute is pending
Income Tax Act,1961	Penalty	2012-13	7.00	Commissioner of Income Tax (Appeals)
	Penalty	2013-14	14.50	
	Penalty	2015-16	1.60	

8. **In respect of Undisclosed Income Discovered in Income tax Assessment:**

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of Companies (Auditor's Report) Order, 2020 is not applicable to the company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

9. In respect of Repayment of Loans:

(a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.

(b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders or government or government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under sub clause (c) of clause (ix) of paragraph 3 of the Order is not applicable.

(d) On an overall examination of the standalone financial statements of the Company, prima facie, the company has not utilized any funds raised on short term basis for long term purpose.

(e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(f) The company has not has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

10. In respect of Public Offerings:

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).Accordingly, clause 3 (x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, clause 3(x)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

11. (a) To the Best of our knowledge, no fraud by the Company or no material on the company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-Section (12) of Section 143 of the Companies Act,2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Auditor and Auditor) Rules 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there were no whistle-blower complaints were received during the year and up to the date of this report by the company.

12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Company's (Auditor's Report) Order, 2020 are not applicable to the Company.

13. The company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Companies Act 2013 where applicable and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the act.

14. In respect of Internal Audit:

(a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business of the company.

(b) We have considered the report of the internal auditor for the period under audit.

15. The Company has not entered in to any non-cash transactions with its directors or persons connected with him. Accordingly, clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

16. In Respect to the Provisions of Reserve Bank Of India Act 1934:

(a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi)(a) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause (xvi)(b) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

18. There has been no resignation of the statutory auditors during the year under consideration. Accordingly, clause (xviii) of the Company's (Auditor's Report) Order, 2020 is not applicable to the company.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanation given to us and the records of the company examined by us, there were no unspent amount required to be transferred to special account as required by Section 135 of the Companies Act,2013. Accordingly, provisions of sub clause (a) and (b) of clause (xx) of the Company's (Auditor's Report) Order, 2020 are not applicable to the company.

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

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 22045669ALVDNS8259

Place: Ahmedabad
Date: 19/05/2022

INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 2022.**

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 2022**, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 22045669ALVDNS8259

Place: Ahmedabad
Date: 19/05/2022

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Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	5	13,124.42	10,996.51
(b) Right-of-Use Assets	5A	25.38	27.54
(c) Capital work-in-progress	6	1,605.36	168.58
(d) Other intangible assets	7	38.27	39.80
(e) Financial Assets			
(i) Investments	8	5.26	5.40
(ii) Loans	9	2,684.05	2,509.44
(iii) Other financial assets	10	215.24	75.16
(f) Other non-current assets	11	457.79	543.43
Total non - current assets		**18,155.77**	**14,365.86**
2 **Current assets**			
(a) Inventories	12	7,274.20	4,661.28
(b) Financial assets			
(i) Investments	13	9,680.60	8,066.47
(ii) Trade receivables	14	11,503.74	11,211.98
(iii) Cash and cash equivalents	15	656.76	1,102.88
(iv) Loans	16	3,177.73	1,928.00
(v) Other bank balances	17	1,186.53	240.28
(vi) Other financial assets	18	199.32	176.66
(c) Current tax assets (Net)	19	Nil	Nil
(d) Other current assets	20	1,576.84	3,427.38
Total current assets		**35,255.72**	**30,814.93**
Total assets (1+2)		**53,411.49**	**45,180.79**
B **EQUITY AND LIABILITIES**			
1 **Equity**			
(a) Share capital	21	2,002.97	2,002.97
(b) Other equity	22	41,284.77	34,636.27
Total equity		**43,287.74**	**36,639.24**
LIABILITIES			
2 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	23	Nil	14.46
(ii) Other financial liabilities	24	453.91	429.16
(b) Deferred tax liabilities (Net)	25	645.45	569.05
Total Non current liabilities		**1,099.36**	**1,012.67**
3 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	26	204.36	37.52
(ii) Trade payables	27		
- Total outstanding dues of micro and small enterprises		1,978.14	871.52
- Total outstanding dues of creditors other than micro and small enterprises		5,163.74	4,784.17
(iii) Other financial liabilities	28	861.70	852.15
(b) Other current liabilities	29	123.18	453.79
(c) Provisions	30	265.82	218.09
(d) Current tax liabilities (Net)	31	427.45	311.64
Total current liabilities		9,024.39	7,528.88
Total equity and liabilities (1+2+3)		**53,411.49**	**45,180.79**
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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
INCOME				
I	Revenue from operations	32	47,207.89	42,290.85
II	Other income	33	999.77	574.31
III	**Total income (I + II)**		**48,207.66**	**42,865.16**
	EXPENSES			
	(a) Cost of materials consumed	34	15,847.51	12,343.24
	(b) Purchases of stock-in-trade	35	7,367.12	6,982.46
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(1,356.83)	366.66
	(d) Employee benefit expense	37	7,046.90	6,320.07
	(e) Finance costs	38	145.09	155.24
	(f) Depreciation and amortisation expense	39	808.79	756.02
	(g) Other expenses	40	8,756.17	7,574.35
IV	**Total Expenses**		**38,614.75**	**34,498.04**
V	**Profit before tax (III- IV)**		**9,592.91**	**8,367.12**
VI	**Tax Expense**			
	(a) Current tax	41	2,449.55	2,124.78
	(b) Deferred tax liability / (assets)	41	72.03	24.72
	(c) Short/(Excess) Provision of Tax	41	135.83	(7.40)
	Total tax expense		**2,657.41**	**2,142.10**
VII	**Profit for the year (V - VI)**		**6,935.50**	**6,225.02**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to Statement of profit and loss			
	a) Remeasurements of the defined benefit plans	42	17.37	2.94
	b) Income tax relating to items (a) above	42	(4.37)	(1.03)
IX	**Total other comprehensive income**		13.00	1.91
X	**Total comprehensive income for the year (VII+IX)**		**6,948.50**	**6,226.93**
XI	**Basic & diluted earnings per share of face value of ₹ 10 each fully paid up.**			
	(a) Basic (in Rs.)	52	34.63	31.08
	(b) Diluted (in Rs.)	52	34.63	31.08

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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from operating activities		
Profit before tax	9,592.91	8,367.12
Adjustments for :		
Depreciation and amortisation expense	808.79	756.02
Finance costs	145.09	155.24
Provision/(Reversal) for Expected Credit Loss	(17.43)	9.11
Bad debt written off	70.08	Nil
Non Current Investment Write off	0.14	Nil
Rate & Taxes	Nil	80.80
MTM (gain) / loss on fair valuation of derivative financial instruments	(7.18)	(52.25)
Loss on sale of Property, Plant & Equipment (Net)	12.95	5.27
Interest income	(502.84)	(223.72)
Dividend income	Nil	(2.80)
Share of Loss/(profit) from subsidiaries	0.32	(7.92)
(Gain) / Loss on fair valuation of Mutual Funds	(265.60)	(238.30)
Gain on sale of Current Investment	(95.57)	(6.69)
Operating profit before working capital changes	**9,741.66**	**8,841.88**
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(2,612.92)	45.91
(Increase)/Decrease in Trade receivables	(344.41)	(1,038.96)
(Increase)/Decrease in Other Non Current Financial Assets	(10.56)	(15.80)
(Increase)/Decrease in Other Current Financial Assets	(2.38)	(16.81)
(Increase)/Decrease in Other non current assets	(4.35)	(16.56)
(Increase)/Decrease in Other current assets	1,850.54	(6.67)
Increase/(Decrease) in Trade payable	1,486.19	590.33
Increase/(Decrease) in Other current financial liabilities	119.09	312.80
Increase/(Decrease) in Other non current financial liabilities	24.75	23.91
Increase/(Decrease) in Other current liabilities	(330.61)	189.80
Increase/(Decrease) in Short-term Provisions	65.10	(25.46)
Cash flow generated from operations	**9,982.10**	**8,884.37**
Direct taxes paid (net)	(2,363.79)	(1,945.38)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**7,618.31**	**6,938.99**
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(4,552.52)	(875.03)
Proceeds from sale of Property, Plant and Equipments	7.93	6.50
Increase in Margin Money / Fixed Deposit	(1,290.45)	(50.39)
Decrease in Margin Money / Fixed Deposit	214.89	6.00
Non Current Loan Given	(950.00)	(649.07)
Non Current Loan Received Back	946.14	Nil
Current Loan Given	(6,220.00)	(2,546.00)

Statement of Cash Flow (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Loan Received Back	5,026.00	1,949.15
Interest received	262.94	111.45
Dividend received	Nil	2.80
Sale of Current Investment	4,051.77	1,050.42
Purchase of Current Investment	(5,304.73)	(5,450.27)
Amount received from Equity Instrument of Subsidiary on Voluntarily wound up	Nil	5.00
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(7,808.03)**	**(6,439.44)**
Cash flows from financing activities		
Repayment of Long-term borrowings	(51.98)	(72.11)
Procceds Short-term borrowings	200.00	Nil
Repayment of Short-term borrowings	Nil	(383.32)
Dividend paid on equity shares	(300.00)	Nil
Finance costs Paid	(104.42)	(118.17)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(256.40)**	**(573.60)**
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	**(446.12)**	**(74.05)**
Cash and cash equivalents at the beginning of the year	1,102.88	1,176.93
Cash and cash equivalents at the end of the year	**656.76**	**1,102.88**

Notes:

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash on hand	24.70	33.42
Balances with Bank	632.06	1,069.46
Total Cash and cash equivalents (Refer Note 15)	**656.76**	**1,102.88**

(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 (Indian Accounting Standards) Rules, 2015.

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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Statement of Changes in Equity

for the year ended March 31, 2022

Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
Balance as on 1st April, 2020	**21**	2,002.97
Changes in Equity Share capital due to prior period Errors		Nil
Restated Balance as on 1st April,2020		2,002.97
Changes during the year		Nil
Balance as on 31st March, 2021	**21**	2,002.97
Changes in Equity Share capital due to prior period Errors		Nil
Restated Balance as on 31st March,2021		2,002.97
Changes during the year		Nil
Balance as on 31st March, 2022	**21**	2,002.97

Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus			Capital Reserve	Equity Securities Premium	Total
		Retained Earnings		General Reserve			
		Profit and Loss	Other Comprehensive Income				
Balance as at 1st April, 2020	**22**	**22,065.83**	**(32.89)**	**873.72**	**(958.98)**	**6,461.66**	**28,409.34**
Profit for the year		6,225.02	Nil	Nil	Nil	Nil	6,225.02
Other comprehensive income for the year (Net of Tax)		Nil	1.91	Nil	Nil	Nil	1.91
Total Comprehensive Income for the year		**28,290.85**	**(30.98)**	**873.72**	**(958.98)**	**6,461.66**	**34,636.27**
Transactions with Owners in their capacity as Owners:							
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil
Balance as at 31st March, 2021	**22**	**28,240.85**	**(30.98)**	**923.72**	**(958.98)**	**6,461.66**	**34,636.27**
Profit for the year		6,935.50	Nil	Nil	Nil	Nil	6,935.50
Other comprehensive income for the year (Net of Tax)		Nil	13.00	Nil	Nil	Nil	13.00
Total Comprehensive Income for the year		**35,176.35**	**(17.98)**	**923.72**	**(958.98)**	**6,461.66**	**41,584.77**
Transactions with Owners in their capacity as Owners:							
Payment of Final Dividends		(300.00)	Nil	Nil	Nil	Nil	(300.00)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil
Balance as at 31st March, 2022	**22**	**34,826.35**	**(17.98)**	**973.72**	**(958.98)**	**6,461.66**	**41,284.77**

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)

Place : Ahmedabad
Date: 19/05/2022

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

(Mahendra G. Patel)
(Managing Director)
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(Hashmukh I. Patel)
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(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Notes to financial statement

for the year ended March 31, 2022

1. Corporate information:

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

These financial statements are presented in Indian rupee with figures rounded off to nearest rupee except otherwise indicated and same were approved by board of the Company in their meeting held on May 19, 2022.

Hon'ble National Company Law Tribunal, Ahmedabad Bench, (' Hon'ble NCLT') has sanctioned the scheme of amalgamation of Lincoln Parenteral Limited ('Transferor Company') and Lincoln Pharmaceuticals Limited ('Transferee Company') having its appointed date at April 1, 2019 vide its order dated September 14, 2021. The same have been accounted for as common control business combination in accordane with Appendix C of Ind AS 103. Refer Note 60 for details on the scheme of amalgamation.

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, 2022 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, 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)

Notes to financial statement (Contd...)

for the year ended March 31, 2022

b. Property, Plant and Equipment

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

c. Impairment of Financial Assets

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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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 Job work service contracts

i) Job Work service contracts are recognised at point in time as control is transferred to the customer only on dispatch. and

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

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 is accrued on a time basis by reference to the principal amount outstanding at the effective interest rate. Effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Insurance Claim:

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

iii) Property, Plant & Equipment:

Property, Plant & Equipment

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

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

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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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:

Depreciation is provided on straight line method for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation which are as indicated in Schedule II to Companies Act,2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. 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. 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 property, plant and equipment is provided over the useful lives specified as under:-

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	8 / 10

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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. 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 of disposal 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 of disposal 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 except the amount outstanding as on the balance sheet date of specific borrowings for assets that are not yet ready for use. Borrowing cost incurred actually on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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-to-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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

The lease liability is subsequently measured as given below:

(a) increasing the carrying amount to reflect interest on the lease liability;

(b) reducing the carrying amount to reflect the lease payments made; and

(c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-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 on straight line basis as per the terms of the lease.

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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.

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 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:

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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 profit or loss or OCI or directly in equity. The Company has adopted Appendix C of Ind AS-12 and has provided for the tax liability based on the significant judgment that the taxation authority will 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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(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

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

Ind AS 101 – First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company.

Ind AS 103 – Business Combinations:

The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

Ind AS 109 – Financial Instruments:

The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Ind AS 41 – Agriculture:

The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

Note 5: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on April 01, 2020	**1,549.91**	**3,573.02**	**7,152.66**	**382.56**	**527.98**	**22.61**	**269.06**	**139.32**	**13,617.12**
Addition during the year	175.81	6.14	145.04	9.75	103.57	3.02	4.21	17.93	465.47
Deduction during the year	Nil	Nil	24.09	Nil	0.55	Nil	Nil	Nil	24.64
Gross Carrying Value as on March 31, 2021	**1,725.72**	**3,579.16**	**7,273.61**	**392.31**	**631.00**	**25.63**	**273.27**	**157.25**	**14,057.95**
Addition during the year	137.48	1,206.95	1,195.51	17.03	132.45	94.71	115.92	41.88	2,941.93
Deduction during the year	Nil	Nil	29.85	Nil	6.98	Nil	Nil	Nil	36.83
Gross Carrying Value as on March 31, 2022	**1,863.20**	**4,786.11**	**8,439.27**	**409.34**	**756.47**	**120.34**	**389.19**	**199.13**	**16,963.05**
Accumulated Depreciation and Impairment as on April 01, 2020	**Nil**	**378.48**	**1,584.11**	**140.85**	**98.18**	**10.60**	**33.54**	**88.50**	**2,334.26**
Addition during the year	Nil	114.96	478.28	34.56	70.37	2.97	13.49	25.41	740.04
Deduction during the year	Nil	Nil	12.56	Nil	0.30	Nil	Nil	Nil	12.86
Accumulated Depreciation and Impairment as on March 31, 2021	**Nil**	**493.44**	**2,049.83**	**175.41**	**168.25**	**13.57**	**47.03**	**113.91**	**3,061.44**
Addition during the year	Nil	124.80	503.25	33.95	85.71	3.80	16.43	25.20	793.14
Deduction during the year	Nil	Nil	10.02	Nil	5.93	Nil	Nil	Nil	15.95
Accumulated Depreciation and Impairment as on March 31, 2022	**Nil**	**618.24**	**2,543.06**	**209.36**	**248.03**	**17.37**	**63.46**	**139.11**	**3,838.63**
Net Carrying Value as on March 31, 2021	**1,725.72**	**3,085.72**	**5,223.78**	**216.90**	**462.75**	**12.06**	**226.24**	**43.34**	**10,996.51**
Net Carrying Value as on March 31, 2022	**1,863.20**	**4,167.87**	**5,896.21**	**199.98**	**508.44**	**102.97**	**325.73**	**60.02**	**13,124.42**

Notes:

i. Assets pledged as security:

Refer Note 57 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, 2022 - ₹ Nil (for the year ended March 31, 2021: ₹ Nil).

iii. Contractual obligations:

Refer Note. 43 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. Depreciation on Property, Plant & Equipment

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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

5A Right to use assets

(₹ in Lakhs)

Particulars	Total
Gross Carrying Value as at April 1, 2020	31.86
Addition during the year	Nil
Deduction during the year	Nil
Gross Carrying Value as on March 31, 2021	**31.86**
Addition during the year	Nil
Deduction during the year	Nil
Gross Carrying Value as on March 31, 2022	**31.86**
Accumulated Amortization as on April 01, 2020	2.16
Amortization during the year	2.16
Deduction during the year	Nil
Accumulated Amortization and Impairment as on March 31, 2021	**4.32**
Amortization during the year	2.16
Deduction during the year	Nil
Accumulated Amortization and Impairment as on March 31, 2022	6.48
Net Carrying amount as on March 31, 2021	**27.54**
Net Carrying amount as on March 31, 2022	**25.38**

6 Capital Work in Progress

(₹ in Lakhs)

Particulars	Total
Balance at April 01, 2020	**4.03**
Addition during the year	164.55
Capitalised during the year	Nil
Balance at March 31, 2021	**168.58**
Addition during the year	1,852.17
Capitalised during the year	415.39
Balance at March 31, 2022	**1,605.36**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

6(i) Ageing schedule in respect of Capital Work in Progress

(₹ in Lakhs)

CWIP	As at March 31, 2022				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Capital Work in Progress Unit 1	1,487.87	117.49	Nil	Nil	1,605.36
Projects temporarily suspended	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

(₹ in Lakhs)

CWIP	As at March 31, 2021				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Capital Work in Progress Unit 1	164.32	4.26	Nil	Nil	168.58
Projects temporarily suspended	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

7 Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Patents	Total
Gross Carrying Value as on April 01, 2020	**81.83**	**1.40**	**83.23**
Addition during the year	16.70	Nil	16.70
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2021	**98.53**	**1.40**	**99.93**
Addition during the year	11.97	Nil	11.97
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2022	**110.50**	**1.40**	**111.90**
Accumulated amortisation as on April 01, 2020	**45.00**	**1.30**	**46.30**
Amortization during the year	13.83	Nil	13.83
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2021	**58.83**	**1.30**	**60.13**
Amortization during the year	13.50	Nil	13.50
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2022	**72.33**	**1.30**	**73.63**
Net Carrying Value as on March 31, 2021	**39.70**	**0.10**	**39.80**
Net Carrying Value as on March 31, 2022	**38.17**	**0.10**	**38.27**

Notes:

i. Amortization on intangible Assets

Refer Note 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

8 Non Current Investments

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
A	**Investment in Limited Liability Partnership:**		
i	Zullinc Healthcare LLP (Refer Note (i) to this schedule)	5.00	5.00
		5.00	**5.00**
B	**Investments in other equity instruments at amortized cost (unquoted)**		
	320 (PY.320) 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 amortized cost (unquoted)**		
	National Saving Certificate	Nil	0.14
	Total	**5.26**	**5.40**
	Aggregate amount of quoted investment - At cost	Nil	Nil
	Aggregate amount of unquoted investment - At cost	5.26	5.40

Note:

i 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 31/03/2022	% of holding as at 31/03/2021
Zullinc Healthcare LLP	India	100.00	100.00

9 Non-Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Inter-Corporate Loans	230.00	230.00
Loans to others	2,454.05	2,279.44
Total	**2,684.05**	**2,509.44**

10 Other Non-Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Margin Money Deposit with more than 12 months maturity	174.52	35.00
Fixed Deposit with more than 12 months maturity	Nil	10.00
Loan to Employees	21.52	10.96
Security Deposits	19.20	19.20
Total	**215.24**	**75.16**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

11 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Advances for Property, Plant & Equipment	308.27	256.17
Advance Payment of Income Tax	89.54	3,306.18
Less: Provision for Income tax	Nil	(3,074.55)
Advance Income Tax (net)	**89.54**	**231.63**
Advance to Employees	59.98	55.52
Other Current Assets	Nil	0.11
Total	**457.79**	**543.43**

12 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	2,701.77	1,750.59
Work-in-Process	872.16	552.72
Finished Stock	1,567.67	801.20
Packing Material	981.74	676.83
Stock in Trade	1,150.86	879.94
Total	**7,274.20**	**4,661.28**

a) Inventory of Raw Material includes material in transit- as on 31-03-2022 of ₹ Nil (as on 31-03-2021 ₹ Nil)

b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2022 ₹ 1,364.20 Lakhs (as on 31-03-2021 ₹ 634.07 Lakhs)

c) The cost of inventories recognized as an expenses includes ₹ 640.14 Lakhs (during 2020-21 ₹ Nil) in respect of write-down of inventory to net realizable value, and has been reduced by ₹ 640.14 Lakhs (during 2020-21 : ₹ Nil) in respect of the reversal of such write-down.

d) Inventories pledged as Security with bank for borrowing as on 31-03-2022 of ₹ 7,274.20 Lakhs (as on 31-03-2021 ₹4,661.28 Lakhs)

Notes to financial statement (Contd...)

for the year ended March 31, 2022

13 Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in mutual fund at fair value through profit and loss		
98,61,771.77 (PY. 69,65,858.970) units of SBI Savings Fund - Direct Plan - Growth	3,506.98	2,382.03
Nil (PY. 1,01,795.939) units of SBI Liquid Fund Direct Growth	Nil	3,279.48
25,517.968 (PY. 43,647.733) units of SBI Liquid Fund-Regular Plan-Growth	844.84	1,398.08
3,52,15,474.828 (PY. Nil) units of SBI Balance Advantage Fund Direct Growth	3,656.32	Nil
19,99,900.01 (PY. Nil) units of SBI Multicap Fund Direct Plan Growth	205.92	Nil
3,80,349.50 (PY. Nil) units of ICICI Balance Advantage Fund Direct Plan Growth	206.00	Nil
19,55,382.18 (PY. Nil) units of HSBC Equity Hybrid Fund Growth	307.07	Nil
89,76,019.412 (PY. 99,22,209.578) units of HSBC Corporate Bond Fund Growth	953.47	1,006.88
Total	**9,680.60**	**8,066.47**
Aggregate Cost of Investment	8,982.15	7,510.29
Aggregate NAV of Investment	9,680.60	8,066.47

14 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Unsecured)		
Trade Receivable Considered Good	11,193.23	10,313.89
Trade Receivables - Credit impaired	478.91	1,083.92
	11,672.14	**11,397.81**
Less: Allowance for Expected Credit Loss*	168.40	185.83
Total	**11,503.74**	**11,211.98**

Notes:

i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer note 52.

(₹ in Lakhs)

Gross Outstanding as on 31/03/2022	Disputed Trade Receivables		Undisputed Trade Receivables	
Ageing	**Credit Impaired**	**Considered Good**	**Credit Impaired**	**Considered Good**
Not Due	Nil	Nil	Nil	7,735.66
Due less than 3 months	Nil	Nil	Nil	3,457.57
Due for 3 to 6 Months	Nil	Nil	164.79	Nil
Due for more than 6 Months to 1 Years	Nil	Nil	45.71	Nil
Due for more than 1 year to 2 Years	Nil	Nil	182.27	Nil
Due for more than 2 year to 3 Years	Nil	Nil	17.14	Nil
Due for more than 3 Years	Nil	Nil	69.00	Nil
Total	**Nil**	**Nil**	**478.91**	**11,193.23**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Gross Outstanding as on 31/03/2021	Disputed Trade Receivables		Undisputed Trade Receivables	
Ageing	**Credit Impaired**	**Considered Good**	**Credit Impaired**	**Considered Good**
Not Due	Nil	Nil	Nil	7,312.21
Due less than 3 months	Nil	Nil	Nil	3,001.68
Due for 3 to 6 Months	Nil	Nil	594.80	Nil
Due for more than 6 Months to 1 Years	Nil	Nil	71.38	Nil
Due for more than 1 year to 2 Years	Nil	Nil	97.59	Nil
Due for more than 2 year to 3 Years	Nil	Nil	250.90	Nil
Due for more than 3 Years	Nil	Nil	69.25	Nil
Total	**Nil**	**Nil**	**1,083.92**	**10,313.89**

(i) The general credit period inrespective on Domestic sale ranges between 30-90 days and for Export it ranges between 30-90 days, by and large company is not charging any interest on late payment.

(ii) Credit risk is managed at the operational segmental level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

(iii) Concentration risk considers significant exposures relating to industry, counter party, geography, currency etc. The concentration of credit risk is not significant as the customer base is large and diversified.

*Note: Refer Note 48(I) for details of movement in Expected Credit Loss.

15 Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	24.70	33.42
Bank Balance	632.06	1,069.46
Total	**656.76**	**1,102.88**

16 Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Inter Corporate Loan	1,700.00	1,400.00
Loans to Related Party	25.00	50.00
Loans to others	1,452.73	478.00
Total	**3,177.73**	**1,928.00**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

Details of Loans to Promoter, Director, KMP and Related parties (₹ in Lakhs)

Type of Borrower	Amount of loan outstanding		% of Total Sales	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Promoters	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
Key Management Personnel	Nil	Nil	Nil	Nil
Related Parties	25.00	50.00	0.43%	1.13%

Information pursuant to Section 186(4) of the Companies Act, 2013

(i) The loans provided without any interest.

(ii) The loans have been given for business activities as Security Deposit. The loan has been provided without any gurantee or security.

17 Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Margin Money Deposit with more than 3 month and less than12 months maturity	30.68	222.80
Fixed Deposit with more than 3 month and less than12 months maturity	1,138.16	Nil
Unclaimed Dividend Account*	17.69	17.48
Total	**1,186.53**	**240.28**

*Note: The company can utilise this balances only towards settlement of unclaimed dividend.

18 Other Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Capital Account in Limited Liability Partnership (Refer Note 8)	116.95	117.27
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	15.49	8.31
Interest Receivable	34.03	20.61
Loan to Employees	32.11	29.78
Others	0.74	0.69
Total	**199.32**	**176.66**

19 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax :		
Advance Payment of Income Tax	Nil	Nil
Less: Provision for Income tax	Nil	Nil
Total	**Nil**	**Nil**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

20 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered good unless otherwise stated)		
Advances to Suppliers	257.24	1,541.96
Prepaid Expenses	92.81	113.67
Loans and advance to employees	37.26	18.27
Balances with/amount receivable from Statutory authorities	1,189.53	1,753.35
Other receivables	Nil	0.13
Total	**1,576.84**	**3,427.38**

21 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
[i]Authorized Share Capital: (Refer Note (g) to this schedule)		
3,20,00,000(PY.3,20,00,000) Equity shares of ₹10 each	3,200.00	3,200.00
[ii] Issued, Subscribed & Paid-up Capital: (Refer Note (g) to this schedule)		
2,00,29,728 (PY.2,00,29,728) Equity shares of ₹ 10 each fully paid	2,002.97	2,002.97
Total	**2,002.97**	**2,002.97**

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and , March 31, 2021 is set out below:-

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	2,00,29,728	2,002.97	2,00,29,728	2,002.97
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	2,00,29,728	2,002.97	2,00,29,728	2,002.97

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

Name of the Share holder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Digital biotech Pvt Ltd	14,00,000	6.99%	14,00,000	6.99%
Munjal Mahendrabhai Patel	18,32,000	9.15%	13,25,500	6.62%
Ashish Rajanibhai Patel	11,79,802	5.89%	8,54,802	4.27%

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(c) Details in respect of shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% Change
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Ashish Rajanibhai Patel	11,79,802	5.89%	8,54,802	4.27%	1.62%
Amar Arvindbhai Patel	60,000	0.30%	60,000	0.30%	0.00%
Anand Arvinbhai Patel	2,32,000	1.16%	1,82,000	0.91%	0.25%
Arvindbhai Gulabdas Patel	1,11,000	0.55%	1,11,000	0.55%	0.00%
Bhagirathbhai Tribhovanbhai Patel	24,500	0.12%	23,950	0.12%	0.00%
Dharmistaben Hashmukhbhai Patel	65,003	0.32%	65,003	0.32%	0.00%
Dharmisthaben Bhagirathbhai Patel	1,24,710	0.62%	1,24,900	0.62%	0.00%
Hansaben Arvindbhai Patel	1,17,200	0.59%	1,17,200	0.59%	0.00%
Hashmukhbhai Ishwarlal Patel	3,73,600	1.87%	3,73,600	1.87%	0.00%
Ishwarbhai Ambalal Patel	51,150	0.26%	50,800	0.25%	0.00%
Jigar Hasmukhbhai Patel	86,200	0.43%	68,700	0.34%	0.09%
Kailashben Mahendrabhai Patel	3,80,000	1.90%	3,80,000	1.90%	0.00%
Kalpanaben Rajnibhai Patel	2,93,100	1.46%	2,93,100	1.46%	0.00%
Mahendrabhai Gulabdas Patel	5,75,000	2.87%	5,11,500	2.55%	0.32%
Manguben I Patel	93,800	0.47%	94,100	0.47%	0.00%
Mansi Munjal Patel	2,00,000	1.00%	2,00,000	1.00%	0.00%
Meenaben Yogeshbhai Patel	354	0.00%	354	0.00%	0.00%
Mihirbhai Vithalbhai Patel	82,669	0.41%	88,730	0.44%	-0.03%
Munjal Mahendrabhai Patel	18,32,000	9.15%	13,25,500	6.62%	2.53%
Nidhi Mahendrabhai Patel	54,000	0.27%	54,000	0.27%	0.00%
Aniruddh Hasmukhbhai Patel	86,200	0.43%	68,700	0.34%	0.09%
Nishitkumar Maheshbhai Patel	1,81,900	0.91%	1,81,900	0.91%	0.00%
Rajnibhai Gulabdas Patel	7,56,801	3.78%	7,25,401	3.62%	0.16%
Renukaben Maheshbhai Patel	1,73,400	0.87%	1,73,400	0.87%	0.00%
Shardaben Gulabdas Patel	Nil	0.00%	31,400	0.16%	-0.16%
Shivani B. Shah	2,06,475	1.03%	2,02,000	1.01%	0.02%
Yogeshkumar Ishwerlal Patel	309	0.00%	8,864	0.04%	-0.04%
Downtown Finance Pvt. Ltd.	1,06,000	0.53%	1,06,000	0.53%	0.00%
Downtown Travels LLP	4,75,000	2.37%	4,75,000	2.37%	0.00%
Sunmed Corporation LLP	5,00,000	2.50%	5,00,000	2.50%	0.00%
TOTAL	**79,22,173**	**42.05%**	**69,51,904**	**37.20%**	
Total No. of Shares	**2,00,29,728**		**2,00,29,728**		

(d) 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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

(f) The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Director is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(g) In compliance with the Amalgamation scheme approved by Hon'ble NCLT,Ahmedabad, the company has issued and allotted 29,728 equity shares of ₹ 10/- each to the eligible shareholders of the Transferor Company and Authorized Capital of the company has been increased to ₹ 3,200.00 Lakhs with effect from appointed date of the scheme ie. from 01st April, 2019.

(h) In the Period of five years immediately preceding 31st March,2022

In compliance with the Amalgamation scheme approved by Hon'ble NCLT,Ahmedabad, the company has issued and allotted 29,728 equity shares of ₹ 10/- each to the eligible shareholders of the Transferor Company except that the company has not alloted any equity shares as fully paid up without payment being received in cash or as Bonus shares or Bought back any equity Shares. Further in the period of last five years the company has not for feited any amount received on issue of Shares.

22 Other Equity

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
(a)	**Capital Reserve**		
	Balance as per last financial Statement	(958.98)	(958.98)
	Add: Addition during the year	Nil	Nil
	Closing Balance	**(958.98)**	**(958.98)**
(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	923.72	873.72
	Add: Transfer from Statement of Profit & Loss	50.00	50.00
	Closing Balance	**973.72**	**923.72**
(d)	**Retained Earnings**		
	Statement of Profit and Loss:		
	Balance as per last financial Statement	28,240.85	22,065.83
	Add : Profit for the year	6,935.50	6,225.02
	Less: Transfer to General reserve	(50.00)	(50.00)
	Less: Final Dividend Paid	(300.00)	Nil
	Net Surplus in the statement of profit and loss (i)	**34,826.35**	**28,240.85**
	Other Comprehensive Income:		
	Balance as per last financial Statement	(30.98)	(32.89)
	Add: Remeasurement of Defined benefit plans (including deferred tax)	13.00	1.91
	Net Surplus in the statement of other comprehensive income (ii)	**(17.98)**	**(30.98)**
	Total Retained Earnings (i + ii)	**34,808.37**	**28,209.87**
	Total	**41,284.77**	**34,636.27**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

Capital Reserve: Capital reserve was realised in cash and further created on amalgamation of company and 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 can be utilized by the company for distribution to its equity shareholders of the company.

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 provisions of the Companies 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.

23 Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowing		
Term Loan from Banks	Nil	Nil
Less : Current maturities of long-term debt (Note: 26)	Nil	Nil
Closing Balance	**Nil**	**Nil**
Vehicle Loan	Nil	51.98
Less : Current maturities of long-term debt (Note: 26)	Nil	37.52
Closing Balance	**Nil**	**14.46**
Total	**Nil**	**14.46**

Notes:

i. 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.

ii. Year wise repayment schedules:

(₹ in Lakhs)

Year	As at March 31, 2022	As at March 31, 2021
FY.2020-21	Nil	Nil
FY.2021-22	Nil	37.52
FY.2022-23	Nil	14.46
FY.2023-24	Nil	Nil
Total	**Nil**	**51.98**

24 Other Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Deposits	453.91	429.16
Total	**453.91**	**429.16**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

25 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities		
Time difference of depreciation as per Income Tax Act and Company Law on Property, Plant and Equipment and Intangible Assets	631.84	645.57
Time difference of Notional Gain of Mutual Fund	60.77	Nil
Total Deferred Tax Liabilities	**692.61**	**645.57**
Deferred Tax Assets		
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	0.45	23.02
Allowance for Expected Credit Losses	42.38	53.50
Allowable under Income Tax Act, 1961 in succeeding years u/s 35DD	4.33	Nil
Total Deferred Tax Assets	**47.16**	**76.52**
Net Deferred Tax Liability	**645.45**	**569.05**

(₹ in Lakhs)

Movements in Deferred Tax Liabilities	Time difference of depreciation as per Income Tax Act and Company Law on Property, Plant and Equipment and Intangible Assets	Time difference of Notional Gain of Mutual Fund	Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	Allowance for Expected Credit Losses	Allowable under Income Tax Act, 1961 in succeeding years u/s 35DD
At April 01, 2020 *	**(642.59)**	**Nil**	**48.00**	**51.29**	**Nil**
Charged/(credited):					
- to profit and loss	(2.98)	Nil	(23.95)	2.21	Nil
- to other comprehensive income	Nil	Nil	(1.03)	Nil	Nil
At March 31, 2021*	**(645.57)**	**Nil**	**23.02**	**53.50**	**Nil**
Charged/(credited):					
- to profit and loss	13.73	(60.77)	(18.20)	(11.12)	4.33
- to other comprehensive income	Nil	Nil	(4.37)	Nil	Nil
At March 31, 2022 *	**(631.84)**	**(60.77)**	**0.45**	**42.38**	**4.33**

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

26 Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowing		
From Bank (Repayable on Demand)	Nil	Nil
Current Maturity of long term borrowings (Note 23)	Nil	37.52
Unsecured Borrowing		
From Realted Party	204.36	Nil
Total	**204.36**	**37.52**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd. and
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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to Micro and Small Enterprise	1,978.14	871.52
Payable to others	5,163.74	4,784.17
Total	**7,141.88**	**5,655.69**

(₹ in Lakhs)

Gross Outstanding as on 31/03/2022	MSME Trade Payables		Other than MSME	
Ageing	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**
Not Due	Nil	1,938.03	Nil	5,024.93
Outstanding Less than 1 Years	Nil	38.40	Nil	96.36
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	29.40
Outstanding between 2 year to 3 Years	Nil	1.53	Nil	9.23
Outstanding More than 3 Years	Nil	0.18	Nil	3.82
Total	**Nil**	**1,978.14**	**Nil**	**5,163.74**

(₹ in Lakhs)

Gross Outstanding as on 31/03/2021	MSME Trade Payables		Other than MSME	
Ageing	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**
Not Due	Nil	787.78	Nil	4,379.99
Outstanding Less than 1 Years	Nil	76.80	Nil	396.10
Outstanding between 1 year to 2 Years	Nil	6.76	Nil	3.85
Outstanding between 2 year to 3 Years	Nil	0.18	Nil	0.91
Outstanding More than 3 Years	Nil	Nil	Nil	3.32
Total	**Nil**	**871.52**	**Nil**	**4,784.17**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
a)	The Principal amount remaining unpaid to Micro and Small enterprise supplier as at the year end	1,978.14	871.52
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.

28 Other Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Property, Plant & Equipment	255.77	365.52
Employee Benefit Payable	588.24	469.15
Unpaid dividend	17.69	17.48
Total	**862.70**	**852.15**

29 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Received from Customer	11.81	354.03
Other Statutory dues	111.37	99.76
Total	**123.18**	**453.79**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

30 Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (Refer Note. 45)	1.78	15.99
Provision for Non Salable Sales Return	264.04	202.10
Total	**265.82**	**218.09**

Movement in Provision for Non Salable Sales Return	As at March 31, 2022	As at March 31, 2021
Opening Balance	202.10	168.46
Add: Provision during the year	264.04	202.10
Less: Reversal/utilised during the year	202.10	168.46
Total	**264.04**	**202.10**

31 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision For Income tax	2,449.55	2,127.85
Less: Advance Payment of Income Tax	(2,022.10)	(1,816.21)
Total	**427.45**	**311.64**

32 Revenue from operation

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products:		
Finished Goods	46,098.50	40,881.96
Sale of services:		
Job Work Charges	717.06	469.50
Other Operating Revenue:		
Export Incentive	330.95	892.93
Scrap Sales	61.38	46.46
Total of Other Operating Revenue	**392.33**	**939.39**
Total	**47,207.89**	**42,290.85**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross Revenue	49,322.15	42,834.97
	49,322.15	**42,834.97**
Less: Rebate & Discount etc	2,445.21	1,437.05
Revenue recognized from Contract with Customers	**46,876.94**	**41,397.92**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operation	47,207.89	42,290.85
Less: Export incentive	330.95	892.93
Revenue from contracts with Customers	**46,876.94**	**41,397.92**

33 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income:		
Interest from bank	50.40	13.94
Interest from others	452.44	209.78
Dividend Income	Nil	2.80
Share of profit from subsidiaries	Nil	7.92
Gain on fair valuation of Current Investments	265.60	238.30
Gain on sale of Current Investments	95.57	6.69
MTM gain on forward contracts	7.18	52.25
Expected Credit loss Reversal	17.43	Nil
Foreign Exchange Gain (Net)	111.15	42.63
Total	**999.77**	**574.31**

34 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw Material		
Inventory at the beginning of the year	1,750.59	1,359.96
Add: Purchase	11,911.49	8,546.36
Less: Inventory at the end of the year	2,701.77	1,750.59
Cost of Consumption of Raw Material	**10,960.31**	**8,155.73**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Packing Materials		
Inventory at the beginning of the year	676.83	746.71
Add: Purchase	5,192.11	4,117.63
Less: Inventory at the end of the year	981.74	676.83
Cost of Consumption of Packing Materials	**4,887.20**	**4,187.51**
Total	**15,847.51**	**12,343.24**

35 Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of stock in trade	7,367.12	6,982.46
Total	**7,367.12**	**6,982.46**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stock in trade		
Stock at the Beginning of the financial year	879.94	897.94
Stock at the End of the financial year	1,150.86	879.94
	(270.92)	**17.90**
Finished Goods		
Stock at the Beginning of the financial year	801.20	1,006.24
Stock at the End of the financial year	1,567.67	801.20
	(766.47)	**205.04**
Work in Progress		
Stock at the Beginning of the financial year	552.72	696.44
Stock at the End of the financial year	872.16	552.72
	(319.44)	**143.72**
Summary		
Stock at the Beginning of the financial year	2,233.86	2,600.52
Stock at the End of the financial year	3,590.69	2,233.86
Change in inventory	**(1,356.83)**	**366.66**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

37 Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salary, Wages & Bonus	6,723.97	5,879.47
Contribution to Provident Fund & Other Funds	282.62	267.75
Staff welfare Expenses	40.31	172.85
Total	**7,046.90**	**6,320.07**

Note:- Refer note-45 for the discloser of Ind AS 19 in respect of long term benefit payable to employees recognized in financial statement.

38 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest to bank	33.83	29.23
Interest to others	58.16	90.20
Other Borrowing Cost	53.10	35.81
Total	**145.09**	**155.24**

39 Depreciation And Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant & Equipment	793.12	740.03
Depreciation on Right to use Assets	2.16	2.16
Depreciation on Intangible Assets	13.50	13.83
Total	**808.79**	**756.02**

40 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power and Fuel	833.10	709.59
Labour Charges	1,017.48	980.92
Loading & Unloading Charges	6.22	4.96
Stores And Spares Consumption	120.56	114.45
Factory Expenses	142.95	115.85
Laboratory & Testing Charges	430.46	387.29
Repairs & Maintenance:		
Building	65.86	110.15
Machinery	43.83	67.99
Other assets	224.80	190.14
Total of Repairs & Maintenance:	**334.49**	**368.28**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss On Sales Of Property, Plant & Equipments	12.95	5.27
Loss on sale of export license	0.13	12.96
Computer Expense	45.34	47.19
Rent	94.45	13.55
Rate & Taxes	329.99	428.10
Auditors' Remuneration (Refer Note 50)	11.50	11.00
Legal and Registration Expense	648.00	441.99
Professional & Consulting Fees	1,038.11	869.63
Conveyance & Vehicle Expense	75.35	57.32
Travelling Expense	303.01	173.59
Transportation Expense	258.37	410.37
Donation	16.24	7.53
Insurance	84.16	62.39
Office Expense	50.25	50.00
Post & Telephone Expense	80.79	67.20
Stationery, Printing & Xerox	42.50	42.78
Security Expense	43.68	41.30
CSR Expense (Refer Note 55)	148.49	111.18
Advertisement Expense	6.04	4.68
Sales Promotion & Marketing Expense	1,330.68	1,222.03
Sales Commission Expense	1,178.70	792.14
Bad debt Written off	70.08	Nil
Share of Loss from subsidiaries	0.32	Nil
Expected credit loss expenses	Nil	9.11
Miscellaneous Expense	1.78	11.70
Total	**8,756.17**	**7,574.35**

41 Income tax recognized in profit and loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax	2,449.55	2,124.78
Short/(Excess) Provision Tax	135.83	(7.40)
	2,585.38	**2,117.38**
Deferred tax liability / (assets)	72.03	24.72
	72.03	**24.72**
Total	**2,657.41**	**2,142.10**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

Income tax reconciliation

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before tax	9,610.28	8,370.06
Tax expenses reported during the year	2,657.41	2,142.10
Income tax expenses calculated at 25.168% (PY.29.29%)	2,418.72	2,451.59
Difference	**238.69**	**(309.49)**
Permanent disallowances	86.33	38.49
Income not taxable under Income Tax Act	Nil	(119.05)
Tax benefit available under Income Tax Act	Nil	(248.73)
Short/(Excess) Provision of Income Tax of earlier year	135.83	(7.40)
Adjustment of current tax of prior years	22.10	24.78
Others	(5.57)	2.42
Total	**238.69**	**(309.49)**

42 Statement of Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	17.37	2.94
(ii) Income tax relating to these items that will not be reclassified to profit and loss		
Deferred tax impact on actuarial gain/(loss)	(4.37)	(1.03)
Total	**13.00**	**1.91**

43 Capital Commitment

Details of outstanding capital commitments are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	532.07	500.77
Advance paid against such contracts	308.27	256.17
Net outstanding commitment	**223.80**	**244.60**

44 Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax demands disputed in appeal by the Company / Income Tax Authorities. Against which amount of ₹ Nil (PY. ₹ 84.03 Lakhs) been deposited by the company	23.10	230.38

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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 ₹ 40.11 Lakhs (March 31, 2021: ₹42.91 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

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
In Income Statement	40.11	42.91
In Other Comprehensive (Income) / loss	(17.37)	(2.94)
Total Expenses Recognized	**22.74**	**39.97**

A1. Expenses Recognized in the Income Statement

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	40.99	39.88
Past Service Cost	Nil	Nil
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	(0.88)	3.03
Expenses Recognized in the Statement of Profit and Loss	**40.11**	**42.91**

A2. Other Comprehensive Income

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Actuarial (gains) / losses on Obligation for the period		
Due to Change in Financial Assumptiosns	(13.82)	(0.65)
Due to Change in Demographic Assumption	(0.13)	Nil
Due to Experience Adjustments	(7.62)	(5.42)
Return on plan assets, excluding amount recognized in net interest expense	4.20	3.13
Components of defined benefit costs recognized in other comprehensive income	**(17.37)**	**(2.94)**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

B. Net Liability recognized in the balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Obligation	(332.63)	(302.11)
Fair value of plan assets	330.85	286.12
Surplus / (Deficit)	(1.78)	(15.99)
Net (Liability) recognized in the Balance sheet	**(1.78)**	**(15.99)**

B1. Changes in the Present value of Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Obligation as at the beginning	302.11	267.70
Current Service Cost	40.99	39.88
Interest Expense or Cost	19.31	18.28
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(13.82)	(0.65)
- change in demographic assumptions	(0.13)	Nil
- experience variance	(7.62)	(5.42)
Past Service Cost		
Benefits Paid Directly from Employer	Nil	Nil
Benefit Paid from the Fund	(8.21)	(17.68)
Present Value of Obligation as at the end of the year	**332.63**	**302.11**

B2. Changes in the Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets at the beginning of the year	286.12	223.31
Interest Income	20.19	15.25
Contribution by Employer	36.95	68.37
(Benefit paid from the Fund)	(8.21)	(17.68)
Return on Plan Assets, Excluding Interest Income	(4.20)	(3.13)
Fair Value of Plan Assets at the end of the year	**330.85**	**286.12**

C. Actuarial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.25%	6.85%
Expected rate of salary increase	5.50%	5.50%
Mortality	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	20% at lower service reducing to 0% at Higher Service	20% at lower service reducing to 0% at Higher Service
Retirement Age	58 Years	58 Years

Notes to financial statement (Contd...)

for the year ended March 31, 2022

D. Sensitivity Analysis

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation (Base)	332.63	302.11

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	36.40	(30.78)	35.53	(29.86)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(31.50)	35.58	(30.46)	34.92
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	0.06	(0.06)	(3.69)	3.11

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Weighted average duration (based on discounted cash flows)	12	13

(₹ in Lakhs)

Expected cash out flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2022	As at March 31, 2021
1 year	52.28	40.47
2 to 5 years	66.79	43.00
6 to 10 years	100.58	94.83

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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:

(₹ in Lakhs)

Particulars	India	Rest of World	Total	Year
Segment Revenues	20,589.89	26,618.00	47,207.89	For 2021-22
	16,327.31	25,963.54	42,290.85	For 2020-21
Segment Assets	18,154.77	Nil	18,154.77	As at 31/03/2022
	14,365.86	Nil	14,365.86	As at 31/03/2021

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
No. of customers contributing 10% or more of total revenue (individually)	1	2
Amount of revenue	8,530.83	10,894.34
% of total revenue	17.70%	25.42%

47 Fair Value Measurements

Financial instrument by category and their fair value

(₹ in Lakhs)

As at March 31, 2022	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	5.26	5.26	Nil	Nil	Nil	Nil
Current	13	9,680.60	Nil	Nil	9,680.60	Nil	9,680.60	Nil	9,680.60
Non Current Loans	9	Nil	Nil	2,684.05	2,684.05	Nil	Nil	Nil	Nil
Current Loans	16	Nil	Nil	3,177.73	3,177.73	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	11,503.74	11,503.74	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	656.76	656.76	Nil	Nil	Nil	Nil

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

As at March 31, 2022	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
Other Bank Balances	17	Nil	Nil	1,186.53	1,186.53	Nil	Nil	Nil	Nil
Other Non Current financial assets	10	Nil	Nil	215.24	215.24	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	15.49	Nil	183.83	199.32	Nil	Nil	15.49	15.49
Total Financial Assets		**9,696.09**	**Nil**	**19,613.14**	**29,309.23**	**Nil**	**9,680.60**	**15.49**	**9,696.09**
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	204.36	204.36	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	453.91	453.91	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	861.70	861.70	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	7,141.88	7,141.88	Nil	Nil	Nil	Nil
Total Financial Liabilities		**Nill**	**Nil**	**8,661.85**	**8,661.85**	**Nil**	**Nil**	**Nil**	**Nil**

(₹ in Lakhs)

As at March 31, 2021	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	5.40	5.40	Nil	Nil	Nil	Nil
Current	13	8,066.47	Nil	Nil	8,066.47	Nil	8,066.47	Nil	8,066.47
Non Current Loans	9	Nil	Nil	2,509.44	2,509.44	Nil	Nil	Nil	Nil
Current Loan	16	Nil	Nil	1,928.00	1,928.00	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	11,211.98	11,211.98	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	1,102.88	1,102.88	Nil	Nil	Nil	Nil
Other Bank Balances	17	Nil	Nil	240.28	240.28	Nil	Nil	Nil	Nil
Other Non Current financial assets	10	Nil	Nil	75.16	75.16	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	8.31	Nil	168.35	176.66	Nil	Nil	8.31	8.31
Total Financial Assets		**8,074.78**	**Nil**	**17,241.49**	**25,316.27**	**Nil**	**8,066.47**	**8.31**	**8,074.78**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

As at March 31, 2021	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	14.46	14.46	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	37.52	37.52	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	429.16	429.16	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	852.15	852.15	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	5,655.69	5,655.69	Nil	Nil	Nil	Nil
Total Financial Liabilities		**Nil**	**Nil**	**6,988.98**	**6,988.98**	**Nil**	**Nil**	**Nil**	**Nil**

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or 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's identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The company has policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

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

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

I Credit Risk

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

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

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

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

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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 ₹ 168.40 Lakhs as at March 31, 2022 and ₹185.83 Lakhs as at March 31, 2021 . The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

(₹ in Lakhs)

Movement in allowance for Expected Credit Loss	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	185.83	176.73
Add : Allowance made during the year	80.57	9.64
Less : Reversal of allowance made during the year	98.00	0.54
Balance at the end of the year	**168.40**	**185.83**

2) Financial assets that are neither past due nor impaired

The company has assessed that credit risk on loans given is insignificant based on the empirical data. 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, 2022 and March 31, 2021; the Company had unutilized credit limits from banks of ₹ 7,200.00 Lakhs and ₹ 6,657.00 Lakhs respectively. The tables below analyze the company's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2022	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note.23)	Nil	Nil	Nil	Nil	Nil	Nil
Current (Refer Note.26)	204.36	204.36	Nil	Nil	Nil	204.36
Other Financial Liabilities:						
Non Current (Refer Note.24)	453.91	Nil	453.91	Nil	Nil	453.91
Current (Refer note.28)	861.70	861.70	Nil	Nil	Nil	861.70
Trade Payables (Refer Note.27)	7,141.88	7,141.88	Nil	Nil	Nil	7,141.88
Total	**8,661.85**	**8,207.94**	**453.91**	**Nil**	**Nill**	**8,661.85**

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note.23)	14.46	Nil	Nil	14.46	Nil	14.46
Current (Refer Note.26)	37.52	37.52	Nil	Nil	Nil	37.52
Other Financial Liabilities:						
Non Current (Refer Note.24)	429.16	Nil	429.16	Nil	Nil	429.16
Current (Refer Note.28)	852.15	852.15	Nil	Nil	Nil	852.15
Trade Payables (Refer Note.27)	5,655.69	5,655.69	Nil	Nil	Nil	5,655.69
Total	**6,988.98**	**6,545.36**	**429.16**	**14.46**	**Nil**	**6,988.98**

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:

Notes to financial statement (Contd...)

for the year ended March 31, 2022

Foreign currency revenues and expenses (primarily in USD and EURO) : A portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. As of March 31, 2022, the Company had entered into derivative contracts of ₹ 2,463.26 Lakhs (PY. ₹ 2,741.63 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, 2022	As at March 31, 2021
a) Trade Receivables (Against Export)	USD	69.12	44.88
	INR	5,239.45	3,299.05
	EURO	4.01	4.77
	INR	339.43	410.77
	CAD	0.58	Nil
	INR	35.36	Nil
b) Trade Payables (Against import - including capital import)	USD	1.25	0.17
	INR	94.38	12.50
Net Statement of Financial Exposure (a - b)	USD	67.87	44.71
	INR	5,145.07	3,286.55
	EURO	4.01	4.77
	INR	339.43	410.77
	CAD	0.58	Nil
	INR	35.36	Nil

Note - Figures in bracket denotes credit balance.

ii) **Foreign Currency Risk Sensitivity**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	257.25	(257.25)	164.33	(164.33)
EURO	16.97	(16.97)	20.54	(20.54)
CAD	1.77	(1.77)	Nil	Nil
Total	**275.99**	**(275.99)**	**184.87**	**(184.87)**

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Rate Borrowings (Refer Note.23)	Nil	51.98
Variable Rate Borrowings (Refer Note.23,26 & 28)	204.36	Nil
Total	**204.36**	**51.98**

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

ii) Interest Rate Sensitivity

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
50bp increase would decrease the profit before tax by	(1.02)	Nil
50bp decrease would increase the profit before tax by	1.02	Nil

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)

Year Ended	Total No. of Units held	Average price per unit	Fair Value	% Change in Fair Value	Effect on Profit before Tax
March 31, 2022	5,84,14,415.668	16.57	9,680.60	5.00%	484.03
				-5.00%	(484.03)
March 31, 2021	1,70,33,512.220	47.36	8,066.47	5.00%	403.32
				-5.00%	(403.32)

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.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Borrowing (Refer Note.23)	Nil	14.46
Current Borrowing (Refer Note.26)	204.36	Nil
Current maturity of long term borrowing (Refer Note.26)	Nil	37.52
Total Borrowing	**204.36**	**51.98**
Less : Cash and cash Equivalents (Refer Note.15)	656.76	1,102.88
Net debt	**Nil**	**Nil**
Equity	**43.287.74**	**36,639.24**
Net debt to equity ratio	Nil	Nil

50 Details of Payment to Auditors (Refer Note 40)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Payment to auditors:		
To Statutory Auditor:		
Audit fee	8.00	7.50
Taxation matters	3.50	3.50
Total	**11.50**	**11.00**

51 Earnings Per Share (EPS)

Particulars	Unit	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Profit for calculation of basic / diluted EPS	₹ in Lakhs	6,935.50	6,225.02
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	Numbers	2,00,29,728	2,00,29,728
Basic and Diluted Earnings Per Share	₹	34.63	31.08
Nominal Value of Equity Shares	₹	10.00	10.00

Notes to financial statement (Contd...)

for the year ended March 31, 2022

A. Reconciliation on Amount of EPS

Particulars	Unit	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share			
From continuing operations attributable to the equity holders of the company	₹	34.63	31.08
Total basic earnings per share attributable to the equity holders of the company	₹	34.63	31.08
(b) Diluted earnings per share			
From continuing operations attributable to the equity holders of the company	₹	34.63	31.08
Total diluted earnings per share attributable to the equity holders of the company	₹	34.63	31.08

B. Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	6,935.50	6,225.02
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	6,935.50	6,225.02

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,00,29,728	2,00,29,728
(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	2,00,29,728	2,00,29,728

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share	Nil	Nil
(b) Diluted earnings per share	Nil	Nil

Notes to financial statement (Contd...)

for the year ended March 31, 2022

52. Related Parties Disclosures

(i) List of related parties:

Name of related party	Nature of relationship
Zullinc Healthcare LLP	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	Company Secretary
Entities in which Key managerial personnel and/or their Close Members have control:	
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
Close members of family of Key Managerial Personnel:	
Ashish R Patel HUF	HUF of Whole Time Director
Mahendra G Patel HUF	HUF of Manageing Director
Munjal M Patel HUF	HUF of Whole Time Director
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
Mansi A Patel	Daughter in law of Director
Nidhiben H 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
Amar A Patel	Son of Director
Kailashben M Patel	Wife of Managing Director
Kalpanaben R Patel	Wife of Director

Notes to financial statement (Contd...)

for the year ended March 31, 2022

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

A. Transactions with related parties during the year:

a) Transactions with Susidiary during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Zullinc Healthcare LLP	Sale of products	36.10	47.10
	Share of Profit / (Loss) from LLP	(0.32)	7.92
Savebux Enterprises Private Limited (Voluntarily wound up w.e.f 03/03/2021)	Investment in equity instruments Received Back	Nil	5.00
	Dividend Income	Nil	2.80

b) Transactions with Entities in which Key managerial personnel and/or their close members of family have control during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Downtown Finance Pvt Ltd	Loan Taken	200.00	Nil
	Interest Expense on Loan	4.85	Nil
	Dividend Paid	1.59	Nil
Downtown Travels LLP	Travelling expenses	48.53	33.62
	Advance Given	Nil	50.00
	Advance Received back	(25.00)	Nil
	Dividend Paid	7.13	Nil
Sunmed Corporation LLP	Commission	12.04	6.02
	Dividend Paid	7.50	Nil
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	75.26	64.11
Ashish R Patel HUF	Commission	35.40	47.20
Mahendra G Patel HUF	Commission	17.70	17.70
Munjal M Patel HUF	Commission	17.70	17.70

c) Transactions with Key managerial personnel during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Ashish R Patel	Remuneration	47.17	43.51
	Dividend Paid	15.01	Nil
Hashmukh I Patel	Remuneration	33.25	30.44
	Dividend Paid	5.60	Nil
Mahendra G Patel	Remuneration	27.75	25.31
	Dividend Paid	7.67	Nil
	Deposit Received Back	(4.17)	Nil
	Rent	6.50	6.50
Munjal M Patel	Remuneration	30.39	27.84
	Advance Received back	(1.75)	Nil
	Dividend Paid	24.74	Nil
Rajnikant G Patel	Dividend Paid	10.88	Nil
Darshit A Shah	Remuneration	10.35	8.88
Niren A Desai	Remuneration	4.73	4.27
Arvindbhai G Patel	Consultancy Fees	8.40	8.40
	Dividend Paid	1.67	Nil

Notes to financial statement (Contd...)

for the year ended March 31, 2022

d) Transactions with close members of family of Key Management Personnel during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Kailashben M Patel	Remuneartion	12.60	11.70
	Deposit Received Back	(5.12)	Nil
	Rent	6.50	6.50
	Dividend Paid	5.70	Nil
Kalpanaben R Patel	Salary Expenses	4.90	4.55
	Dividend Paid	4.40	Nil
Anand A Patel	Salary Expenses	15.33	14.08
	Dividend Paid	2.73	Nil
Dharmisthaben H Patel	Salary Expenses	11.90	11.05
	Dividend Paid	0.98	Nil
Mansi M Patel	Salary Expenses	27.60	21.70
	Dividend Paid	3.00	Nil
Nidhiben H Patel	Salary Expenses	19.80	14.10
	Dividend Paid	0.81	Nil
Mansi A Patel	Salary Expenses	18.20	16.90
Hansaben A Patel	Dividend Paid	1.76	Nil
Ishwarlal A Patel	Dividend Paid	0.77	Nil
Jigar H Patel	Dividend Paid	1.03	Nil
Aniruddh H Patel	Dividend Paid	1.03	Nil
Nishit M Patel	Dividend Paid	2.73	Nil
Shardaben G Patel	Dividend Paid	0.47	Nil
Shivani B Shah	Dividend Paid	3.10	Nil
Amar A Patel	Dividend Paid	0.90	Nil

e) Compensation to Key Managerial Personnel

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Short term Employee benefit	153.64	140.25
Post Employment Benefits	5.28	5.28
Total	**158.92**	**145.53**

Balances outstanding at each reporting date:

a) Balance Outstanding with Subsidiary :

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Zullinc Healthcare LLP	Non-current investments	5.00	5.00
	Other current financial assets	116.95	117.27
	Trade receivables	36.10	678.86

Notes to financial statement (Contd...)

for the year ended March 31, 2022

b) **Balance Outstanding with Entities in which Key managerial personnel and/or their close members of family have control at each reporting date:**

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Sunmed corporation LLP	Other current assets	111.88	116.25
	Trade payables	Nil	(4.37)
Downtown Travels LLP	Current Loans	25.00	50.00
	Other current assets	5.77	(27.37)
Shree Corporation	Trade Receivable	3.97	3.97
Downtown Finance Private Limited	Current Borrowings	(204.36)	Nil

c) **Balance Outstanding with Key managerial personnel at each reporting date:**

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Ashish R Patel	Other current Financial Liability	(1.07)	(1.49)
Mahendra G Patel	Other current assets	Nil	8.26
	Other current Financial Liability	(0.53)	Nil
Munjal M Patel	Other current Financial Liability	(0.72)	Nil
	Trade Payables	Nil	1.53
Hasmukh I Patel	Other current Financial Liability	(1.45)	(0.95)
Arvind G Patel	Trade payables	(0.63)	(0.65)
Niren A Desai	Other current Financial Liability	(0.36)	(0.31)
Darshit A Shah	Other current Financial Liability	(0.70)	(0.63)

d) **Balance Outstanding with Close Member of Key managerial personnel at each reporting date:**

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Kailashben M Patel	Trade Payables	Nil	3.27
	Other current Financial Liability	(0.38)	(0.03)
Anand A Patel	Other current Financial Liability	(0.72)	(0.53)
Mansi A Patel	Other current Financial Liability	(0.97)	(0.63)
Mansi M Patel	Other current Financial Liability	(0.18)	(0.21)
Nidhiben H Patel	Other current Financial Liability	(3.71)	(0.04)
Dharmisthaben H Patel	Other current Financial Liability	(0.73)	(0.68)
Kalpanaben R Patel	Other current Financial Liability	(0.35)	(0.35)

Note: Figures in bracket denotes credit balance.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

53 Changes in Liabilities arising from Financial Activities

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance	51.98	507.41
Cash inflow of non-current borrowings	Nil	Nil
Cash outflow of non-current borrowings	(51.98)	(72.11)
Changes in current borrowings cash flows	200.00	(383.32)
Others	4.36	Nil
Closing Balance	204.36	51.98

54. 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 31/03/2022	13	32.50	2,463.26
Forward contract to Sell USD - As at 31/03/2021	8	37.50	2,741.63

b. Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2022 are as under:

(FC in Lakhs)

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
USD	1.25	0.17	69.12	44.88
EURO	Nil	Nil	4.01	4.77
CAD	Nil	Nil	0.58	Nil

(₹ in Lakhs)

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
USD	94.38	12.50	5,239.45	3,299.05
EURO	Nil	Nil	339.43	410.77
CAD	Nil	Nil	35.36	Nil

Notes to financial statement (Contd...)

for the year ended March 31, 2022

55 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:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross amount required to be spent by the company during the year	137.56	109.57
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	148.49	111.18
Yet to be paid	Nil	Nil

56 Dividends

(₹ in Lakhs)

Particulars	As At 31/03/2022	As At 31/03/2021
Equity shares		
Final dividend for the year ended 31 March 2021 of ₹ 1.50/- (31 March 2020 – ₹ Nil/-) per fully paid share has been distributed	300.00	Nil
Interim dividend for the year 2021-22 of ₹ Nil (in the year 2020-21- ₹ Nil) per fully paid share has been distributed	Nil	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 2022. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	300.45	300.00

57 Assets Pledged as Security

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

(₹ in Lakhs)

Particulars	Note No.	As At 31/03/2022	As At 31/03/2021
Non-Current Assets			
Property Plant & Equipment and Intangible Assets	5	14,430.17	10,859.62
Total Non Current Assets pledged as Security		**14,430.17**	**10,859.62**
Current Assets			
Inventories	12	7,274.20	4,661.28
Financial Assets			
Investments	13	9,680.60	8,066.47
Trade Receivable	14	11,503.74	11,211.98
Cash and cash equivalents	15	656.76	1,102.88
Loans	16	3,177.73	1,928.00
Other Bank Balance	17	30.68	222.80
Other Financial Assets	18	199.32	176.66
Other Current Assets	20	1,576.84	3,427.38
Total Current Assets pledged as Security		**34,099.87**	**30,797.45**
Total Assets Pledged as Security		**48,530.04**	**41,657.07**

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

58. Ratios

(₹ in Lakhs)

	Ratios	As At 31/03/2022 Numerator Denominator Ratio	As At 31/03/2021 Numerator Denominator Ratio	Variance	Explanation for anychange in the ratio by more than 25% as compared to the preceding year.
(a)	**Current Ratio**				-
	Current Assets	35,255.72	30,814.93		
	Current Liabilities	9,024.39	7,528.88		
	Current Ratio	**3.91**	**4.09**	**-4.55%**	
(b)	**Debt-Equity Ratio**				
	Total Debt	204.36	51.98		
	Shareholder's Equity	43,287.74	36,639.24		
	Debt-Equity Ratio	**0.0047**	**0.0014**	**232.77%**	The Debt Equity Ratio has been increased due to additional borrowing taken by the company.
(c)	**Debt Service Coverage Ratio**				
	Earnings available for debt service	7,919.63	7,105.74		
	Debt Service = (Interest + Principal)	156.40	190.28		
	Debt Service Coverage Ratio	**50.64**	**37.34**	**35.60%**	During the year Profitability of the Company has increases as well as repayment of loan has been made by the company, hence ratio has improved.
(d)	**Return on Equity Ratio**				-
	Net Profit Less Preference Dividend	6,935.50	6,225.02		
	Average Shareholder's Equity	39,963.49	33,525.78		
	Return on Equity Ratio	**0.17**	**0.19**	**-6.53%**	
(e)	**Inventory turnover ratio**				-
	Sales	47,207.89	42,290.85		
	Average Inventory	5,967.74	4,684.24		
	Inventory turnover ratio	**7.91**	**9.03**	**-12.38%**	
(f)	**Trade Receivables turnover ratio**				-
	Net credit sales	47,207.89	42,290.85		
	Average Trade receivables	11,357.86	10,595.98		
	Trade Receivables turnover ratio	**4.16**	**3.99**	**4.14%**	
(g)	**Trade payables turnover ratio**				-
	Net credit purchases	24,470.72	19,646.45		
	Average Trade payables	6,398.79	5,346.84		
	Trade payables turnover ratio	**3.82**	**3.67**	**4.08%**	

Notes to financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Ratios		As At 31/03/2022 Numerator Denominator Ratio	As At 31/03/2021 Numerator Denominator Ratio	Variance	Explanation for anychange in the ratio by more than 25% as compared to the preceding year.
(h)	**Net capital turnover ratio**				-
	Net Sales	47,207.89	42,290.85		
	Working Capital	26,231.33	23,286.05		
	Net capital turnover ratio	**1.80**	**1.82**	**-0.91%**	
(i)	**Net profit ratio**				-
	Net profit after taxes	6,935.50	6,225.02		
	Net sales	47,207.89	42,290.85		
	Net profit ratio	**14.69%**	**14.72%**	**-0.19%**	
(j)	**Return on Capital employed**				-
	Earning before interest and Taxes	9,684.90	8,486.55		
	Capital Employed	44,591.46	37,689.43		
	Return on Capital employed	**21.72%**	**22.52%**	**-3.54%**	
(k)	**Return on investment**				-
	Income generated from investment	361.17	244.99		
	Average Investment	8,873.54	5,744.05		
	Return on investment	**0.04**	**0.04**	**-4.57%**	

59. Additional Regulatory Information (Non Ind AS)

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013 are given only to the extent applicable:

a) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.

b) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

c) During the year no proceedings has been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder .

d) Company has not carried our any revaluation in respect of Property, Plant & Equipments and intangible Asset, hence during the year there has been no change of 10% or more in the aggregate of the Net Carrying value of Assets on account of revaluation of Assets in respect of Property, Plant & Equipments and intangible assets.

e) There are no intangible assets under development in the Company during the current reporting period.

f) The company has not entered in to any transaction with companies struck off under section 248 of the Companies Act, 2013.

g) The borrowing taken by the company from the banks has been used for the specific purpose for which it was taken at the balance sheet date.

h) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

i). Title deeds of immovable property other than proper taken on lease by duly executed lease agreement are held in the name of the company.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

j) Details in respect of Difference in respect of Current assets as per books and details as provided in quarterly returns filed by the company, the details of the same is as under:

For the Financial Year 2021-2022

(₹ in Lakhs)

Name of the Bank & Quarter	Particulars of Security Provided	Amount reported in Quaterly return/ statement	Amount as per Books of Account	Amount of Difference
State Bank of India & Yes Bank Ltd Quarter - June 2021	Inventory	3,788.53	4,567.89	(779.36)
	Debtors	14,461.87	11,391.58	3,070.29
	Creditors	3,752.04	7,369.54	(3,617.50)
State Bank of India & Yes Bank Ltd Quarter - Sep 2021	Inventory	3,468.70	4,887.56	(1,418.86)
	Debtors	16,652.80	12,837.15	3,815.65
	Creditors	3,755.91	6,564.69	(2,808.78)
State Bank of India & Yes Bank Ltd Quarter - Dec 2021	Inventory	4,711.24	5,863.51	(1,152.27)
	Debtors	16,648.83	12,538.29	4,110.54
	Creditors	4,300.99	6,623.73	(2,322.74)
State Bank of India & Yes Bank Ltd Quarter - Mar 2022	Inventory	6,108.08	7,274.20	(1,166.12)
	Debtors	15,275.49	11,503.75	3,771.74
	Creditors	5,962.31	7,141.88	(1,179.57)

Reason for Material discrepancies :

1) In Cloumns of Amount as per books of Accounts, Company has considered the figures of Lincoln Pharmaceuticals Limited & Lincoln Parenteral Limited both as per the amalgamation order duly approved of Hon'ble NCLT, Ahmedabad dated on 14th Sep 2021 where as Stock Statement includes stock details in respect of Lincoln Pharmaceuticals Limited only.

2) The Effect of Stock in Transit has been given in Books of Accounts but the same effect has not been considered at the time of submitting Stock Statement.

3) At the time of Subitting the Stock Statement to Bank, Compnay had considered the Raw Material; Packing Material & Finished Goods Creditors only but in books other Miscellaneous creditors are also included in this catagory.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

For the Financial Year 2020-2021

(₹ in Lakhs)

Name of the Bank & Quarter	Particulars of Security Provided	Amount reported in Quaterly return/ statement	Amount as per Books of Account	Amount of Difference
State Bank of India & Yes Bank Ltd Quarter - June 2020	Inventory	3,834.70	4,460.13	(625.43)
	Debtors	14,170.55	12,008.21	2,162.34
	Creditors	2,653.36	6,460.81	(3,807.45)
State Bank of India & Yes Bank Ltd Quarter - Sep 2020	Inventory	3,606.08	4,037.32	(431.24)
	Debtors	14,586.91	11,673.08	2,913.83
	Creditors	3,280.13	4,582.85	(1,302.72)
State Bank of India & Yes Bank Ltd Quarter - Dec 2020	Inventory	3,516.88	3,870.14	(353.26)
	Debtors	14,824.03	13,482.13	1,341.90
	Creditors	3,251.34	6,883.13	(3,631.79)
State Bank of India & Yes Bank Ltd Quarter - Mar 2021	Inventory	3,336.49	4,661.28	(1,324.79)
	Debtors	13,247.42	11,211.97	2,035.45
	Creditors	3,200.66	5,655.69	(2,455.03)

Reason for Material discrepancies :

1) In Cloumns of Amount as per books of Accounts, Company has considered the figures of Lincoln Pharmaceuticals Limited & Lincoln Parenteral Limited both as per the amalgamation order duly approved of Hon'ble NCLT, Ahmedabad dated on 14th Sep 2021 where as Stock Statement includes stock details in respect of Lincoln Pharmaceuticals Limited only.

2) The Effect of Stock in Transit has been given in Books of Accounts but the same effect has not been considered at the time of submitting Stock Statement.

3) At the time of Subitting the Stock Statement to Bank, Compnay had considered the Raw Material; Packing Material & Finished Goods Creditors only but in books other Miscellaneous creditors are also included in this catagory.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

60) Disclosure of Scheme of Amalgamation under Section 230 to 232 of the Company Act, 2013 of Lincoln Parenteral Limtited and Lincoln Pharmaceuticals Limited

	Particular	Facts
(a)	Names and general nature of business of the combining entities:	Name of Combining entities are Lincoln Parenteral Limited and Lincoln Pharmaceuticals Limited. General Nature of Business is Manufacturing of Pharmaceuticals Products.
(b)	The date on which the transferor obtains control of the transferee:	14th September, 2021
(c)	Description and number of shares issued, together with the percentage of each entity's equity shares exchanged to effect the business combination:	In compliance with the scheme, Company has issued and allotted 29,728 equity shares of ₹ 10/- each to the eligible shareholders of the Transferor Company
(d)	the amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof.	No
(e)	Method adopted for Amalgamation	The pooling of interest method as laid down in Appendix C of IND AS 103

The pooling of interest method is considered to involve the following:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts. The same has been calculated as below:

BALANCE SHEET as at March 31, 2021

(₹ in Lakhs)

Particulars	Lincoln Pharmaceuticals Limited	Lincoln Parenteral Limited	Adjustment / Elimination on Inter Company transactions on Amalgamation	Effect after Order of Amalgamation
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	8,922.72	2,073.79	Nil	10,996.51
(b) Right-of-Use Assets	27.54	Nil	Nil	27.54
(c) Capital work-in-progress	134.13	34.45	Nil	168.58
(d) Other intangible assets	39.80	Nil	Nil	39.80
(e) Financial Assets				
(i) Investments	2,573.63	0.22	(2,568.45)	5.40
(ii) Loans	2,509.44	Nil	Nil	2,509.44
(iii) Other financial assets	1,550.11	7.49	(1,482.44)	75.16
(f) Other non-current assets	539.15	4.28	Nil	543.43
Total non - current assets	**16,296.52**	**2,120.23**	**(4,050.89)**	**14,365.86**
2. Current assets				
(a) Inventories	4,026.66	634.62	Nil	4,661.28
(b) Financial assets				
(i) Investments	8,066.47	Nil	Nil	8,066.47
(ii) Trade receivables	10,223.45	786.42	202.11	11,211.98
(iii) Cash and cash equivalents	1,012.54	90.35	Nil	1,102.88
(iv) Loans	1,836.00	42.00	50.00	1,928.00

Notes to financial statement (Contd...)

for the year ended March 31, 2022

BALANCE SHEET as at March 31, 2021

(₹ in Lakhs)

Particulars	Lincoln Pharmaceuticals Limited	Lincoln Parenteral Limited	Adjustment / Elimination on Inter Company transactions on Amalgamation	Effect after Order of Amalgamation
(v) Other bank balances	240.28	Nil	Nil	240.28
(vi) Other financial assets	176.66	Nil	Nil	176.66
(c) Current tax assets (Net)	Nil	Nil	Nil	Nil
(d) Other current assets	1,990.40	1,466.41	(29.43)	3,427.38
Total current assets	**27,572.46**	**3,019.79**	**222.68**	**30,814.93**
Total assets (1+2)	**43,868.98**	**5,140.03**	**(3,828.21)**	**45,180.79**
EQUITY AND LIABILITIES				
1. Equity				
(a) Share capital	2,000.00	1,000.00	(997.03)	2,002.97
(b) Other equity	34,495.31	1,712.38	(1,571.42)	34,636.27
Total equity	**36,495.31**	**2,712.38**	**(2,568.45)**	**36,639.24**
LIABILITIES				
2. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14.46	Nil	Nil	14.46
(ii) Other financial liabilities	429.16	1,482.44	(1,482.44)	429.16
(b) Deferred tax liabilities (Net)	325.76	243.29	Nil	569.05
Total non current liabilities	**769.38**	**1,725.73**	**(1,482.44)**	**1,012.67**
3. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	Nil	Nil	37.52	37.52
(ii) Trade Payable				
- Total outstanding dues of micro and small enterprises	700.08	171.44	Nil	871.53
- Total outstanding dues of creditors other than micro and small enterprises	4,308.02	448.78	27.37	4,784.16
(iii) Other financial liabilities	852.59	37.08	(37.52)	852.15
(b) Other current liabilities	440.78	19.70	(6.69)	453.79
(c) Provisions	16.10	Nil	202.00	218.10
(d) Current tax liabilities (Net)	286.72	24.92	Nil	311.64
Total current liabilities	**6,604.29**	**701.92**	**222.68**	**7,528.88**
Total equity and liabilities (1+2+3)	**43,868.98**	**5,140.03**	**(3,828.21)**	**45,180.79**

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

Notes to financial statement (Contd...)

for the year ended March 31, 2022

d) The Profit and Loss Account of the combining entities for the year eneded March 31, 2021 is calculated as below:

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

(₹ in Lakhs)

Particulars	Lincoln Pharmaceuticals Limited	Lincoln Parenteral Limited	Adjustment / Elimination on Inter Company transactions on Amalgamation	Effect after Order of Amalgamation
INCOME				
I Revenue from operations	41,305.50	4,464.04	(3,478.69)	42,290.85
II Other income	676.62	6.25	(108.56)	574.31
III Total income (I + II)	**41,982.12**	**4,470.29**	**(3,587.25)**	**42,865.16**
EXPENSES				
(a) Cost of materials consumed	9,550.34	2,792.90	Nil	12,343.24
(b) Purchases of stock-in-trade	10,400.21	20.44	(3,438.19)	6,982.47
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	134.77	231.89	Nil	366.65
(d) Employee benefit expense	5,646.82	420.97	252.28	6,320.08
(e) Finance costs	143.79	119.47	(108.02)	155.23
(f) Depreciation and amortisation expense	566.59	189.43	Nil	756.03
(g) Other expenses	7,438.37	429.30	(293.32)	7,574.36
IV Total Expenses	**33,880.89**	**4,204.40**	**(3,588.24)**	**34,498.04**
V Profit before tax (III- IV)	**8,101.23**	**265.89**	Nil	**8,367.12**
VI Tax Expense				
(a) Current tax	2,022.13	102.65	Nil	2,124.78
(b) Deferred tax liability / (assets)	56.33	(31.61)	Nil	24.72
(c) Short/(Excess) Provision Tax	(17.83)	10.43	Nil	(7.40)
Total tax expense	**2,060.63**	**81.47**	**Nil**	**2,142.10**
VII Profit for the year (V - VI)	**6,040.60**	**184.42**	**Nil**	**6,225.02**
VIII Other comprehensive income				
Items that will not be reclassified to Statement of profit and loss				
(a) Remeasurements of the defined benefit plans	7.35	(4.41)	Nil	2.94
(b) Income tax relating to items (a) above	(2.14)	1.11	Nil	(1.03)
IX Total other comprehensive income	**5.21**	**(3.30)**	**Nil**	**1.91**
X Total comprehensive income for the year (VII+IX)	**6,045.81**	**181.12**	**Nil**	**6,226.93**

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)

Place : Ahmedabad
Date: 19/05/2022

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: 19/05/2022

INDEPENDENT AUDITOR'S 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,2022,** 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 2022, 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 auditof 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 auditevidence 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. 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	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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 theinformation 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 Groupare 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 skepticisms 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 inthe 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.

15. **Other Matters**

    (a) We did not audit the financial statements / financial information of 1 subsidiary, whose financial statements / financial information reflect total assets of Rs.182.27 Lakhs as at 31st March, 2022, total income of Rs.36.67 Lakhs and net cash flows amounting to Rs.4.31 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, according to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any qualifications or adverse remarks. Accordingly, the requirement to report on clause 3(xxi) of the order is not applicable to the holding company.

17. 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 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, 2022 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, 2022 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) In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, being the only Company to which such requirements of the Act are applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

(h) 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 44 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 the amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts , no funds have

INDEPENDENT AUDITOR'S REPORT (Contd.)

been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities , including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures applied by us, nothing has come to our notice that has caused us to believe that the representations made under sub clause (iv) (i) and (ii) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, being the only Company in the group to which such requirements of the Act are applicable, the dividend declared and paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

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

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 22045669ALVEIX9441

Place: Ahmedabad
Date: 19/05/2022

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17(f) of our Report of even date to the Members of **Lincoln Pharmaceuticals Limited** for the year ended **31st March, 2022.**

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,2022, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(J. J. Shah)
Partner
[M. No. 045669]
UDIN: 22045669ALVEIX9441

Place: Ahmedabad
Date: 19/05/2022

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Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A **Assets**			
1 **Non-current assets**			
(a) Property, plant and equipment	5	13,124.42	10,996.51
(b) Right-of-Use Assets	5A	25.38	27.54
(c) Capital work-in-progress	6	1,605.36	168.58
(d) Other intangible assets	7	38.27	39.80
(e) Financial Assets			
(i) Investments	8	0.26	0.40
(ii) Loans	9	2,684.05	2,509.44
(iii) Other	10	215.24	75.16
(f) Other non-current assets	11	457.79	543.43
Total non - current assets		**18,150.77**	**14,360.86**
2 **Current assets**			
(a) Inventories	12	7,274.20	4,661.28
(b) Financial assets			
(i) Investments	13	9,680.60	8,066.47
(ii) Trade receivables	14	11,594.13	11,334.85
(iii) Cash and cash equivalents	15	693.40	1,143.83
(iv) Cash and cash equivalents	16	1,186.53	240.28
(v) Other Bank balances	17	3,177.73	1,928.00
(vi) Other financial assets	18	82.37	59.39
(c) Current tax assets (Net)	19	Nil	Nil
(d) Other current assets	20	1,595.99	3,440.96
Total current assets		**35,284.95**	**30,875.06**
Total assets (1+2)		**53,435.72**	**45,235.92**
B **EQUITY AND LIABILITIES**			
1 **Equity**			
(a) Share capital	21	2,002.97	2,002.97
(b) Other equity	22	41,284.77	34,636.26
Total equity		**43,287.74**	**36,639.23**
LIABILITIES			
2 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	23	Nil	14.45
(ii) Other financial liabilities	24	453.91	429.16
(b) Deferred tax liabilities (Net)	25	645.45	569.05
Total Non - Current Liabilities		**1,099.36**	**1,012.66**
3 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	26	204.36	37.52
(ii) Trade payables	27		
- Total outstanding dues of micro and small enterprises		1,978.14	871.52
- Total outstanding dues of creditors other than micro and small enterprises		5,187.75	4,835.08
(iii) Other financial liabilities	28	861.70	852.15
(b) Other current liabilities	29	123.18	453.79
(c) Provisions	30	265.82	218.09
(d) Current tax liabilities (Net)	31	427.67	315.88
Total current liabilities		**9,048.62**	**7,584.03**
Total equity and liabilities (1+2+3)		**53,435.72**	**45,235.92**
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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
INCOME				
I	Revenue from operations	32	47,212.33	42,418.54
II	Other income	33	999.77	566.39
III	**Total income (I + II)**		**48,212.10**	**42,984.93**
	EXPENSES			
	(a) Cost of materials consumed	34	15,847.51	12,343.24
	(b) Purchases of stock-in-trade	35	7,367.48	7,031.43
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(1,356.83)	399.07
	(d) Employee benefit expense	37	7,046.90	6,326.07
	(e) Finance costs	38	145.12	156.17
	(f) Depreciation and amortisation expense	39	808.78	756.03
	(g) Other expenses	40	8,759.20	7,600.84
IV	**Total Expenses**		**38,618.16**	**34,612.85**
V	**Profit before tax (III- IV)**		**9,593.94**	**8,372.08**
VI	**Tax Expense**			
	(a) Current tax	41	2,449.77	2,129.04
	(b) Deferred tax liability / (assets)	41	72.03	24.72
	(c) Short/(Excess) Provision of Tax		136.63	(6.69)
	Total tax expense		**2,658.43**	**2,147.07**
VII	**Profit for the year (V - VI)**		**6,935.51**	**6,225.01**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to Statement of profit and loss			
	Remeasurements of the defined benefit plans	42	17.37	2.94
	(ii) Income tax relating to items that will not be reclassified to profit or loss	42	(4.37)	(1.03)
IX	**Total other comprehensive income**		13.00	1.91
X	**Total comprehensive income for the year (VII+IX)**		**6,948.51**	**6,226.92**
XI	**Basic & diluted earnings per share of face value of ₹ 10 each fully paid up.**			
	(a) Basic (in Rs.)	51	34.63	31.08
	(b) Diluted (in Rs.)	51	34.63	31.08

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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from operating activities		
Profit before tax	9,593.94	8,372.08
Adjustments for :		
Depreciation and amortisation expense	808.78	756.03
Finance costs	145.12	156.17
Provision for expected credit Loss	(17.43)	9.10
Rate & Taxes	Nil	80.80
Dividend income	Nil	(2.80)
Bad-debt written off	69.68	Nil
Non Current Investment Write off	0.14	Nil
MTM (gain) / loss on fair valuation of derivative financial instruments	(7.18)	(52.25)
Loss on sale of property, plant & Equipment (net)	12.95	5.27
Interest income	(502.84)	(223.72)
(Gain) / loss on fair valuation of non investment	(265.60)	(238.30)
Gain on sale of Current Investment	(95.57)	(6.69)
Operating profit before working capital changes	**9,741.99**	**8,855.69**
Changes in operating assets and liabilities:		
(Increase)/Decrease in Inventories	(2,612.92)	78.32
(Increase)/Decrease in Trade receivables	(311.53)	(1,008.27)
(Increase)/Decrease in Other Non Current Financial Assets	(10.56)	(15.80)
(Increase)/Decrease in Other Current Financial Assets	(2.38)	(16.81)
(Increase)/Decrease in Other Non Current Assets	(4.35)	(16.56)
(Increase)/Decrease in Other Current Assets	1,844.97	(19.02)
Increase/(Decrease) in Trade Payable	1,459.29	554.96
Increase/(Decrease) in Other non current Financial Liabilities	24.75	23.91
Increase/(Decrease) in Other current Financial Liabilities	119.09	312.80
Increase/(Decrease) in Other Current Liabilities	(330.61)	152.30
Increase/(Decrease) in Short term Provisions	65.10	(25.46)
Cash flow generated from operations	**9,982.84**	**8,876.06**
Direct taxes paid (net)	(2,369.64)	(1,949.11)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**7,613.20**	**6,926.95**
Cash flows from investing activities		
Purchase of Property, Plant and Equipments	(4,552.51)	(875.03)
Proceeds from sale of Property, Plant and Equipments	7.93	6.50
Increase in Margin Money / Fixed Deposit	(1,290.45)	(50.39)
Decrease in Margin Money / Fixed Deposit	214.89	6.00
Non Current Loan Given	(950.00)	(1,031.27)
Non Current Loan Received Back	946.14	Nil
Current Loan Given	(6,220.00)	(289.60)
Current Loan Received Back	5,026.00	Nil
Interest received	262.94	203.11
Dividend received	Nil	2.80
Sale of Current Investment	4,051.77	1,050.42
Purchase of Current Investment	(5,304.73)	(5,450.27)
Amount received from Equity Instrument of Subsidiary on Voluntarily wound up	Nil	5.00
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**(7,808.02)**	**(6,422.73)**

Consolidated Statement of Cash Flow (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flows from financing activities		
Proceeds of Long Term Borrowings	Nil	Nil
Repayment of Long-term borrowings	(51.97)	(72.11)
Proceeds of Short Term Borrowings	200.00	Nil
Repayment of Short-term borrowings	Nil	(383.32)
Dividend Paid on equity shares	(300.00)	Nil
Finance costs Paid	(103.64)	(119.10)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**(255.61)**	**(574.53)**
NET INCREASED IN CASH AND CASH EQUIVALENTS (A + B + C)	**(450.43)**	**(70.31)**
Cash and cash equivalents at the beginning of the year* (Refer Note.(ii) below)	1,143.83	1,214.14
Cash and cash equivalents at the end of the year	**693.40**	**1,143.83**

Notes:

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash on hand	24.84	33.56
Balances with Bank	668.56	1,110.27
Total Cash and cash equivalents (Refer Note 15)	**693.40**	**1,143.83**

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

Particulars	Year Ended March 31, 2021
Opening Cash and Cash Equivalent	1,223.06
Less : Exclusion of Cash and Cash Equivalent of Subsidiary from 01/04/2020 as the company ceased to exist as Subsidiary as on 03/03/2021	(8.92)
Total Cash and cash equivalents	**1,214.14**

(iii) 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 (Indian Accounting Standards) Rules, 2015.

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)

Place : Ahmedabad
Date: 19/05/2022

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

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

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

(Darshit A. Shah)
(Chief Financial Officer)

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

Place: Ahmedabad
Date: 19/05/2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
Balance as on 1st April, 2020	21	**2,002.97**
Changes in Equity Share capital due to prior period Errors		Nil
Restated Balance as on 1st April,2020		2,002.97
Changes during the year		Nil
Balance as on 31st March, 2021	21	**2,002.97**
Changes in Equity Share capital due to prior period Errors		Nil
Restated Balance as on 31st March,2021		2,002.97
Changes during the year		Nil
Balance as on 31st March, 2022	21	**2,002.97**

Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus			Capital Reserve	Equity Securities Premium	Total
		Retained Earnings		General Reserve			
		Profit and Loss	Other Comprehensive Income				
Balance as at 1st April, 2020	**22**	**22,065.83**	**(32.89)**	**873.72**	**(958.98)**	**6,461.66**	**28,409.34**
Profit for the year		6,225.01	Nil	Nil	Nil	Nil	6,225.01
Other comprehensive income for the year (Net of Tax)		Nil	1.91	Nil	Nil	Nil	1.91
Total Comprehensive Income for the year		**28,290.84**	**(30.98)**	**873.72**	**(958.98)**	**6,461.66**	**34,636.26**
Transactions with Owners in their capacity as Owners:							
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil
Balance as at 31st March, 2021	**22**	**28,240.84**	**(30.98)**	**923.72**	**(958.98)**	**6,461.66**	**34,636.26**
Profit for the year		6,935.51	Nil	Nil	Nil	Nil	6,935.51
Other comprehensive income for the year (Net of Tax)		Nil	13.00	Nil	Nil	Nil	13.00
Total Comprehensive Income for the year		**35,176.35**	**(17.98)**	**923.72**	**(958.98)**	**6,461.66**	**41,584.77**
Transactions with Owners in their capacity as Owners:							
Payment of Dividends		(300.00)	Nil	Nil	Nil	Nil	(300.00)
Transfer to General Reserve		(50.00)	Nil	50.00	Nil	Nil	Nil
Balance as at 31st March, 2022	**22**	**34,826.35**	**(17.98)**	**973.72**	**(958.98)**	**6,461.66**	**41,284.77**

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)

Place : Ahmedabad
Date: 19/05/2022

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: 19/05/2022

Notes to consolidated financial statement

for the year ended March 31, 2022

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 it 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 subsidiary constitute "the Group". The details of the subsidiary along with nature of business are as under:

Subsidiary Name	Nature of Business	% of Voting Power by the Holding Group (Refer Note 50)	Accounting Period
Zullinc Healthcare LLP	Manufacturing and Trading of Pharmaceutical Products	100%	Considered for the period: April 1, 2021 to March 31, 2022

The consolidated financial statements are approved for issue by the Group's Board of Directors on May 19, 2022.

Hon'ble National Company Law Tribunal, Ahmedabad Bench, ('Hon'ble NCLT') has sanctioned the scheme of amalgamation of Lincoln Pharmaceuticals Limited ('Transferee Company' ie. Holding Company) and Lincoln Parenteral Limited ('Transferor Company' ie.Subsidiary OCmpany) and having its appointed date at April 1, 2019 vide its order dated September 14, 2021.

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, 2021 have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies are applied consistently to all the periods presented in the 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, except for the following where the fair valuation have been carried out in accordance with the requirements of respective Ind AS:

a. Employee defined benefit plans – Plan assets - Note 45.

b. Financial Instruments recognised at FVTPL or FVTOCI - 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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

ii) Principles of consolidation:

A. subsidiary 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. subsidiary are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

B. The group combines the financial statements of the parent and its subsidiary line by line adding together the book value of like items of assets, liabilities, equity, income and expenses. Inter-Group transactions, balances

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 subsidiary 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 subsidiary 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 31)

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 under cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 10 & 18)

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 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 47)

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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(b) Rendering of Services

Revenue from Job work service contracts

i) Job Work service contracts are recognised at point in time as control is transferred to the customer only on dispatch. and

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

When the consideration is received, before the Group transfers goods to the customer, the Group shall present the consideration as a contract liability and when the services rendered by the Group 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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:

Depreciation is provided on straight line method for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation which are as indicated in Schedule II to Companies Act,2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. 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. 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 property, plant and equipment is provided over the useful lives specified as under:-

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 Consolidated profit or loss for the period in which incurred. Expenditure on development phase are capitalised only when the Group is able to demonstrate the

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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. 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 Consolidated 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:

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

ii) 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 of disposal 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 except the amount outstanding as on the balance sheet date of specific borrowings for assets that are not yet ready for use. 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 as given below:

(a) increasing the carrying amount to reflect interest on the lease liability;

(b) reducing the carrying amount to reflect the lease payments made; and

(c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

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-of-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 on straight line basis as per the terms of the lease.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 (FCTOCI):

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

c. Derecognition

The 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated 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

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 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 consolidated profit or loss or OCI or directly in equity. 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 accept the tax treatment. However adoption of the same does not have any impact on the Consolidated Balance Sheet, Consolidated Statement of Change in Equity and Consolidated 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 46 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

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 subsidiary:

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiary 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 subsidiary. 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.

(xxii)Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

Ind AS 101 – First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company.

Ind AS 103 – Business Combinations:

The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

Ind AS 109 – Financial Instruments:

The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

Ind AS 41 – Agriculture:

The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

Note 5: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Electrical Installation	Computer	Total
Gross Carrying Value as on April 01, 2020	**1,549.91**	**3,573.02**	**7,152.66**	**382.56**	**527.98**	**22.61**	**269.06**	**139.32**	**13,617.12**
Addition during the year	175.81	6.14	145.04	9.75	103.57	3.02	4.21	17.93	465.47
Deduction during the year	Nil	Nil	24.09	Nil	0.55	Nil	Nil	Nil	24.64
Gross Carrying Value as on March 31, 2021	**1,725.72**	**3,579.16**	**7,273.61**	**392.31**	**631.00**	**25.63**	**273.27**	**157.25**	**14,057.95**
Addition during the year	137.48	1,206.95	1,195.51	17.03	132.45	94.71	115.92	41.88	2,941.93
Deduction during the year	Nil	Nil	29.85	Nil	6.98	Nil	Nil	Nil	36.83
Gross Carrying Value as on March 31, 2022	**1,863.20**	**4,786.11**	**8,439.27**	**409.34**	**756.47**	**120.34**	**389.19**	**199.13**	**16,963.05**
Accumulated Depreciation and Impairment as on April 01, 2020	**Nil**	**378.48**	**1,584.11**	**140.85**	**98.18**	**10.60**	**33.54**	**88.50**	**2,334.26**
Addition during the year	Nil	114.96	478.28	34.56	70.37	2.97	13.49	25.41	740.04
Deduction during the year	Nil	Nil	12.56	Nil	0.30	Nil	Nil	Nil	12.86
Accumulated Depreciation and Impairment as on March 31, 2021	**Nil**	**493.44**	**2,049.83**	**175.41**	**168.25**	**13.57**	**47.03**	**113.91**	**3,061.44**
Addition during the year	Nil	124.80	503.25	33.95	85.71	3.80	16.43	25.20	793.14
Deduction during the year	Nil	Nil	10.02	Nil	5.93	Nil	Nil	Nil	15.95
Accumulated Depreciation and Impairment as on March 31, 2022	**Nil**	**618.24**	**2,543.06**	**209.36**	**248.03**	**17.37**	**63.46**	**139.11**	**3,838.63**
Net Carrying Value as on March 31, 2021	**1,725.72**	**3,085.72**	**5,223.78**	**216.90**	**462.75**	**12.06**	**226.24**	**43.34**	**10,996.51**
Net Carrying Value as on March 31, 2022	**1,863.20**	**4,167.87**	**5,896.21**	**199.98**	**508.44**	**102.97**	**325.73**	**60.02**	**13,124.42**

Notes:

i. **Assets pledged as security:**

Refer Note 56 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, 2022 - ₹ Nil (for the year ended March 31, 2021: ₹ Nil).

iii. **Contractual obligations:**

Refer Note. 43 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

iv. **Depreciation on Property, Plant & Equipment**

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

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

5A Right-of-Use Assets

(₹ in Lakhs)

Particulars	Total
Gross Carrying Value as at April 1, 2020	31.86
Addition during the year	Nil
Deduction during the year	Nil
Gross Carrying Value as on March 31, 2021	**31.86**
Addition during the year	Nil
Deduction during the year	Nil
Gross Carrying Value as on March 31, 2022	**31.86**
Accumulated Amortization as on April 01, 2020	2.16
Amortization during the year	2.16
Deduction during the year	Nil
Accumulated Amortization and Impairment as on March 31, 2021	**4.32**
Amortization during the year	2.16
Deduction during the year	Nil
Accumulated Amortization and Impairment as on March 31, 2022	6.48
Net Carrying amount as on March 31, 2021	**27.54**
Net Carrying amount as on March 31, 2022	**25.38**

6 Capital Work in Progress

(₹ in Lakhs)

Particulars	Total
Balance at April 01, 2020	**4.03**
Addition during the year	164.55
Capitalised during the year	Nil
Balance at March 31, 2021	**168.58**
Addition during the year	1,852.17
Capitalised during the year	415.39
Balance at March 31, 2022	**1,605.36**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

6(i) Ageing schedule in respect of Capital Work in Progress

(₹ in Lakhs)

CWIP	As at March 31, 2022				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Capital Work in Progress Unit 1	1,487.87	117.49	Nil	Nil	1,605.36
Projects temporarily suspended	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

(₹ in Lakhs)

CWIP	As at March 31, 2021				
	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Capital Work in Progress Unit 1	164.32	4.26	Nil	Nil	168.58
Projects temporarily suspended	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

7 Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Patents	Total
Gross Carrying Value as on April 01, 2020	**81.83**	**1.40**	**83.23**
Addition during the year	16.70	Nil	16.70
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2021	**98.53**	**1.40**	**99.93**
Addition during the year	11.97	Nil	11.97
Deduction during the year	Nil	Nil	Nil
Gross Carrying Value as on March 31, 2022	**110.50**	**1.40**	**111.90**
Accumulated amortisation as on April 01, 2020	**45.00**	**1.30**	**46.30**
Amortization during the year	13.83	Nil	13.83
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2021	**58.83**	**1.30**	**60.13**
Amortization during the year	13.50	Nil	13.50
Deduction during the year	Nil	Nil	Nil
Accumulated amortisation as on March 31, 2022	72.33	1.30	73.63
Net Carrying Value as on March 31, 2021	**39.70**	**0.10**	**39.80**
Net Carrying Value as on March 31, 2022	**38.17**	**0.10**	**38.27**

Notes:

i. Amortization on intangible Assets

Refer Note 4(v) for disclosure of Policies and method used for the amortization of intangible assets.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

8 Non Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Investments in other equity instruments at amortized 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
(b) Investments in government securities at amortized cost (unquoted)		
National Saving Certificate	Nil	0.14
Total	**0.26**	**0.40**
Aggregate amount of quoted investment - At cost	Nil	Nil
Aggregate amount of unquoted investment - At cost	0.26	0.40

9 Non-Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Inter-Corporate Loans	230.00	230.00
Loans to others	2,454.05	2,279.44
Total	**2,684.05**	**2,509.44**

10 Other Non-Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Margin Money Deposit with more than 12 months maturity	174.52	35.00
Fixed Deposit with more than 12 months maturity	Nil	10.00
Loan to Employees	21.52	10.96
Security Deposits	19.20	19.20
Total	**215.24**	**75.16**

11 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Advances for Property, Plant & Equipment	308.27	256.17
Advance Income Tax :		
Advance Payment of Income Tax	89.54	1,829.43
Less: Provision for Income tax	Nil	(1,597.80)
Advance Income Tax (net)	**89.54**	**231.63**
Advance to Employees	59.98	55.52
Other Current Assets	Nil	0.11
Total	**457.79**	**543.43**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

12 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	2,701.77	1,750.59
Work-in-Process	872.16	552.72
Finished Stock	1,567.67	801.20
Packing Material	981.74	676.83
Stock in Trade	1,150.86	879.94
Total	**7,274.20**	**4,661.28**

a) Inventory of Raw Material includes material in transit- as on 31-03-2022 of ₹ Nil (as on 31-03-2021 ₹ Nil)

b) Inventory of Finished Stock Includes Goods in Transit- as on 31-03-2022 ₹ 1,364.20 Lakhs (as on 31-03-2021 ₹ 634.07 Lakhs)

c) The cost of inventories recognized as an expenses includes ₹ 640.14 Lakhs (as on 31-03-2021 ₹ Nil) in respect of write-down of inventory to net realizable value, and has been reduced by ₹ 640.14 Lakhs (as on 31-03-2021 ₹ Nil) in respect of the reversal of such write-down.

d) Inventories pledged as Security with bank for borrowing as on 31-03-2022 of ₹ 7,274.20 Lakhs (as on 31-03-2021 ₹ 4,661.28 Lakhs)

13 Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in mutual fund at fair value through profit and loss		
98,61,771.77 (PY. 69,65,858.970) units of SBI Savings Fund - Direct Plan - Growth	3,506.98	2,382.03
Nil (PY. 1,01,795.939) units of SBI Liquid Fund Direct Growth	Nil	3,279.48
89,76,019.412 (PY. 99,22,209.578) units of HSBC Corporate Bond Fund Growth	953.47	1,006.88
25,517.968 (PY. 43,647.733) units of SBI Liquid Fund-Regular Plan-Growth	844.84	1,398.08
3,52,15,474.828 (PY. Nil) units of SBI Balance Advantage Fund Direct Growth	3,656.32	Nil
19,99,900.01 (PY. Nil) units of SBI Multicap Fund Direct Plan Growth	205.92	Nil
3,80,349.50 (PY. Nil) units of ICICI Balance Advantage Fund Direct Plan Growth	206.00	Nil
19,55,382.18 (PY. Nil) units of HSBC Equity Hybrid Fund Growth	307.07	Nil
Total	**9,680.60**	**8,066.47**
Aggregate Cost of Investment	8,982.15	7,510.29
Aggregate NAV of Investment	9,680.60	8,066.47

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

14 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Unsecured)		
Trade Receivable Considered Good	11,283.63	10,436.76
Trade Receivables - Credit impaired	478.91	1,083.92
	11,762.53	**11,520.68**
Less: Allowance for Expected Credit Loss*	168.40	185.83
	11,594.13	11,334.85
Total	**11,594.13**	**11,334.85**

Notes:

i. For details of receivables from firms / private companies in which directors of the company are partners / directors, please refer Note 52.

(₹ in Lakhs)

Gross Outstanding as on 31/03/2022	Disputed Trade Receivables		Undisputed Trade Receivables	
Ageing	**Credit impaired**	**Considered Good**	**Credit impaired**	**Considered Good**
Not Due	Nil	Nil	Nil	7,826.06
Due less than 3 months	Nil	Nil	Nil	3,457.57
Due for 3 to 6 Months	Nil	Nil	164.79	Nil
Due for more than 6 Months to 1 Years	Nil	Nil	45.71	Nil
Due for more than 1 year to 2 Years	Nil	Nil	182.27	Nil
Due for more than 2 year to 3 Years	Nil	Nil	17.14	Nil
Due for more than 3 Years	Nil	Nil	69.00	Nil
Total	**Nil**	**Nil**	**478.91**	**11,283.63**

(₹ in Lakhs)

Gross Outstanding as on 31/03/2021	Disputed Trade Receivables		Undisputed Trade Receivables	
Ageing	**Considered Doubtful**	**Considered Good**	**Considered Doubtful**	**Considered Good**
Not Due	Nil	Nil	Nil	7,435.08
Due less than 3 months	Nil	Nil	Nil	3,001.68
Due for 3 to 6 Months	Nil	Nil	594.80	Nil
Due for more than 6 Months to 1 Years	Nil	Nil	71.38	Nil
Due for more than 1 year to 2 Years	Nil	Nil	97.59	Nil
Due for more than 2 year to 3 Years	Nil	Nil	250.90	Nil
Due for more than 3 Years	Nil	Nil	69.25	Nil
Total	**Nil**	**Nil**	**1,083.92**	**10,436.76**

(i) The general credit period inrespective on Domestic sale ranges between 30-90 days and for Export it ranges between 30-90 days, by and large company is not charging any interest on late payment.

(ii) Credit risk is managed at the operational segmental level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(iii) Concentration risk considers significant exposures relating to industry, counter party, geography, currency etc. The concentration of credit risk is not significant as the customer base is large and diversified.

*Note: Refer Note 48(I) for details of movement in Expected Credit Loss.

15 Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	24.84	33.56
Bank Balance	668.56	1,110.27
Total	**693.40**	**1,143.83**

16 Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with more than 3 month and less than12 months maturity	1,138.16	Nil
Margin Money Deposit with more than 3 month and less than12 months maturity	30.68	222.80
Bank Balance Earmarked for Dividend*	17.69	17.48
Total	**1,186.53**	**240.28**

*The company can utilise this balances only towards settlement of unclaimed dividend.

17 Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Inter-Corporate Loans	1,700.00	1,400.00
Loans and Advances to Related Party	25.00	50.00
Loans and Advances to Others	1,452.73	478.00
Total	**3,177.73**	**1,928.00**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

17.1 Details of Loans to Promoter, Director, KMP and Related parties (₹ in Lakhs)

Type of Borrower	Amount of loan outstanding		% of Total Sales	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Promoters	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
Key Management Personnel	Nil	Nil	Nil	Nil
Related Parties	25.00	50.00	0.43%	1.13%

17.2 Information pursuant to Section 186(4) of the Companies Act, 2013

(i) The loans provided without any interest.

(ii) The loans have been given for business activities as Security Deposit. The loan has been provided without any gurantee or security.

18 Other Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative contracts not designated as a hedge relationship (at fair value through profit and loss)	15.49	8.31
Interest Receivable	34.03	20.61
Loan to Employees	32.11	29.78
Others	0.74	0.69
Total	**82.37**	**59.39**

19 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax :		
Advance Payment of Income Tax	Nil	Nil
Less: Provision for Income tax	Nil	Nil
Total	**Nil**	**Nil**

20 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in cash or kind	257.24	1,541.96
Prepaid Expenses	92.81	113.67
Loans and advance to employees	37.26	18.27
Balance with/Amount receivable from Statutory authorities	1,208.68	1,766.93
Others	Nil	0.13
Total	**1,595.99**	**3,440.96**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

21 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
[i]Authorised Share Capital: (Refer Note (g) to this schedule)		
3,20,00,000(PY.3,20,00,000) Equity shares of ₹10 each	3,200.00	3,200.00
[ii] Issued, Subscribed & Paid-up Capital: (Refer Note (g) to this schedule)		
2,00,29,728 (PY.2,00,29,728) Equity shares of ₹ 10 each fully paid	2,002.97	2,002.97
Total	**2,002.97**	**2,002.97**

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 is set out below:-

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amt (₹)	No. of Shares	Amt (₹)
Shares at the beginning	2,00,29,728	2,002.97	2,00,29,728	2,002.97
Addition	Nil	Nil	Nil	Nil
Deletion	Nil	Nil	Nil	Nil
Shares at the end	2,00,29,728	2,002.97	2,00,29,728	2,002.97

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

Name of the Share holder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
Digital biotech Pvt Ltd	14,00,000	6.99%	14,00,000	6.99%
Munjal Mahendrabhai Patel	18,32,000	9.15%	13,25,500	6.62%
Ashish Rajanibhai Patel	11,79,802	5.89%	8,54,802	4.27%

(c) Details in respect of shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% Change
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Ashish Rajanibhai Patel	11,79,802	5.89%	8,54,802	4.27%	1.62%
Amar Arvindbhai Patel	60,000	0.30%	60,000	0.30%	0.00%
Anand Arvinbhai Patel	2,32,000	1.16%	1,82,000	0.91%	0.25%
Arvindbhai Gulabdas Patel	1,11,000	0.55%	1,11,000	0.55%	0.00%
Bhagirathbhai Tribhovanbhai Patel	24,500	0.12%	23,950	0.12%	0.00%
Dharmistaben Hashmukhbhai Patel	65,003	0.32%	65,003	0.32%	0.00%
Dharmisthaben Bhagirathbhai Patel	1,24,710	0.62%	1,24,900	0.62%	0.00%
Hansaben Arvindbhai Patel	1,17,200	0.59%	1,17,200	0.59%	0.00%
Hashmukhbhai Ishwarlal Patel	3,73,600	1.87%	3,73,600	1.87%	0.00%
Ishwarbhai Ambalal Patel	51,150	0.26%	50,800	0.25%	0.00%

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

Name of Promoter	As at March 31, 2022		As at March 31, 2021		% Change
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Jigar Hasmukhbhai Patel	86,200	0.43%	68,700	0.34%	0.09%
Kailashben Mahendrabhai Patel	3,80,000	1.90%	3,80,000	1.90%	0.00%
Kalpanaben Rajnibhai Patel	2,93,100	1.46%	2,93,100	1.46%	0.00%
Mahendrabhai Gulabdas Patel	5,75,000	2.87%	5,11,500	2.55%	0.32%
Manguben I Patel	93,800	0.47%	94,100	0.47%	0.00%
Mansi Munjal Patel	2,00,000	1.00%	2,00,000	1.00%	0.00%
Meenaben Yogeshbhai Patel	354	0.00%	354	0.00%	0.00%
Mihirbhai Vithalbhai Patel	82,669	0.41%	88,730	0.44%	-0.03%
Munjal Mahendrabhai Patel	18,32,000	9.15%	13,25,500	6.62%	2.53%
Nidhi Mahendrabhai Patel	54,000	0.27%	54,000	0.27%	0.00%
Aniruddh Hasmukhbhai Patel	86,200	0.43%	68,700	0.34%	0.09%
Nishitkumar Maheshbhai Patel	1,81,900	0.91%	1,81,900	0.91%	0.00%
Rajnibhai Gulabdas Patel	7,56,801	3.78%	7,25,401	3.62%	0.16%
Renukaben Maheshbhai Patel	1,73,400	0.87%	1,73,400	0.87%	0.00%
Shardaben Gulabdas Patel	Nil	0.00%	31,400	0.16%	-0.16%
Shivani B. Shah	2,06,475	1.03%	2,02,000	1.01%	0.02%
Yogeshkumar Ishwerlal Patel	309	0.00%	8,864	0.04%	-0.04%
Downtown Finance Pvt. Ltd.	1,06,000	0.53%	1,06,000	0.53%	0.00%
Downtown Travels LLP	4,75,000	2.37%	4,75,000	2.37%	0.00%
Sunmed Corporation LLP	5,00,000	2.50%	5,00,000	2.50%	0.00%
TOTAL	**79,22,173**	**42.05%**	**69,51,904**	**37.20%**	
Total No. of Shares	**2,00,29,728**		**2,00,29,728**		

(d) 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.

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

(f) 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.

(g) In compliance with the Amalgamation scheme approved by Hon'ble NCLT,Ahmedabad, the company has issued and allotted 29,728 equity shares of ₹ 10/- each to the eligible shareholders of the Transferor Company and Authorized Capital of the company has been increased to ₹ 3,200.00 Lakhs with effect from appointed date of the scheme ie. from 01st April, 2019.

(h) **In the Period of five years immediately preceding 31st March,2022**

In compliance with the Amalgamation scheme approved by Hon'ble NCLT,Ahmedabad, the company has issued and allotted 29,728 equity shares of ₹ 10/- each to the eligible shareholders of the Transferor Company except that the company has not alloted any equity shares as fully paid up without payment being received in cash or as Bonus shares or Bought back any equity Shares. Further in the period of last five years the company has not for feited any amount received on issue of Shares.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

22 Other Equity

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Capital Reserve**		
	Balance as per last financial Statement	(958.98)	(958.98)
	Add: Addition during the year	Nil	Nil
	Closing Balance	**(958.98)**	**(958.98)**
(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	923.72	873.72
	Add: Transfer from Statement of Profit & Loss	50.00	50.00
	Closing Balance	**973.72**	**923.72**
(d)	**Retained Earnings**		
i	**Statement of Profit and Loss:**		
	Balance as per last financial Statement	28,240.84	22,065.83
	Add : Profit for the year	6,935.51	6,225.01
	Less: Transfer to General reserve	(50.00)	(50.00)
	Less: Final Dividend Paid	(300.00)	Nil
	Net Surplus in the statement of profit and loss (i)	**34,826.35**	**28,240.84**
ii	**Other Comprehensive Income:**		
	Balance as per last financial Statement	(30.98)	(32.89)
	Add: Remeasurement of Defined benefit plans (including deferred tax)	13.00	1.91
	Net Surplus in the statement of other comprehensive income (ii)	**(17.98)**	**(30.98)**
	Total Retained Earnings (i + ii)	**34,808.37**	**28,209.86**
	Total..... (a) + (b) + (c) + (d)	**41,284.77**	**34,636.26**

Capital Reserve : Capital reserve was realised in cash and further created on amalgamation of company 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 can be utilized by the company for distribution to its equity shareholders of the company.

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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

23 Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowing		
Term Loan from Banks	Nil	Nil
Less : Current maturities of long-term debt (Note: 26)	Nil	Nil
Closing Balance	**Nil**	**Nil**
Vehicle Loan	Nil	51.97
Less : Current maturities of long-term debt (Note: 26)	Nil	37.52
Closing Balance	**Nil**	**14.45**
Total	**Nil**	**14.45**

Notes:

i. 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.

ii. Year wise repayment schedules:

(₹ in Lakhs)

Year	As at March 31, 2022	As at March 31, 2021
FY.2020-21	Nil	Nil
FY.2021-22	Nil	37.52
FY.2022-23	Nil	14.45
FY.2023-24	Nil	Nil
Total	**Nil**	**51.97**

24 Other Non Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Deposits	453.91	429.16
Total	**453.91**	**429.16**

25 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities		
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment and Intangible Assets	631.84	645.57
Time difference of Notional Gain of Mutual Fund	60.77	Nil
Total Deferred Tax Liabilities	**692.61**	**645.57**
Deferred Tax Assets		
Unpaid Liabilities Allowable under Income Tax Act, 1961 in succeeding years u/s 43B on Payment basis	0.45	23.02
Allowance for Expected Credit Losses on Trade Receivables	42.38	53.50
Allowable under Income Tax Act, 1961 in succeeding years u/s 35DD	4.33	Nil
Total Deferred Tax Assets	**47.16**	**76.52**
Net Deferred Tax Liability	**645.45**	**569.05**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

A Movement of deferred tax liability: (₹ in Lakhs)

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At April 01, 2020	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Comprehensive Income	Note - i Deferred Tax At March 31, 2021
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment and Intangible Assets	(642.59)	(2.98)	Nil	(645.57)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	48.00	(23.95)	(1.03)	23.02
Allowance for Expected Credit Losses	51.29	2.21	Nil	53.50
Other	Nil	Nil	Nil	Nil
Total	**(543.30)**	**(24.72)**	**(1.03)**	**(569.05)**

(₹ in Lakhs)

Movements in Deferred Tax Liabilities	Note - i Deferred Tax At April 01, 2021	Note - ii Adjusted to Profit or loss	Note - ii Adjusted to Other Comprehensive Income	Note - i Deferred Tax At March 31, 2022
Time difference of depreciation as per Tax Provision and Company Law on Property, Plant and Equipment and Intangible Assets	(645.57)	13.73	Nil	(631.84)
Time difference of Notional Gain of Mutual Fund	Nil	(60.77)	Nil	(60.77)
Unpaid liability allowable on payment basis in succeeding years u/s. 43B of the Income tax Act, 1961	23.02	(18.20)	(4.37)	0.45
Allowance for Expected Credit Losses	53.50	(11.12)	Nil	42.38
Other	Nil	4.33	Nil	4.33
Total	**(569.05)**	**(72.03)**	**(4.37)**	**(645.45)**

i Figures in bracket denotes deferred tax liability.

ii Figures in bracket denotes creation of deferred tax liability or reversal of deferred tax asset.

26 Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowing		
Current Maturity of long term borrowings (Note : 23)	Nil	37.52
Unsecured Borrowing		
From Related Party	204.36	Nil
Total	**204.36**	**37.52**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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 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 1692.94 Sq. mtrs, 3590.30 Sq. mtrs respectively i.e. collectively 12124.84 Sq. mtrs together with building thereon belonging to M/s Lincoln Pharmaceuticals Ltd.
2. Hypothecation of fixed assets of the company excluding windmill.

iii) Personal Guarantees of all three Promoter Directors of holding company

27 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to Micro and Small Enterprise	1,978.14	871.52
Payable to others	5,187.75	4,835.08
Total	**7,165.89**	**5,706.60**

(₹ in Lakhs)

Gross Outstanding as on 31/03/2022	MSME Trade Payables		Other than MSME	
Ageing	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**
Not Due	Nil	1,938.03	Nil	5,048.94
Outstanding Less than 1 Years	Nil	38.40	Nil	96.36
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	29.40
Outstanding between 2 year to 3 Years	Nil	1.53	Nil	9.23
Outstanding More than 3 Years	Nil	0.18	Nil	3.82
Total	**Nil**	**1,978.14**	**Nil**	**5,187.75**

(₹ in Lakhs)

Gross Outstanding as on 31/03/2021	MSME Trade Payables		Other than MSME	
Ageing	**Disputed**	**Undisputed**	**Disputed**	**Undisputed**
Not Due	Nil	787.78	Nil	4,430.90
Outstanding Less than 1 Years	Nil	76.80	Nil	396.10
Outstanding between 1 year to 2 Years	Nil	6.76	Nil	3.85
Outstanding between 2 year to 3 Years	Nil	0.18	Nil	0.91
Outstanding More than 3 Years	Nil	Nil	Nil	3.32
Total	**Nil**	**871.52**	**Nil**	**4,835.08**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

28 Other Current Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Property, Plant & Equipment	255.77	365.52
Employee Benefit Payable	588.24	469.15
Unpaid dividend	17.69	17.48
Total	**861.70**	**852.15**

29 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Received from Customer	11.81	354.03
Other Statutory dues	111.37	99.76
Total	**123.18**	**453.79**

30 Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits (Refer Note 45)	1.78	15.99
Provision for Sales Return	264.04	202.10
Total	**265.82**	**218.09**

Movement in Provision for Non Salable Sales Return	As at March 31, 2022	As at March 31, 2021
Opening Balance	202.10	168.46
Add: Provision during the year	264.04	202.10
Less: Reversal/utilised during the year	202.10	168.46
Total	**264.04**	**202.10**

31 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision For Income tax	2,449.77	2,209.84
Less: Advance Payment of Income Tax	(2,022.10)	(1,893.96)
Total	**427.67**	**315.88**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

32 Revenue from operation

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products:		
Finished Goods	46,102.68	41,005.28
Sale of services:		
Job Work Charges	717.06	469.50
Other Operating Revenue:		
Export Incentive	331.21	897.30
Scrap Sales	61.38	46.46
Total of Other Operating Revenue	**392.59**	**943.76**
Total	**47,212.33**	**42,418.54**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Gross Revenue	49,326.33	42,958.29
	49,326.33	**42,958.29**
Less: Rebate & Discount etc	2,445.21	1,437.05
Revenue recognized from Contract with Customers	**46,881.12**	**41,521.24**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operation	47,212.33	42,418.54
Less: Export incentive	331.21	897.30
Revenue from contracts with Customers	**46,881.12**	**41,521.24**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

33 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income:		
Interest from bank	50.40	13.94
Interest from others	452.44	209.78
Gain on fair valuation of Current Investments	265.60	238.30
Gain on sale of Current Investments	95.57	6.69
Dividend Income	Nil	2.80
Foreign Exchange Gain (Net)	111.15	42.63
Expected Credit Loss Reversal	17.43	Nil
Gain on Fair Valuation of Derivative contracts	7.18	52.25
Total	**999.77**	**566.39**

34 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw Material		
Inventory at the beginning of the year	1,750.59	1,359.96
Add: Purchase	11,911.49	8,546.36
Less: Inventory at the end of the year	2,701.77	1,750.59
Cost of Consumption of Raw Material	**10,960.31**	**8,155.73**
Packing Materials		
Inventory at the beginning of the year	676.83	746.71
Add: Purchase	5,192.11	4,117.63
Less: Inventory at the end of the year	981.74	676.83
Cost of Consumption of Packing Materials	**4,887.20**	**4,187.51**
Total	**15,847.51**	**12,343.24**

35 Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of stock in trade	7,367.48	7,031.43
Total	**7,367.48**	**7,031.43**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stock in trade		
Stock at the Beginning of the financial year	879.94	897.84
Stock at the End of the financial year	1,150.86	879.94
	(270.92)	**17.90**
Finished Goods		
Stock at the Beginning of the financial year	801.20	1,038.65
Stock at the End of the financial year	1,567.67	801.20
	(766.47)	**237.45**
Work in Progress		
Stock at the Beginning of the financial year	552.72	696.44
Stock at the End of the financial year	872.16	552.72
	(319.44)	**143.72**
Summary		
Stock at the Beginning of the financial year	2,233.86	2,632.93
Stock at the End of the financial year	3,590.69	2,233.86
Change in inventory	**(1,356.83)**	**399.07**

37 Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salary, Wages & Bonus	6,723.97	5,885.47
Contribution to Provident Fund & Other Funds	282.62	267.75
Staff welfare Expenses	40.31	172.85
Total	**7,046.90**	**6,326.07**

Note:- Refer note-45 for the discloser of Ind AS 19 in respect of long term benefit payable to employees recognized in financial statement.

38 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Expense	33.83	29.23
Interest Paid to others	58.16	90.97
Other Borrowing Cost	53.13	35.97
Total	**145.12**	**156.17**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

39 Depreciation And Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation on Property, Plant & Equipment	793.12	740.04
Depreciation on Right to use Assets	2.16	2.16
Depreciation on Intangible Assets	13.50	13.83
Total	**808.78**	**756.03**

40 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power and Fuel	833.10	709.59
Labour Charges	1,017.48	980.92
Loading & Unloading Charges	6.22	4.96
Stores And Spares Consumption	120.56	114.45
Factory Expenses	142.95	115.85
Laboratory & Testing Charges	430.46	387.29
Repairs & Maintenance:		
Building	65.86	110.15
Machinery	43.83	67.99
Other assets	224.80	190.14
Total of Repairs & Maintenance:	**334.49**	**368.28**
Loss On Sales Of Property, Plant & Equipment	12.95	5.27
Loss on sale of export licence	0.13	12.96
Computer Expense	45.34	47.19
Rent	94.45	13.55
Rate & Taxes	329.99	428.10
Auditors' Remuneration	11.65	11.00
Legal and Registration Expense	648.00	441.99
Professional & Consulting Fees	1,038.11	869.63
Conveyance & Vehicle Expense	75.35	57.32
Travelling Expense	303.01	173.59
Transportation Expense	260.59	410.37
Donation	16.24	7.53
Insurance	84.16	62.39
Office Expense	50.65	50.00
Post & Telephone Expense	80.79	67.20

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stationery, Printing & Xerox	42.50	42.78
Security Expense	43.68	41.30
CSR Expense	148.49	111.18
Advertisement Expense	6.04	4.68
Sales Promotion & Marketing Expense	1,330.68	1,222.03
Sales Commission Expense	1,178.70	812.14
Bad debt Written off	69.68	Nil
Allowance for Expected credit loss expenses	Nil	9.11
Miscellaneous Expense	2.76	18.19
Total	**8,759.20**	**7,600.84**

41 Income tax recognised in Statement of profit and loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current tax	2,449.77	2,129.04
Tax expense related to prior period	136.63	(6.69)
	2,586.40	**2,122.35**
Deferred tax liability / (assets)	72.03	24.72
	72.03	**24.72**
Total	**2,658.43**	**2,147.07**

Income tax reconciliation

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before tax	9,593.94	8,372.08
Tax expenses reported during the year	2,658.43	2,147.07
Income tax expenses calculated at CY 25.21% (PY 29.33%)	2,418.94	2,455.85
Difference	**239.49**	**(308.78)**
Permanent disallowances	86.33	38.49
Income not taxable under Income Tax Act, 1961	Nil	(119.05)
Tax benefit available under Income Tax Act, 1961	Nil	(248.73)
Effect on deferred tax balances due to change in income tax rate	Nil	Nil
Tax expense related to prior period	136.63	(6.69)
Adjustment of current tax of prior years	22.10	24.78
Other Items	(5.57)	2.42
Total	**239.49**	**(308.78)**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

42 Statement of Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Items that will not be reclassified to profit and loss		
Remeasurement of defined benefit plans		
Actuarial gain/(loss)	17.37	2.94
(ii) Income tax relating to these items that will not be reclassified to profit and loss		
Deferred tax impact on actuarial gain/(loss)	(4.37)	(1.03)
Total	**13.00**	**1.91**

43 Capital Commitment

Details of outstanding capital commitments are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	532.07	500.77
Advance paid against such contracts	308.27	256.17
Net outstanding commitment	**223.80**	**244.60**

44 Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax demands disputed in appeal by the Company / Income Tax Authorities. Against which amount of ₹ Nil (PY. ₹ 84.03 Lakhs) been deposited by the company	23.10	230.38

45. Details of Employee Benefits:

(a) Defined Contribution Plans

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

A sum of ₹ 40.11 Lakhs (March 31, 2021: ₹ 42.91 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
In Income Statement	40.11	42.91
In Other Comprehensive (Income) / loss	(17.37)	(2.94)
Total Expenses Recognized	**22.74**	**39.97**

A1. Expenses Recognized in the Income Statement

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	40.99	39.88
Past Service Cost	Nil	Nil
Loss / (Gain) on settlement	Nil	Nil
Net Interest Cost	(0.88)	3.03
Expenses Recognized in the Consolidated Statement of Profit and Loss	**40.11**	**42.91**

A2. Other Comprehensive Income

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Actuarial (gains) / losses on Obligation for the period		
Due to Change in Financial Assumptiosns	(13.82)	(0.65)
Due to Change in Demographic Assumption	(0.13)	Nil
Due to Experience Adjustments	(7.62)	(5.42)
Return on plan assets, excluding amount recognized in net interest expense	4.20	3.13
Components of defined benefit costs recognized in other comprehensive income	**(17.37)**	**(2.94)**

B. Net Liability recognized in the balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Obligation	(332.63)	(302.11)
Fair value of plan assets	330.85	286.12
Surplus / (Deficit)	(1.78)	(15.99)
Net (Liability) recognized in the Balance sheet	**(1.78)**	**(15.99)**
Provision for Employee Benefits (Gratuity)	(1.78)	(15.99)
Gratuity Fund	Nil	Nil
Net (Liability) recognised in the balance sheet	**(1.78)**	**(15.99)**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

B1. Changes in the Present value of Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Obligation as at the beginning	302.11	267.70
Current Service Cost	40.99	39.88
Interest Expense or Cost	19.31	18.28
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(13.82)	(0.65)
- change in demographic assumptions	(0.13)	Nil
- experience variance	(7.62)	(5.42)
Past Service Cost		
Benefits Paid Directly from Employer	Nil	Nil
Benefit Paid from the Fund	(8.21)	(17.68)
Present Value of Obligation as at the end of the year	**332.63**	**302.11**

B2. Changes in the Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets at the beginning of the year	286.12	223.31
Interest Income	20.19	15.25
Contribution by Employer	36.95	68.37
(Benefit paid from the Fund)	(8.21)	(17.68)
Return on Plan Assets, Excluding Interest Income	(4.20)	(3.13)
Fair Value of Plan Assets at the end of the year	**330.85**	**286.12**

C. Actuarial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.25%	6.85%
Expected rate of salary increase	5.50%	5.50%
Mortality	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	20% at lower service reducing to 0% at Higher Service	20% at lower service reducing to 0% at Higher Service
Retirement Age	58 Years	58 Years

D. Sensitivity Analysis

(₹ in Lakhs)

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Defined Benefit Obligation (Base)	332.63	302.11

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	36.41	(30.78)	35.53	(29.86)
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	(31.50)	35.58	(30.46)	34.92
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	0.06	(0.06)	(3.69)	3.11

E. Maturity Profile of Project Benefit Obligation

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Weighted average duration (based on discounted cash flows)	12	13

(₹ in Lakhs)

Expected cash out flows over the next (valued on undiscounted basis):	Gratuity	
	As at March 31, 2022	As at March 31, 2021
1 year	52.28	40.47
2 to 5 years	66.79	43.00
6 to 10 years	100.58	94.83

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.

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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	India	Rest of World	Total	Year
Segment Revenues	20,557.92	26,654.41	47,212.33	For 2021-22
	16,355.07	26,063.47	42,418.54	For 2020-21
Segment Assets	18,150.77	Nil	18,150.77	As at 31/03/2022
	14,360.86	Nil	14,360.86	As at 31/03/2021

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
No. of customers contributing 10% or more of total revenue (individually)	1	1
Amount of revenue	8,530.83	6,607.76
% of total revenue	17.69%	15.37%

47 Fair Value Measurements

Financial instrument by category and their fair value

(₹ in Lakhs)

As at March 31, 2022	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	0.26	0.26	Nil	Nil	Nil	Nil
Current	13	9,680.60	Nil	Nil	9,680.60	Nil	9,680.60	Nil	9,680.60
Loans									
Non Current	9	Nil	Nil	2,684.05	2,684.05	Nil	Nil	Nil	Nil
Current	17	Nil	Nil	3,177.73	3,177.73	Nil	Nil	Nil	Nil
Other Non Current Financial Asset	10	Nil	Nil	215.24	215.24	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	11,594.13	11,594.13	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	693.40	693.40	Nil	Nil	Nil	Nil
Other Bank Balances	16	Nil	Nil	1,186.53	1,186.53	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	15.49	Nil	66.88	82.37	Nil	Nil	15.49	15.49
Total Financial Assets		**9,696.09**	**Nil**	**19,618.22**	**29,314.31**	**Nil**	**9,680.60**	**15.49**	**9,696.09**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

As at March 31, 2022	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 Liabilities									
Borrowings									
Non Current	23	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	204.36	204.36	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	453.91	453.91	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	861.70	861.70	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	7,165.89	7,165.89	Nil	Nil	Nil	Nil
Total Financial Liabilities		**Nil**	**Nil**	**8,685.86**	**8,685.86**	**Nil**	**Nil**	**Nil**	**Nil**

(₹ in Lakhs)

As at March 31, 2021	Note Reference	Carrying Amount				Fair Value (only those items which are recognised at FVTPL / FVTOCI)			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments									
Non Current	8	Nil	Nil	0.40	0.40	Nil	Nil	Nil	Nil
Current	13	8,066.47	Nil	Nil	8,066.47	Nil	8,066.47	Nil	8,066.47
Loans									
Non Current	9	Nil	Nil	2,509.44	2,509.44	Nil	Nil	Nil	Nil
Current	17	Nil	Nil	1,928.00	1,928.00	Nil	Nil	Nil	Nil
Other Non Current Financial Asset	10	Nil	Nil	75.16	75.16	Nil	Nil	Nil	Nil
Trade Receivables	14	Nil	Nil	11,334.85	11,334.85	Nil	Nil	Nil	Nil
Cash and Cash Equivalents	15	Nil	Nil	1,143.83	1,143.83	Nil	Nil	Nil	Nil
Other Bank Balances	16	Nil	Nil	240.28	240.28	Nil	Nil	Nil	Nil
Other Current Financial Assets	18	8.31	Nil	51.08	59.39	Nil	Nil	8.31	8.31
Total Financial Assets		**8,074.78**	**Nil**	**17,283.04**	**25,357.82**	**Nil**	**8,066.47**	**8.31**	**8,074.78**
Financial Liabilities									
Borrowings									
Non Current	23	Nil	Nil	14.45	14.45	Nil	Nil	Nil	Nil
Current	26	Nil	Nil	37.52	37.52	Nil	Nil	Nil	Nil
Other Financial Liabilities									
Non Current	24	Nil	Nil	429.16	429.16	Nil	Nil	Nil	Nil
Current	28	Nil	Nil	852.15	852.15	Nil	Nil	Nil	Nil
Trade Payables	27	Nil	Nil	5,706.60	5,706.60	Nil	Nil	Nil	Nil
Total Financial Liabilities		**Nil**	**Nil**	**7,039.88**	**7,039.88**	**Nil**	**Nil**	**Nil**	**Nil**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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.

48 Financial risk management

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

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

The 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 subsidiary 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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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. The Group has assessed that credit risk on loan given is insignificant based on the empirical data.

1) 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.

The provision for doubtful debts including ECL allowances for non-collection of receivables and delay in collection, on a combined basis, was ₹ 168.40 Lakhs as at March 31, 2022 and ₹ 185.83 Lakhs as at March 31, 2021. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

(₹ in Lakhs)

Movement in allowance for Expected Credit Loss	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	185.83	176.73
Add : Allowance made during the year	80.57	9.64
Less : Reversal of allowance made during the year	98.00	0.54
Balance at the end of the year	**168.40**	**185.83**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

2) 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, 2022, March 31, 2021; the Group had unutilized credit limits from banks of Rs 7,200.00 Lakhs and ₹ 6,657.00 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, 2022	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note 23)	Nil	Nil	Nil	Nil	Nil	Nil
Current (Refer Note 26)	204.36	204.36	Nil	Nil	Nil	204.36
Other Financial Liabilities:						
Non Current (Refer Note 24)	453.91	Nil	453.91	Nil	Nil	453.91
Current (Refer Note 28)	861.70	861.70	Nil	Nil	Nil	861.70
Trade Payables (Refer Note 27)	7,165.89	7,165.89	Nil	Nil	Nil	7,165.89
Total	**8,685.86**	**8,231.95**	**453.91**	**Nil**	**Nil**	**8,685.86**

(₹ in Lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	Carrying Amount	Contractual Cash Flows				
		On demand or within 1 year	Over 1 year within 2 years	Over 3 years within 5 years	Over 5 years	Total
Borrowings:						
Non Current (Refer Note.23)	14.45	Nil	Nil	14.45	Nil	14.45
Current (Refer Note.26)	37.52	37.52	Nil	Nil	Nil	37.52
Other Financial Liabilities:						
Non Current (Refer Note.24)	429.16	Nil	429.16	Nil	Nil	429.16
Current (Refer Note.28)	852.15	852.15	Nil	Nil	Nil	852.15
Trade Payables (Refer Note.27)	5,706.60	5,706.60	Nil	Nil	Nil	5,706.60
Total	**7,039.88**	**6,596.27**	**429.16**	**14.45**	**Nil**	**7,039.88**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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, 2022, the Group had entered into derivative contracts of ₹ 2,463.26 Lakhs (PY.₹ 2,741.63 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:

(₹ & FC in Lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
a) Trade Receivables (Against Export)	USD	69.12	44.88
	INR	5,239.45	3,299.05
	EURO	4.01	4.77
	INR	339.43	410.77
	CAD	0.58	Nil
	INR	35.36	Nil
b) Trade Payables (Against import - including capital import)	USD	1.25	0.17
	INR	94.38	12.50
Net Statement of Financial Exposure (a - b)	USD	67.87	44.71
	INR	5,145.07	3,286.55
	EURO	4.01	4.77
	INR	339.43	410.77
	CAD	0.58	Nil
	INR	35.36	Nil

Note - Figures in bracket denotes credit balance.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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; Euro and CAD currencies). The same is summarized as below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	257.25	(257.25)	164.33	(164.33)
EURO	16.97	(16.97)	20.54	(20.54)
CAD	1.77	(1.77)	Nil	Nil
Total	**275.99**	**(275.99)**	**184.87**	**(184.87)**

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Rate Borrowings	Nil	51.97
Variable Rate Borrowings	204.36	Nil
Total	**204.36**	**51.97**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
50bp increase would decrease the profit before tax by	(1.02)	Nil
50bp decrease would increase the profit before tax by	1.02	Nil

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.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

(₹ in Lakhs)

Year Ended	Total No. of Units held	Average price per unit	Fair Value	% Change in Fair Value	Effect on Profit before Tax
March 31, 2022	5,84,14,415.668	16.57	9,680.60	5.00%	484 .03
				-5.00%	(484.03)
March 31, 2021	1,70,33,512.220	47.36	8,066.47	5.00%	403 .32
				-5.00%	(403.32)

49 Capital Management:

The Group's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Group; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Borrowing (Refer Note.23)	Nil	14.45
Current Borrowing (Refer Note.26)	204.36	Nil
Current maturity of long term borrowing (Refer Note.26)	Nil	37.52
Total Borrowing	**204.36**	**51.97**
Cash and cash equivalents	693.40	1,143.83
Net debt	Nil	Nil
Equity	43,287.74	36,639.23
Net debt to equity ratio	Nil	Nil

50 Interest in Subsidiary:

50.1 Subsidiary:

The group's subsidiary at March 31, 2022 and March 31, 2021 are set out below:

Name of entity	Place of business	Principal activities	As at March 31, 2022	As at March 31, 2021
Zullinc Healthcare LLP	India	Manufacturing and trading of Pharmaceutical Products		
Ownership Interest Held by the Company			100%	100%
Ownership interest held by non-controlling interests			0%	0%

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

50.2 Details of subsidiary and non-controlling interest:

Set out below is summarised financial information of M/s. Zullinc Healthcare LLP (100% Owned subsidiary). The amounts disclosed for subsidiary are before inter-company eliminations.

(i) Summarised Balance Sheet of subsidiary as at each balance sheet date:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets	182.27	856.28
Current liabilities	60.33	734.01
Net Current assets / (liabilities)	**121.94**	**122.27**
Non-current assets	Nil	Nil
Non-current liabilities	Nil	Nil
Net Non-current assets / (liabilities)	Nil	**Nil**
Net Assets	**121.94**	**122.27**
Accumulated Non-controlling interest	Nil	Nil

(ii) Summarised Statement of Profit and Loss of subsidiary during each financial year:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	36.67	169.72
Profit for the year	(0.32)	7.92
Other Comprehensive Income	Nil	Nil
Profit / (loss) attributable to Non-controlling interest	Nil	Nil
Other Comprehensive Income attributable to Non-controlling interest	Nil	Nil
Total comprehensive income attributable to Non-controlling interest	**Nil**	**Nil**

(iii) Summarised Cash Flows of subsidiary:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities	(4.29)	3.98
Cash flows from investing activities	Nil	Nil
Cash flows from financing activities	(0.02)	(0.23)
Net increase/ (decrease) in cash and cash equivalents	**(4.31)**	**3.75**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

51 Earnings Per Share (EPS)

Particulars	Unit	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Profit for calculation of basic / diluted Earnings Per Share	₹ in Lakhs	6,935.51	6,225.01
Weighted Average Number of Equity Shares in calculating Basic and Diluted Earnings Per Share	Numbers	2,00,29,728	2,00,29,728
Basic and Diluted Earnings Per Share	₹	34.63	31.08
Nominal Value of Equity Shares	₹	10.00	10.00

A. Reconciliation on Amount of EPS

Particulars	Unit	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share in			
From continuing operations attributable to the equity holders of the company	₹	34.63	31.08
Total basic earnings per share attributable to the equity holders of the company	₹	34.63	31.08
(b) Diluted earnings per share in			
From continuing operations attributable to the equity holders of the company	₹	34.63	31.08
Total diluted earnings per share attributable to the equity holders of the company	₹	34.63	31.08

B. Reconciliations of earnings used in calculating earnings per share

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	6,935.51	6,225.01
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	6,935.51	6,225.01

C. Weighted average number of shares used as the denominator

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,00,29,728	2,00,29,728
(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	2,00,29,728	2,00,29,728

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Basic earnings per share	Nil	Nil
(b) Diluted earnings per share	Nil	Nil

52. 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	Company Secretary
Entities in which Key managerial personnel and/or their close members of family have control:	
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
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
Close Members 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
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

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

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

A) Transactions with related parties during the year:

a) Transactions with Entities in which Key managerial personnel and/or their close members of family have control during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Downtown Finance Pvt Ltd	Loan Taken	200.00	Nil
	Interest Expense on Loan	4.85	Nil
	Dividend Paid	1.59	Nil
Downtown Travels LLP	Travelling expenses	48.53	33.62
	Advance Given	Nil	50.00
	Advance Received back	(25.00)	Nil
	Dividend Paid	7.13	Nil
Sunmed Corporation LLP	Commission	12.04	6.02
	Dividend Paid	7.50	Nil
Shardaben Gulabdas Patel Public Charitable Trust	CSR contribution	75.26	64.11
Ashish R Patel HUF	Commission	35.40	47.20
Mahendra G Patel HUF	Commission	17.70	17.70
Munjal M Patel HUF	Commission	17.70	17.70

b) Transactions with Key managerial personnel during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Ashish R Patel	Remuneration	47.17	43.51
	Dividend Paid	15.01	Nil
Hashmukh I Patel	Remuneration	33.25	30.44
	Dividend Paid	5.60	Nil
Mahendra G Patel	Remuneration	27.75	25.31
	Dividend Paid	7.67	6.50
	Deposit Received Back	(4.17)	Nil
	Rent	6.50	Nil
Munjal M Patel	Remuneration	30.39	27.84
	Advance Received back	(1.75)	Nil
	Dividend Paid	24.74	Nil
Rajnikant G Patel	Dividend Paid	10.88	Nil
Darshit A Shah	Remuneration	10.35	8.88
Niren A Desai	Remuneration	4.73	4.27
Arvindbhai G Patel	Consultancy Fees	8.40	8.40
	Dividend Paid	1.67	Nil

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

c) Transactions with close members of family of Key Management Personnel during the year:

(₹ in Lakhs)

Name of related party	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Kailashben M Patel	Salary Expenses	12.60	11.70
	Deposit Received Back	(5.12)	Nil
	Rent	6.50	6.50
	Dividend Paid	5.70	Nil
Kalpanaben R Patel	Salary Expenses	4.90	4.55
	Dividend Paid	4.40	Nil
Anand A Patel	Salary Expenses	15.33	14.08
	Dividend Paid	2.73	Nil
Dharmisthaben H Patel	Salary Expenses	11.90	11.05
	Dividend Paid	0.98	Nil
Mansi M Patel	Salary Expenses	27.60	21.70
	Dividend Paid	3.00	Nil
Nidhi H Patel	Salary Expenses	19.80	14.10
	Dividend Paid	0.81	Nil
Mansi A Patel	Salary Expenses	18.20	16.90
Hansaben A Patel	Dividend Paid	1.76	Nil
Ishwarlal A Patel	Dividend Paid	0.77	Nil
Jigar H Patel	Dividend Paid	1.03	Nil
Aniruddh H Patel	Dividend Paid	1.03	Nil
Nishit M Patel	Dividend Paid	2.73	Nil
Shardaben G Patel	Dividend Paid	0.47	Nil
Shivani B Shah	Dividend Paid	3.10	Nil
Amar A Patel	Dividend Paid	0.90	Nil

d) Compensation to Key Managerial Personnel

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Short term Employee benefit	153.64	140.25
Post Employment Benefits	5.28	5.28
Total	**158.92**	**145.53**

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

B) Balances outstanding at each reporting date:

a) Balance Outstanding with Entities in which Key managerial personnel and/or their close members of family have control at each reporting date:

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Sunmed corporation LLP	Other current assets	111.88	116.25
	Trade payables	Nil	(4.37)
Downtown Travels LLP	Current Loans	25.00	50.00
	Other current assets	5.77	(27.37)
Shree Corporation	Trade Receivable	3.97	3.97
Downtown Finance Private Limited	Current Borrowings	(204.36)	Nil

b) Balance Outstanding with Key managerial personnel at each reporting date:

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Ashish R Patel	Other current Financial Liability	(1.07)	(1.49)
Mahendra G Patel	Other current assets	Nil	8.26
	Other current Financial Liability	(0.53)	Nil
Munjal M Patel	Other current Financial Liability	(0.72)	Nil
	Trade Payables	Nil	1.53
Hasmukh I Patel	Other current Financial Liability	(1.45)	(0.95)
Arvind G Patel	Trade payables	(0.63)	(0.65)
Niren A Desai	Other current Financial Liability	(0.36)	(0.31)
Darshit A Shah	Other current Financial Liability	(0.70)	(0.63)

c) Balance Outstanding with Close Member of Key managerial personnel at each reporting date:

(₹ in Lakhs)

Name of related party	Nature of Amount	As at March 31, 2022	As at March 31, 2021
Kailashben M Patel	Trade Payables	Nil	3.27
	Other current Financial Liability	(0.38)	(0.03)
Anand A Patel	Other current Financial Liability	(0.72)	(0.53)
Mansi A Patel	Other current Financial Liability	(0.97)	(0.63)
Mansi M Patel	Other current Financial Liability	(0.18)	(0.21)
Nidhiben H Patel	Other current Financial Liability	(3.71)	(0.04)
Dharmisthaben H Patel	Other current Financial Liability	(0.73)	(0.68)
Kalpanaben R Patel	Other current Financial Liability	(0.35)	(0.35)

Note: Figures in bracket denotes credit balance.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

53 Changes in Liabilities arising from Financial Activities

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance	51.97	507.40
Cash inflow of non-current borrowings	Nil	Nil
Cash outflow of non-current borrowings	(51.97)	(72.11)
Changes in current borrowings cash flows	200.00	(383.32)
Others	4.36	Nil
Closing Balance	204.36	51.97

54. 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 31/03/2022	13	32.50	2,463.26
Forward contract to Sell USD - As at 31/03/2021	8	37.50	2,741.63

b. Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2022 are as under:

(FC in Lakhs)

Currency	Payable (In FC)		Receivable (In FC)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
USD	1.25	0.17	69.12	44.88
EURO	Nil	Nil	4.01	4.77
CAD	Nil	Nil	0.58	Nil

(₹ in Lakhs)

Currency	Payable (In INR)		Receivable (In INR)	
	As at 31/03/2022	As at 31/03/2021	As at 31/03/2022	As at 31/03/2021
USD	94.38	12.50	5,239.45	3,299.05
EURO	Nil	Nil	339.43	410.77
CAD	Nil	Nil	35.36	Nil

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

55. Dividends

(₹ in Lakhs)

Particulars	As At 31/03/2022	As At 31/03/2021
Equity shares		
Final dividend for the year ended 31 March 2021 of ₹ 1.50/- (31 March 2020 – ₹ Nil/-) per fully paid share has been distributed	300.00	Nil
Interim dividend for the year 2021-22 of ₹ Nil (in the year 2020-21- ₹ Nil) per fully paid share has been distributed	Nil	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 2022. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	300.45	300.00

56. Assets Pledged as Security

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

(₹ in Lakhs)

Particulars	Note No.	As At 31/03/2022	As At 31/03/2021
Non-Current Assets			
Property Plant & Equipment and Intangible Assets	5	14,430.17	10,859.62
Total Non Current Assets pledged as Security		**14,430.17**	**10,859.62**
Current Assets			
Inventories	12	7,274.20	4,661.28
Financial Assets			
Investments	13	9,680.60	8,066.47
Trade Receivable	14	11,503.75	11,211.97
Cash and cash equivalents	15	656.76	1,102.88
Other Bank Balance	16	30.68	222.80
Loans	17	3,177.73	1,928.00
Other Financial Assets	18	82.37	59.39
Other Current Assets	20	1,576.84	3,427.38
Total Current Assets pledged as Security		**33,982.93**	**30,680.17**
Total Assets Pledged as Security		**48,413.10**	**41,539.79**

Note: Asset pledge as security includes the Securities hypothecated with the bank for current and non-current borrowing by the company.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

57. Additional Regulatory Information (Non Ind AS)

The disclosures required by amendment to Division II of Schedule III of the Companies Act,2013 are given only to the extent applicable:

a) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.

b) During the year no proceedings has been initiated or pending against the Group for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder .

c) Group has not carried our any revaluation in respect of Property, Plant & Equipments and intangible Asset, hence during the year there has been no change of 10% or more in the aggregate of the Net Carrying value of Assets on account of revaluation of Assets in respect of Property, Plant & Equipments and intangible assets.

d) There are no intangible assets under development in the Group during the current reporting period.

e) The Group has not entered in to any transaction with companies struck off under section 248 of the Companies Act, 2013.

f) The borrowing taken by the Group from the banks has been used for the specific purpose for which it was taken.

g) The Group has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

h) Details in respect of Difference in respect of Current assets as per books and details as provided in quarterly returns filed by the Group, the details of the same is as under:

For the Financial Year 2021-2022

(₹ in Lakhs)

Name of the Bank & Quarter	Particulars of Security Provided	Amount reported in Quaterly return/ statement	Amount as per Books of Account	Amount of Difference
State Bank of India & Yes Bank Ltd Quarter - June 2021	Inventories	3,788.53	4,567.89	(779.36)
	Debtors	14,461.87	11,391.58	3,070.29
	Creditors	3,752.04	7,369.54	(3,617.50)
State Bank of India & Yes Bank Ltd Quarter - Sep 2021	Inventories	3,468.70	4,887.56	(1,418.86)
	Debtors	16,652.80	12,837.15	3,815.65
	Creditors	3,755.91	6,564.69	(2,808.78)
State Bank of India & Yes Bank Ltd Quarter - Dec 2021	Inventories	4,711.24	5,863.51	(1,152.27)
	Debtors	16,648.83	12,538.29	4,110.54
	Creditors	4,300.99	6,623.73	(2,322.74)
State Bank of India & Yes Bank Ltd Quarter - Mar 2022	Inventories	6,108.08	7,274.20	(1,166.12)
	Debtors	15,275.49	11,503.75	3,771.74
	Creditors	5,962.31	7,141.88	(1,179.57)

Reason for Material discrepancies :

1) In Cloumns of Amount as per books of Accounts, Company has considered the figures of Lincoln Pharmaceuticals Limited & Lincoln Parenteral Limited both as per the amalgamation order duly approved of Hon'ble NCLT, Ahmedabad dated on 14th Sep 2021 where as Stock Statement includes stock details in respect of Lincoln Pharmaceuticals Limited only.

Notes to consolidated financial statement (Contd...)

for the year ended March 31, 2022

2) The Effect of Stock in Transit has been given in Books of Accounts but the same effect has not been considered at the time of submitting Stock Statement.

3) At the time of Subitting the Stock Statement to Bank, Compnay had considered the Raw Material; Packing Material & Finished Goods Creditors only but in books other Miscellaneous creditors are also included in this catagory.

For the Financial Year 2020-2021

(₹ in Lakhs)

Name of the Bank & Quarter	Particulars of Security Provided	Amount reported in Quaterly return/ statement	Amount as per Books of Account	Amount of Difference
State Bank of India & Yes Bank Ltd Quarter - June 2020	Inventories	3,834.70	4,460.13	(625.43)
	Debtors	14,170.55	12,008.21	2,162.34
	Creditors	2,653.36	6,460.81	(3,807.45)
State Bank of India & Yes Bank Ltd Quarter - Sep 2020	Inventories	3,606.08	4,037.32	(431.24)
	Debtors	14,586.91	11,673.08	2,913.83
	Creditors	3,280.13	4,582.85	(1,302.72)
State Bank of India & Yes Bank Ltd Quarter - Dec 2020	Inventories	3,516.88	3,870.14	(353.26)
	Debtors	14,824.03	13,482.13	1,341.90
	Creditors	3,251.34	6,883.13	(3,631.79)
State Bank of India & Yes Bank Ltd Quarter - Mar 2021	Inventories	3,336.49	4,661.28	(1,324.79)
	Debtors	13,247.42	11,211.97	2,035.45
	Creditors	3,200.66	5,655.69	(2,455.03)

Reason for Material discrepancies :

1) In Cloumns of Amount as per books of Accounts, Company has considered the figures of Lincoln Pharmaceuticals Limited & Lincoln Parenteral Limited both as per the amalgamation order duly approved of Hon'ble NCLT, Ahmedabad dated on 14th Sep 2021 where as Stock Statement includes stock details in respect of Lincoln Pharmaceuticals Limited only.

2) The Effect of Stock in Transit has been given in Books of Accounts but the same effect has not been considered at the time of submitting Stock Statement.

3) At the time of Subitting the Stock Statement to Bank, Compnay had considered the Raw Material; Packing Material & Finished Goods Creditors only but in books other Miscellaneous creditors are also included in this catagory.

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)

Place : Ahmedabad
Date: 19/05/2022

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: 19/05/2022

LINCOLN

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