



- TEL : 022 - 3001 5666
- FAX : 022 - 2405 7708
- E-Mail : info@naxparlab.com
- Visit us at: www.naxparlab.com
- CIN No. : L36912MH1982PLC027925

# Parnax Lab Ltd.

(Formerly Known as Krishna Deep Trade & Investment Ltd.)

114, BLDG. NO. 8, JOGANI IND. COMPLEX,  
SION-CHUNABHATTI, MUMBAI - 400 022, INDIA

**Date: 04<sup>th</sup> October, 2018**

To,  
**Department of Corporate Service (DCS-CRD),**  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

**Sub.: Submission of Annual Report for Financial Year 2017 - 2018 as per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

**Ref: Parnax Lab Ltd**

**Script Code : 506128**

Dear Sir,

Please find attached Annual Report 2017-2018 duly approved and adopted in the 36<sup>th</sup> Annual General Meeting held on Saturday, 29<sup>th</sup> September, 2018 at 4.00 pm at Gala No.114, Bldg. No.8, Jogani Industrial Complex, Chunabhatti, Mumbai-400022.

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you,

For PARNAX LAB LIMITED,



**Bhoomi Thakkar**  
**Company Secretary & Compliance Officer**



# **Parnax Lab Limited**

**36<sup>th</sup>**

**Annual Report  
2017 - 2018**



# Parnax Lab Limited

## **Board of Directors:**

Mr. Prakash M Shah (DIN 00440980)	: Chairman and CEO
Mr. Baiju M Shah (DIN 00440806)	: Managing Director and CFO
Mr. Vinayak B Desai (DIN 03185850)	: Independent and Non-Executive Director
Mr. Manharbhai N Jhavari (DIN 03571525)	: Independent and Non-Executive Director
Mr. Tirunillai V Anantharaman (DIN 07147028)	: Independent and Non-Executive Director
Mrs. Ami M Shah (DIN 03101049)	: Women Director

## **Statutory Auditors:**

M/s. Ladha Singhal & Associates

## **Bank:**

State Bank of India  
Apna Sahakari Bank Limited

## **Registered office:**

Gala No. 114, Building No. 8  
Jogani Industrial Complex,  
Chunabhatti, Mumbai - 400 022  
Phone no.: 022- 3001 5666  
Website: www.naxparlab.com

## **Registrar and share transfer agent:**

### **Link Intime India Pvt Limited**

C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400083.

Tel No.: 91 22 4918 6000

Fax.: 91 22 4918 6060

Email- rnt.helpdesk@linkintime.co.in

CIN: U67190MH1999PTC118368

## **Listing of Equity Shares:**

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400001.

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PARNAX LAB LIMITED WILL BE HELD ON SATURDAY, 29TH DAY OF SEPTEMBER, 2018 AT 4 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT GALA NO.114, BLDG. NO. 8, JOGANI INDUSTRIAL COMPLEX, CHUNABHATTI, MUMBAI-400022 TO TRANSACT THE FOLLOWING BUSINESSES:**

**Ordinary business:**

1. To receive, consider and adopt the standalone and consolidated audited annual accounts for the year ended March 31, 2018 along with notes thereon as on that date and the Reports of Board of Directors and Auditors thereon.
2. To reappoint Director in place of Mr. Baiju Shah (DIN: 00440806), who retires by rotation and being eligible offers himself for Re-appointment.

**Special business:**

3. To approve the Related Party Transactions and in this regard, to consider and if thought fit to pass the following resolution, with or without modification, as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 read with the applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013 (“the Act”) and any other applicable provisions of the Act read with Regulation 27(2) of the Listing Obligation and Disclosure Requirements (including any amendment, modification(s) or reenactment thereof), the consent of the members of the Company be and is hereby accorded to ratify, continue and enter into, the related party transactions with related parties as defined under section 2(76) of the Companies Act, 2013 as per the details given below:

<b>Name of the related party</b>	<b>Naxpar Pharma Private Limited</b>
Name of the Director or KMP who is related, if any	<ul style="list-style-type: none"> <li>• Mr. Prakash Mahasukhlal Shah</li> <li>• Mr. Baiju Mahasukhlal Shah</li> <li>• Mr. Manharbhai Navalchand Jhavari</li> </ul>
Nature of Relationship	Subsidiary Company
Nature, Material terms, monetary value and particulars of the contract or Arrangement.	Nature: Purchase and Sales of Goods and Services, Materials. Value: Rupees 10 Crore each transaction. Duration: On Continual Basis.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its committee be and is hereby authorized to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any questions and difficulties that may arise in the matter and incidental thereto, without being required to seek any further consent or approval of the members of the Company shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.”

**4. Adoption of new set of Memorandum of Association:**

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

**“RESOLVED THAT** pursuant to the provisions of section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the draft clauses contained in the Memorandum of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect.

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

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

**“RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, consent of the shareholders be and is hereby accorded to the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or any part of the moveable or immovable properties of the Company (including plant & machinery) situated at Plot No 74, 120 & 121, Govt. Industrial Estate, Masat, Silvassa, either to its material Subsidiary Company i.e. Naxpar Pharma Private Limited or any other party as may be decided by the Board at a total consideration of not less than Rs 600 Lakhs (Six Hundred Lakhs only).

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to finalise the terms and conditions of such sell and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

**Place: Mumbai**  
**Date: 14<sup>th</sup> August 2018**

**For and on behalf of Board**

**Registered Office:**  
**Gala No. 114, Bldg. No. 8,**  
**Jogani Industrial Complex,**  
**Chunabhatti, Mumbai-400022.**  
**CIN: L36912MH1982PLC027925**

Sd/-

**Prakash M. Shah**  
**Chairman & CEO**  
**(DIN 00440980)**

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. The proxies, in order to be effective must be duly stamped and signed and should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as Proxy for more than 50 members and holding in the aggregate not more than 10 percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
3. The Register of Members and Share Transfer Register will remain closed from **Monday 24th September 2018 to Saturday, 29th September, 2018**(both days inclusive).
4. Explanatory statement under section 102 of the Companies Act, 2013 which sets out details relating to Special Business is annexed hereto.
5. Members/Proxies are requested to produce the attendance slip duly signed for attending the meeting and also requested to bring copies of Annual Report.
6. Corporate members are requested to produce a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
7. Members whose shareholding is in the electronic mode are requested to direct change of address notification and updation of Saving Bank Account details to their respective Depository Participants.
8. Members holding shares in physical form are requested to furnish following information to the Company's Registrar and Share Transfer Agents, **M/s. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083** or by emailing to them at [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in):
  - a) Change in their address, if any, along with the pin code.
  - b) Request for consolidation of shareholdings in one account if share certificates are held in multiple accounts or joint accounts in identical order of names.
9. Members holding shares in dematerialized mode are requested to intimate changes if any in their addresses along with pin code to their Depository Participants.
10. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their mail address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.



The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: [compliance@naxparlab.com](mailto:compliance@naxparlab.com).

**11. Voting through electronic mean**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members the facility to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below.

**Procedure / instructions for e-voting are as under:**

- I. In case of members receiving e-mail:
  - a. Open e-mail
  - b. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - c. Now click on “Shareholders” tab
  - d. Now, select the “**COMPANY NAME**” from the drop-down menu and click on “SUBMIT”
  - e. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - f. Next enter the Image Verification as displayed and Click on Login.
  - g. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - h. If you are a first-time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- i. After entering these details appropriately, click on “**SUBMIT**” tab.
- j. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Select “**EVSN**” (E-Voting Event Number) of **Parnax Lab Limited**. Now you are ready for e-voting as cast Vote page opens.

- m. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- o. After selecting the resolution, you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- p. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- r. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy:

Please follow all steps from sl. no. **(a)** To sl. no. **(r)** above to cast vote.

**Other Instructions:**

- The voting period begins on Wednesday, 26th September 2018(9 am IST) and ends on Friday, 28th September 2018 (5.00 pm IST). During these period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of 22nd September 2018.
- Mr. Hemant Shetye, Partner of HS Associates, Practicing Company Secretaries (Membership No. FCS 2827) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.
- The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The results of the e-voting along with the scrutinizers report shall be placed in the Company’s website [www.naxparlab.com](http://www.naxparlab.com) and on the website of CDSL within two working days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Hemant Shetye, Partner of HS Associates, Practicing Company Secretaries, at the Corporate office of the Company not later than 28th September 2018 (5.00 pm IST).
- Ballot Form received after this date will be treated invalid.
- A member can opt only for one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.



12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

The Members are requested to:

- i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;
- ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;
- iii. Dematerialize the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in Dematerialized form for all the investors.

**For and on behalf of Board**

Sd/-

**Place: Mumbai**  
**Date: 14<sup>th</sup> August 2018**

**Prakash M. Shah**  
**Chairman & CEO**  
**(DIN 00440980)**

<b>DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN 36<sup>TH</sup> ANNUAL GENERAL MEETING</b>	
Name of Director	BAIJU MAHASUKHLAL SHAH
DIN	00440806
Date of First Appointment	07.12.2010
Qualification	Graduate
Shareholding of directors	628261
Directors Inter-se relationship	Brother of Prakash M Shah
Years of experience	39
Name of Company	• Parnax Lab Limited
Names of other listed entities in which the person also holds the directorship and membership of committees of the board	Nil





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

**Item No. 03:**

The Provisions of Section 188 read with Rule 15(3) of the Companies (Meeting of the Board and its Power) Rules 2014 of the Companies Act 2013 ("the Act") and Regulation 27(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation 2015 provides that certain kind of transactions as tabled below with related parties as define u/s 2(76) of the Act, hereinafter referred to as 'Related Party Transactions' or 'RPT', beyond the prescribed limits requires approval of members of the Company.

In the light of provisions of Companies Act 2013, the Board of Directors of your Company has ratified, continued and approved the transactions with related parties entered or to be entered into with them, subject to the limit specified in the resolution.

The details as per the requirements of Rule 15(3) of the companies (Meeting of the Board and its Power) Rules 2014 are given in the resolution.

Your Directors propose to pass the above resolution as Ordinary Resolution.

- Except Mr. Prakash M. Shah, Mr. Baiju Shah and Mr. Manharbhai Navalchand Jhavari none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.03. Further, no voting done by any members of the Company, if such member is related party, shall not be counted for the purpose of passing of this resolution.

**Item No. 04:**

Parnax Lab Limited was incorporated as Krishna Deep Trade and Investment Limited on 3rd August, 1982 under the provisions of Companies Act, 1956.

The existing Memorandum of Association (MOA) is based on the Companies Act, 1956 and several clauses in the existing MOA contain references to Companies Act, 1956 which are no longer in force.

The existing MOA is replaced by new set of MOA as per the requirements of Table A of the First schedule of Companies Act, 2013. The modification is carried out to give effect to provisions of Companies Act, 2013.

Consent of the shareholders by way of special resolution is required in this regard. The entire set of proposed MOA is available at the registered office of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a special resolution.

**Item No. 05:**

The Company is engaged in the business of dealing in pharmaceutical formulations. The Company has suffered losses during last few years. Also the Company declared layoff at its plant due to labour issues few years back and the company has entered into settlement agreement with remaining workers and settled the labour issue by paying them agreed settlement amount. The company explored the possibility of reviving the plant and appointed consultant for the same. After due discussion with the consultant, it was concluded that it is not possible to revive that plant with the given resources available with the company. After various deliberations and discussion, the Board may explore the route of selling of its undertaking either to its material subsidiary or any other party as may be decided by the Board of Directors appropriately. The sale proceeds of which would mainly be utilized for repayment of borrowings.

The proposed transaction may or may not be falling under the qualification of "undertaking" as defined under Explanation (i) u/s 180(1)(a) or as per Regulation 24(6) of SEBI (LODR), 2015 but as a measure of good governance and transparency, your Directors are seeking the approval of members by way of a Special Resolution as required under the provisions of Section 180(1)(a) of the Act and applicable Rules thereunder.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence, commends the Resolution for your approval. The same has been placed before the Meeting for the approval of the members.



The Board of Directors has appointed M/s. Kakode & Associates., an Independent Valuer who has carried out the Valuation Process for the said transaction. The Valuation report as provided by the Independent Valuer is available for inspection at the registered office of the company during business hours.

This is an enabling provision which will help the company to enforce the transaction in future appropriately in compliance with the law.

Your Directors propose to pass the above resolution as Special Resolution.

The Promoters of the Company being interested in the said resolution, they shall remain abstain from voting. Further, no voting done by any members of the Company, if such member is related party, shall not be counted for the purpose of passing of this resolution.

**For and on behalf of Board**

**Sd/-**

**Place: Mumbai**  
**Date: 14<sup>th</sup> August 2018**

**Prakash M. Shah**  
**Chairman & CEO**  
**(DIN 00440980)**



To,  
RTA  
Unit: Parnax Lab Ltd,

**Add- Updation of Shareholding Information**

I/We request you to record the following information against my/our Folio No:

**General Information:**

<b>Folio No:</b>	
<b>Name of the first Named Shareholder:</b>	
<b>PAN:*</b>	
<b>CIN/Registration No.:*</b> <b>(applicable to Corporate Shareholders)</b>	
<b>Tel No. with STD Code:</b>	
<b>Mobile No.:</b>	
<b>Email Id:</b>	

\*Self-attested copy of the Document(s) enclosed

**Bank Details:**

<b>IFSC:</b> <b>(11Digit)</b>	
<b>MICR:</b> <b>(9 Digit)</b>	
<b>Bank A/c Type:</b>	
<b>Bank A/c No.:</b>	
<b>Name of the Bank:</b>	
<b>Bank Branch Address:</b>	

\*A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the Particulars given above are correct and complete .If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible .I/we undertake to inform any subsequent changes in the above details shall be maintained till I/We held the securities under the above mentioned Folio No. /beneficiary account.

**Place:**  
**Date:**

\_\_\_\_\_  
**Signature of Sole / First holder**

**DIRECTORS' REPORT**

To,

**The members of  
Parnax Lab Limited.**

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2018.

**1. FINANCIAL RESULTS:**

**(Standalone basis)  
Amount in ₹**

Particulars	For the year ended on 31 <sup>st</sup> March, 2018	For the year ended on 31 <sup>st</sup> March, 2017
Revenue from Operations	5,80,30,879	5,27,90,328
Profit/ (Loss) before Depreciation and Tax	(2,03,49,679)	(42,76,161)
Less: Depreciation	44,11,273	53,27,178
Tax Expenses	(7,63,951)	(29,32,854)
<b>Net Profit/ (Loss) for the year</b>	<b>(2,39,97,001)</b>	<b>(66,70,485)</b>
Add. Profit & Loss A/c Bal of Previous year	(3,93,37,577)	(3,26,67,091)
Appropriations:		
Proposed Dividend	NIL	NIL
Dividend Distribution Tax – on Proposed Dividend	N.A.	N.A.
Transfer to General Reserve	NIL	NIL
<b>Balance c/fd to Balance Sheet as at 31.03.2018.</b>	<b>(6,26,79,774)</b>	<b>(3,93,37,577)</b>

**2. STATEMENT OF COMPANY'S AFFAIRS:**

During the year the net income from operations on standalone basis Increased from 527.90 lakh to 580.34 lakh. The Company is hopeful to improve the result in coming years.

**3. DIVIDEND:**

The Board recommended no dividend shall be declared for the Financial Year ended on 31st March, 2018.

**4. TRANSFER TO RESERVES:**

The Company has not transferred amount to any reserve.

**5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:**

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/outgo are set out in **Annexure I** to this Report.

**6. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return in Form MGT – 9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of Companies (Management and Administration), Rules 2014 are as per **Annexure II** to this Report.

**7. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis is presented as a separate section as **Annexure III** forming part of this Annual Report.

**8. SUBSIDIARY COMPANY:**

The Company has one Subsidiary Company as on March 31, 2018 namely Naxpar Pharma Private Limited. There has been no material change in the nature of business of the subsidiary company.

Pursuant to the provision of Section 129(3) of the act, a statement containing silent features of the financial statements of the company's subsidiary in Form AOC-1 is attached to the set Report in **Annexure IV** to this Report.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year 2017-18 the Contract or Arrangements entered in to by the Company with related parties were approved by the Audit Committee pursuant to subsection (IV) (4) of Section 177 of Companies Act, 2013 and by the Board of Directors pursuant to Section 188 (1) of Companies Act, 2013.

The related party transactions were at arm's length basis and were in the ordinary course of business of the Company. The other details with respect to related party transactions in Form AOC – 2 are set out in **Annexure V** to this Report. The policy on Related Party Transactions is available on Company's website- [www.naxparlab.com](http://www.naxparlab.com).

**10. PARTICULARS OF REMUNERATION:**

In terms of provision of section 197 (12) of the Companies Act 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing have been provided in **Annexure VI** however as there are no employees drawing remuneration in excess of the prescribed limits. The information as required the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report However, having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report including the aforesaid information is being sent to the Members of the Company.

**11. DEPOSITS:**

During the Financial Year 2017-18 The Company has not accepted any public deposit covered under Section 76 of the Companies Act, 2013.

**12. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135 of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

**13. DISCLOSURE REQUIREMENTS**

Policy on dealing with related party transactions is available on the website of the Company at the link:[www.naxparlab.com](http://www.naxparlab.com)

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Policy on Whistle Blower is available on the website of the Company at the link :[www.naxparlab.com](http://www.naxparlab.com)

**14. BOARD OF DIRECTORS:**

During the year 2017-18, there were no changes in the Composition of Board of Directors.

However, Ms. Bhoomi Thakkar has been appointed as Company Secretary and Compliance Officer w.e.f. 15th June, 2018.

At the ensuing 36th (Thirty Sixth) Annual General Meeting of the Company the Director **Mr. Baiju Shah (DIN 00440806)** is liable to retire by rotation and being eligible offers himself for re-appointment. Board recommends his re-appointment to the members for consideration in the ensuing 36th Annual General Meeting.

**15. NUMBER OF MEETINGS OF THE BOARD:**

Eight (8) Board Meetings were held during the year 2017-18 pursuant to Section 173 (1) of Companies Act, 2013 on 30th May 2017, 14th August 2017, 14th September, 2017, 29th September, 2017, 14th November 2017, 14th December 2017, 14th February 2018 and 30th March 2018.

**16. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3) (C) of the Companies Act, 2013 your Directors state that:

- (a) in the preparation of Annual Accounts for the year ended on 31st March, 2018, the applicable accounting standards have been followed and there are not material departures from the same.,
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements 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 31st March, 2018 and the profit and loss of the Company for that period.,
- (c) the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.,

- (d) the Directors have prepared Accounts on 'going concern' basis., and
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**17. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**18. NOMINATION AND REMUNERATION COMMITTEE:**

The Board had constituted Nomination and Remuneration Committee pursuant to the provisions of subsection (1) of Section 178 of Companies Act, 2013. Pursuant to subsection (3) of Section 178 of Companies Act, 2013 the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board the policy, relating to the remuneration of directors, key managerial personnel and other employees. The policy is available at Company's website on [www.naxparlab.com](http://www.naxparlab.com).

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of investment made under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements in Notes of the Financial Statement.

During the year the Company has not given loans or Guarantees covered under Section 186 of Companies Act, 2013.

**20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**21. PERFORMANCE EVALUATION OF BOARD:**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance and working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, its structure and composition, establishment and delegation of responsibilities to various Committees. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management of the Company. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

**22. STATUTORY AUDITORS:**

In the Annual General Meeting held on September 29, 2017, M/s Ladha Singhal & Associates. (Firm's Registration No. 120241W) were appointed as Statutory Auditors of the Company to hold office till conclusion of 39th Annual General Meeting. In accordance with Companies (Amendment) Act, 2017, the provision with regard to ratification of appointment of Auditors at every Annual General Meeting prescribed under the first proviso to sub-section (1) of section 139 of the Companies Act, 2013 is omitted from the financial year 2018-19 onwards.

**23. COMMENTS ON AUDIT REPORTS:**

There are no qualifications, reservation or adverse remark or disclaimer made by **M/s Ladha Singhal & Associates, Chartered Accountants** audit report for the year ended on 31st March, 2018.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Secretarial Auditor has mentioned in the Secretarial Audit report that there was no Company Secretary in the Financial Year 2017-18. However, the said Vacancy was filled up by the Board of Directors w.e.f 15th June, 2018.

**24. INTERNAL AUDITORS:**

As per section 138 of the Companies Act, 2013. The Company has appointed **M/s P S D & Associates, Chartered Accountants**, as the internal auditors for the financial year to 2018-2019 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

**25. SECRETARIAL AUDITORS REPORT:**

The Secretarial Audit Report of **M/s HS Associates, Company Secretaries** for the year ended on 31st March, 2018 is attached to this report as **Annexure VII**. The Board has re-appointed HS Associates, Company Secretaries as the Secretarial Auditors of the Company for the Secretarial Audit of the financial year ended on 31st March, 2019.

**26. COMMITTEES OF THE BOARD:**

The Board has constituted necessary Committees pursuant to the provisions of Companies Act, 2013, rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges. The Committees of the Board held by company are Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The details about Committee Meetings are given below:

Sr. No.	Particulars	No. of Meetings held
1.	Audit Committee	Five
2.	Stakeholder's Relationship Committee	Four
3.	Nomination & Remuneration Committee	Four

**27. COMPOSITION OF COMMITTEE OF BOARD OF DIRECTORS:****I. Audit Committee:**

1. Mr. Vinayak Desai - Chairman
2. Mr. Manhar Jhavari - Member
3. Mr. Baiju M. Shah – Member

**II. Stakeholder's Relationship Committee**

1. Mr. Vinayak Desai - Chairman
2. Mr. Manhar Jhavari - Member
3. Mr. Baiju M. Shah – Member

**III. Nomination & Remuneration Committee**

1. Mr. Vinayak Desai - Chairman
2. Mr. Manhar Jhavari - Member
3. Mr. Ami M. Shah – Member

**28. WHISTLE BLOWER:**

The Board of Directors have set up the Whistle Blower Policy i.e. Vigil Mechanism for Directors and Employees of the Company to report concerns about unethical behaviour, actual or suspected fraud, or violations of Company's Code of Conduct or Ethics Policy. The detailed Vigil Mechanism Policy is available at Company's Website [www.naxparlab.com](http://www.naxparlab.com).

**29. CORPORATE GOVERNANCE:**

The Company falls under the criteria 15(2) (a) of the Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 and the Paid-up capital of the Company was below Rs. 10/- Crores and net worth was below Rs. 25/- Crores as on the last day of the previous financial year. Hence, Corporate Governance Report is not applicable to the Company.

**30. POLICIES:**

The Company seeks to Promote Highest levels of ethical standards in the normal business transaction guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, mandates formulation of certain policies for Listed Companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and amended from time to time. The policies are available on the website of the Company at [www.naxparlab.com](http://www.naxparlab.com).

**31. INTERNAL FINANCIAL CONTROLS:**

The Board hereby reports that the Internal Financial Controls were reviewed by the Audit Committee and there were adequate Internal Financial Controls existed in the Company with respect to the Financial Statements for year ended on 31st March, 2018 and the Internal Financial Controls are operating effectively.

**32. ASSET CLASSIFIED AS HELD FOR SALE:**

The company intends to dispose off immovable / movable properties pertaining to the Silvassa Factory, as it no longer intends to be utilized. It was previously utilized in its manufacturing facility. The Company is in search of a buyer for sale of immovable / movable properties. An impairment loss has been recognised on reclassification of the Property, Plant & Equipment as held for sale and the Company expects to realise fair value less cost to sell to be higher than carrying amount.

**33. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has been in compliance with the applicable Secretarial Standards during the Financial year 2017-2018.

**34. DISCLOSURE UNDER SEXUAL HARASSMENT ACT:**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, Redressal for the benefits of its employees. There were no complaints filed against any of the employees of the Company under this Act.

**35. ACKNOWLEDGMENT:**

Your Company wishes to sincerely thank all the customers, commercial banks, financial institution, creditors etc. for their continuing support and co-operation.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company and also sincerely thank the shareholders for the confidence reposed by them in the company and from the continued support and co-operation extended by them.

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

**Date : 14<sup>th</sup> August 2018  
Place : Mumbai**

**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**





## ANNEXURE-I

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014**

**A) CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy - Energy conservation continues to receive priority attention at all levels by regular monitoring of all equipments and devices which consume electricity.
- (ii) The steps taken by the company for utilizing alternate sources of energy - Company ensures that there is optimum utilization and maximum possible savings of energy is achieved.
- (iii) The capital investment on energy conservation equipments - Since Company is having adequate equipment, no capital investment on energy conservation equipments is made during the year.

**B) TECHNOLOGY ABSORPTION:**

- (i) The efforts made towards technology absorption - Not Applicable
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable.
  - (a) The details of technology imported - Not Applicable
  - (b) The year of import - Not Applicable
  - (c) Whether the technology been fully absorbed - Not Applicable
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- (iv) The expenditure incurred on Research and Development - At present the Company does not have separate division for carrying out research and development work. No expenditure has therefore been earmarked for this activity.

**C) FOREIGN EXCHANGE EARNING AND OUTGO:**

	<b>(Rs. in '000)</b>	
	<b>2017-18</b>	<b>2016-17</b>
(a) Foreign Exchange Earnings	5,26,56.21	4,35,28.32
(b) Foreign Exchange Outgo:		
Import of Capital Goods	Nil	Nil
Import of Raw Materials	Nil	Nil
Stores and Consumables	Nil	Nil
Expenses for Foreign Travel	Nil	Nil
Advance paid for Imports	Nil	Nil

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

Date : 14<sup>th</sup> August 2018  
Place : Mumbai

**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**

## ANNEXURE-II

## FORM NO. MGT – 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018

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

## I. REGISTRATION AND OTHER DETAILS:

i	CIN	L36912MH1982PLC027925
ii	Registration Date	03/08/1982
iii	Name of the Company	PARNAX LAB LIMITED
iv	Category/Sub-Category of the Company	Public Company Limited by shares
v	Whether listed Company (Yes/No)	Yes
vi	Address of the Registered Office and contact details	Gala No.114, Bldg No.8, Jogani Industrial Complex, Chunabhatti, Mumbai -400022. Tel : 022-3001 5666 , Fax – 022-4057708, Email – info@naxparlab.com
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Link Intime India Pvt Ltd.</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Tel.: + 91 22 4918 6000 Fax.: + 91 22 4918 6060 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product /Service	% to total turnover of the company
1	Manufacture and Trading of Pharmaceuticals, Medicinal Products.	21002 & 21003	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/Subsidiary/ Associate	% of shares held	Applicable Section of Companies Act,2013
1.	Naxpar Pharma Private Limited, Bldg. No. 08, First Floor,104-107, Jogani Ind., Complex, Chunabhatti, Mumbai - 400 022.	U52310MH2004PTC144449	Subsidiary	99.80%	2(87)



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e.01.04.2017				No. of Shares held at the end of the year i.e.31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5323016	-	5323016	62.59	5323016	-	5323016	62.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) (A)(1) + (A)(2)</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	106834	3150	109984	1.29	173281	3150	176431	2.07	(0.78)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	997112	40800	1037912	12.20	1377187	40800	1417987	16.67	(4.47)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1463081	-	1463081	17.20	1240340	-	1240340	14.58	2.62
a. Others (specify)									
(c-i) Foreign Bodies	-	-	-	-	-	-	-	-	-
(c-ii) Non-Resident Indians (Repat and Non Repat)	20662	-	20662	0.24	94930	-	94930	1.12	(0.88)
(c-iii) HUF	223114	-		2.62	194648	-	194648	2.29	0.33
(c-iv) Clearing Members	327097	-	327097	3.85	57514	-	57514	0.68	3.17
<b>Total Public shareholding (B) (B)(1) + (B)(2)</b>	<b>3137900</b>	<b>43950</b>	<b>3181850</b>	<b>37.41</b>	<b>3137900</b>	<b>43950</b>	<b>3181850</b>	<b>37.41</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total(A+B+C)</b>	<b>8460916</b>	<b>43950</b>	<b>8504866</b>	<b>100.00</b>	<b>8460916</b>	<b>43950</b>	<b>8504866</b>	<b>100.00</b>	<b>-</b>



(ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mrs. Ami Shah	307720	3.62	-	307720	3.62	-	-
2.	Mr. Baiju Mahasukhlal Shah	628261	7.39	-	628261	7.39	-	-
3.	Mr. Binoy Baiju Shah	1369600	16.10	4.59	1369600	16.10	4.59	-
4.	Mrs. Ila B Shah	660872	7.77	-	660872	7.77	-	-
5.	Mr. Mihir Prakash M. Shah	1141250	13.42	4.59	1141250	13.42	4.59	-
6.	Mrs. Pragna Prakash M. Shah	539887	6.35	-	539887	6.35	-	-
7.	Mr. Prakash Mahasukhlal Shah	675426	7.94	-	675426	7.94	-	-
<b>TOTAL</b>		<b>5323016</b>	<b>62.59</b>	<b>9.18</b>	<b>5323016</b>	<b>62.59</b>	<b>9.18</b>	-

(iii) Change in Promoters' Shareholding: There was no change in the Shareholding of the Promoters during the year.

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year- 1st April, 2017		Shareholding at the end of the year- 31st March, 2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Porinju V Veliyath	4836	0.06	104836	1.23
2.	Hitesh Ramji Javeri	63648	0.75	63648	0.75
3.	Mukesh Badola HUF	61900	0.73	61900	0.73
4.	Lincoln P Coelho	-	-	60000	0.71
5.	Sunil Jeetmalji Kothari	53800	0.63	53800	0.63
6.	Navratanmal Badola Huf	53695	0.63	53695	0.63
7.	Sheela Sunil Kothari	52000	0.61	52000	0.61
8.	Nirvi Ketan Vakharia	-	-	49382	0.58
9.	Ashish Chugh	45367	0.53	46267	0.54
10.	Suresh Vege	-	-	43449	0.51
11.	Geojit Financial Services Limited	65916	0.78	100	-
12.	Sykes & Ray Equities (I) Ltd	119900	1.41	-	-
13.	Jagdish chandra Jajoo	112000	1.32	-	-
14.	Sheela Lalit Mehta	59000	0.69	-	-
15.	Shashi Gupta	50700	0.60	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Baiju M. Shah	628261	7.387077	628261	7.387077
2.	Mr. Prakash M. Shah	675426	7.941642	675426	7.941642
3.	Mrs. Ami M. Shah	307720	3.618164	307720	3.618164
4.	Mr. Vinayak Babli Desai	Nil	Nil	Nil	Nil
5.	Mr. Manharbhai Navalchand Jhavari	Nil	Nil	Nil	Nil
6.	Mr. Tirunillai Venkateswara Anantharaman	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	43,092.43	63,511.90	--	106,604.33
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>43,092.43</b>	<b>63,511.90</b>	<b>--</b>	<b>106,604.33</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	40,822.53	4,884.56	--	45,707.09
• Reduction	43,092.43	810.00	--	43,902.43
<b>Net Change</b>	<b>(2,269.90)</b>	<b>4,074.56</b>	<b>--</b>	<b>1,804.66</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	40,822.53	67,856.46	--	108,408.99
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>40,822.53</b>	<b>67,856.46</b>	<b>--</b>	<b>108,408.99</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Director's, Managing Director, Whole-Time Directors and Key Managerial Personnel of the Company are not paid any Remuneration and Sitting Fees for the Financial Year 2017-2018.



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board  
of Parnax Lab Limited

Sd/-

Date : 14<sup>th</sup> August 2018  
Place : Mumbai

Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)

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**ANNEXURE III****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Industry is showing some improvement & your Directors are expecting better Industrial Development in the coming years. The Pharmaceutical Industry in India has grown eminently over the years. This has led to various opportunities as well and created a huge market in India.

Access to affordably priced drugs continues to be an important area of work being undertaken by all stakeholders. For instance, WHO has initiated several steps both with individual companies and countries to extend availability of drugs at affordable prices. The strategies to increase affordability of medicines are also being undertaken by companies.

Being the developing country there are several initiatives are also taken by the government and it is expected to have favourable impact on the Indian economy and will provide impetus to industries beyond.

**SEGMENTWISE PERFORMANCE:**

The Company is Engaged in Manufacture of Pharmaceuticals, Medicinal products and this may be considered as the only segment. Therefore, the requirement of segment wise reporting is not applicable.

**OPPORTUNITIES / OUTLOOK:**

Your Company's future growth will be driven by volume growth across the entire business unit. In the immediate future your Company will focus on its core strengths product segments. Its focus on building marketing & distribution foot-prints shall continue with renewed vigor during the coming year. On the whole, your Company is optimistic for the outlook of growth in the short to medium term in terms of total revenues/ turnover and operating margins considering overall expected positive trend in Pharmaceutical industry.

**THREATS:**

The pharmaceutical industry is highly competitive and the challenges. Human resources with similar skills, talents and experiences in the industry are mobile between competing companies. Price pressures are intense and are expected to remain so. Going forward, there is a risk of inability to maintain current margins on its finished products.

The professionals at Parnax have been continuously working to create opportunities, replicate the successes and drive business growth by undertaking projects.

**RISKS AND CONCERNS:**

The pharmaceutical industry is constantly being challenged by critical compliance risks viz. to comply with rigorous regulatory requirements and compliance is evolving from an isolated departmental initiative to an enterprise level risk management challenge. Some of the competitors, especially multinational pharmaceutical companies, have greater experience in clinical testing and human clinical trials of products and in obtaining regulatory approvals.

This could render Parnax technology and products non-competitive or restrict the Company's ability to introduce new products thereby adversely impacting business.

Due to non-profitable operations in the market, it could adversely affect the Company's business, operations and financial condition. This scenario poses the risk of concentration and dependence on one market. In order to reduce the concentration risk, the Company has been spreading its business. In order to reduce the concentration risk, the Company has been spreading its business and with its effective marketing strategy is also increasing sales volumes in existing markets and is making regular efforts to widen geographical spread.

A key factor in determining a company's capacity to create sustainable value is the risk that the company is willing to take and its ability to manage them effectively. The Company's Risk Management processes focuses on ensuring that risks are identified on a timely basis and addressed. Foreseeing the concerns, the Company manages to identify, evaluate, and monitor non-business risks.





**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company's internal control framework is designed specifically to help ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of laws and regulations. An alert and empowered internal audit ensures prudent financial control, accountability and integrity in the organisation. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. These are supplemented by an internal audit carried out by a firm of Chartered Accountants. The Company has an Audit Committee consisting of three directors, all of whom are independent. This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

**HUMAN RESOURCES POLICIES:**

Your Company has cordial relations with its employees. The company commends the commitment, dedication and competence shown by its employees in all aspects of business. With the growing requirements of the company, Company has taken necessary initiatives to ensure not only the retention of the employees but also their growth and development. The people of any industry serve as propeller for upliftment of the industry. The management has always remained conscious of these inter-related factors and maintained a favourable climate during the year to suit the growth and excellence in the Company. The management has always strived to maintain cordial relationship between the staff, workers and management. This attitude created an atmosphere where each and every staff and worker started feeling a sense of 'ONENESS'.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

**Date: 14<sup>th</sup> May, 2018  
Place: Mumbai**

**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**

## ANNEXURE IV

## FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Naxpar Pharma Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	5,00,00,000/-
5.	Reserves & surplus	28,90,97,954/-
6.	Total assets	77,09,95,720/-
7.	Total Liabilities	77,09,95,720/-
8.	Investments	19,27,485/-
9.	Turnover	1,00,06,00,426/-
10.	Profit before taxation	5,49,86,998/-
11.	Provision for taxation	2,04,24,786/-
12.	Profit after taxation	3,45,62,212/-
13.	Proposed Dividend	NIL
14.	% of shareholding	99.80%

**Notes:**

**The following information shall be furnished at the end of the statement:**

- Names of subsidiaries which are yet to commence operations: NA
- Names of subsidiaries which have been liquidated or sold during the year: NA.

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

**Date: 14<sup>th</sup> August, 2018**

**Place: Mumbai**

**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**



**ANNEXURE V**  
**FORM AOC - 2-:**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS WITH RELATED PARTIES:**

The Company has not entered into any contract or arrangement or transaction with its related parties which not at arm's length during financial year 2017-18.

**2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS WITH RELATED PARTIES:**

The below mentioned entities are the related parties where the Directors of the Company holds Directorship, Partnership, Membership control or interests so these entities are considered as related entities of the Company. The below mentioned values are the value of the transaction amounts paid or payable for the year ended on 31<sup>st</sup> March, 2018.

Sr. No.	Name of the Related Parties.	Nature of Contract/ arrangement/ transactions	Duration of Contract/ arrangement/ transactions	Salient terms of the contract or arrangements or transactions including the value, if any	Date(s) of Approval by the Board, if any	Amount Paid as Advance, if any.
1.	Naxpar Pharma Pvt. Ltd.	Sales and Purchase of Materials	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018	As per Sales/ Purchase orders placed from time to time.	30/05/2017	Nil
2.	Tridente Medicamentos LLP.	Rent Received	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018	Rent Received for Registered Office of LLP.	30/05/2017	Nil
3.	Naxpar Pharma Pvt. Ltd.	Job Work Charges paid.	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018	As Job work charges paid	30/05/2017	Nil
4.	Mr. Binoy B. Shah	Salary paid	01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018	As Salary paid.	30/05/2017	Nil
5.	Naxpar Pharma Pvt. Ltd.	Sale of property, plant & equipments	One Time Sale	Not Applicable	30/05/2017	Nil

Note: Approval of the Audit Committee / Board of Directors has been obtained from time to time

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

Date: 14<sup>th</sup> August, 2018  
Place: Mumbai

**Prakash M. Shah**  
**Chairman & CEO**  
**(DIN 00440980)**

## CEO/CFO CERTIFICATION

To,

**The Board of Directors,  
PARNAX LAB LIMITED.  
Gala No. 114, Bldg. No. 8,  
Jogani Industrial Complex,  
Chunabhatti, Mumbai-400022.**

We, Prakash Mahasukhlal Shah, Director cum CEO and Baiju Mahasukhlal Shah, Director Cum CFO of the Company hereby certify that in respect of the financial year ended on March 31, 2018.

1. We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b. 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.
2. 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.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. to the auditors and the Audit Committee:
  - a. Significant changes, if any, in internal control over financial reporting during the year;
  - b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and,
  - c. Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board  
Of Parnax Lab Limited**

Sd/-

**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**

**Date: 30<sup>th</sup> May, 2018**

**Place: Mumbai**

## DECLARATION

In accordance with Regulation 34(3) of SEBI Listing obligation and Disclosure Requirements, Regulation 2015, I hereby confirm that all the board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as applicable to them for the financial year ended 31st March, 2018.

**For Parnax Lab Limited**

Sd/-  
**Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)**

**Date: 30<sup>th</sup> May, 2018**

**Place: Mumbai**

## ANNEXURE VI

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

*\*During the Financial Year 2017-18 none of the Director's and KMP's of Company were drawing Remuneration and any fees from the Company. However, to ensure good corporate practice, our company is in compliance of providing the said Disclosure of Remuneration.*

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of the directors	Ratio to median Remuneration
<b>Non-executive directors</b>	
Mr. Vinayak B Desai	N. A.
Mrs. Manhar N Jhavari	N. A.
Mr. Tirunillai V Anantharaman	N. A.
Mrs. Ami M Shah	N.A.
<b>Executive directors</b>	
Mr. Prakash M Shah	NIL
Mr. Baiju M Shah	NIL

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Prakash M Shah	NIL
Mr. Baiju M Shah	NIL
Mr. Vinayak B Desai	N. A.
Mrs. Manhar N Jhavari	N. A.
Mr. Tirunillai V Anantharaman	N. A.
Mrs. Ami M Shah	N. A.

- c. **The percentage increase in the median remuneration of employees in the financial year: 10**

- d. **The number of permanent employees on the rolls of Company: 06**

- e. **Average percentile increases 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 annual increase was around 08% to 10 % Approximately.

Increase in the managerial remuneration for the year :N.A.

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

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on May 30, 2017, August 14, 2017, November 14, 2017 & February 14, 2018 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.naxparlab.com](http://www.naxparlab.com)

- g. **The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.**

For and on behalf of the Board  
of Parnax Lab Limited

Sd/-

Prakash M. Shah  
Chairman & CEO  
(DIN 00440980)

Date: 14<sup>th</sup> August 2018  
Place: Mumbai

## ANNEXURE VII

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.**

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

**To,**  
**The Members,**  
**Parnax Lab Limited,**  
**114, Bldg. No. 8 Jogani Industrial Complex,**  
**Chunabhatti, Mumbai-400 022.**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- 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 Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
  - 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as given below:
  - i. Drugs and Cosmetics Act, 1945 and Rules;
  - ii. The Drug (Price Control) Order, 2013;
  - iii. Narcotic Drugs and Psychotropic Substances Act, 1985;



We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India along with revised Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India with effect from 1st October, 2017.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards and Listing Obligations mentioned above subject to the following observations:

- There was no Company Secretary in the Company in the Financial Year 2017-2018. However, the said vacancy was filled up by the Board w.e.f. 15th June, 2018.

We 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. There were no changes in the composition of the Board of Directors took place during the year.

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

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

We further report that during the audit period the Company has:

1. Obtained Shareholders approval pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 for appointment of M/s Ladha Singhal & Associates Chartered Accountants (Firm Registration No. 120241W), as the Statutory Auditors of the Company for a period of 4 years.
2. Obtained Shareholders approval pursuant to Section 94 and all other applicable provisions of the Companies Act, 2013 for maintaining Register of Members, Register of Debenture Holders, the Index of Members/Debenture holders, if any at the Company's Registrar and Transfer Agent i.e. Link Intime India Private Limited.
3. As on the date of signing of this report, the Company has made a proposal to offer Rs. 10,44,114/- (Rupees Ten lakhs forty-four thousand one hundred fourteen only) towards settlement terms voluntarily on 27th July, 2018 pursuant to an Application filed on 27th June, 2017 for Settlement under SEBI (Settlement of Administrative and civil Proceedings) Regulations, 2014 (Settlement Regulations) for adjudication proceeding against the Company.
4. Repaid the loan amount in full with State Bank of India, however the documentation relating to Satisfaction of charge and release of property is still in process.

**For HS Associates  
Company Secretaries**

Sd/-

**Prasad. R. Chavan**  
**Partner**  
**ACS No.: 49921**  
**CP No.: 20415**

**Date: 14th August, 2018**  
**Place: Mumbai**

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms as integral part of this report

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**Annexure A**

**To,  
The Members,  
Parnax Lab Limited,  
114, Bldg. No. 8 Jogani Industrial Complex,  
Chunabhatti, Mumbai - 400 022.**

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

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.

The Compliance of the provisions of Corporate and the other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report 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 HS Associates  
Company Secretaries**

**Sd/-**

**Prasad. R. Chavan**

**Partner**

**ACS No.: 49921**

**CP No.: 20415**

**Date: 14th August, 2018**

**Place: Mumbai**



**INDEPENDENT AUDITOR'S REPORT****To The Members of Parnax Lab Limited****Report on the Standalone Indian Accounting Standard (Ind AS) Financial Statements**

1. We have audited the accompanying Standalone Ind AS financial statements of Parnax Lab Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act.
3. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit, its cash flows and the change in equity for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

10. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in note no. 34 of its standalone Ind AS financial statements;
    - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Ladha Singhal & Associates**

Chartered Accountants  
(Firm's Registration No. 120241W)

Sd/-

**Vinod Ladha**

(Partner)

M.No.104151

Place: Mumbai

Dated: 30<sup>th</sup> May 2018



**Annexure A to Independent Auditor's Report**

Referred to as 'Annexure A' in paragraph 9 of the Independent Auditors' Report of even date to the members of Parnax Lab Limited on the standalone Ind AS financial statements for the year ended on 31st March, 2018, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and the explanation given to us and the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any secured or unsecured loan to Companies, Firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information given to us, the company has not accepted deposits and hence, compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted is not applicable.
- (vi) In our opinion the maintenance of cost records as prescribed under rules made by Central Government u/s 148 (1) of the Act is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing with appropriate authorities applicable undisputed statutory dues including employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, details of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess which have not been deposited as on 31st March, 2018 on account of any dispute are as given below:

Name of Statute	Nature of the dues	Amount (in Lacs)	Period for which the amount relates (Assessment Year)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Penalty	5.50	April 2003 to March 2005	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	0.26	April 2003 to Jan. 2006	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	0.43	Oct. 2001 to Oct. 2003	Custom, Excise, Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty & Penalty	0.82	June 2001 to Feb 2003	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	56.16	Jan. 2005 to Dec. 2006	Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any borrowings from government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year; hence clause 3(ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements in note no 42 as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosure specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or the persons connected to its directors; hence clause 3(xv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Ladha Singhal & Associates**

**Chartered Accountants**

(Firm's Registration No. 120241W)

Sd/-

**(Vinod Ladha)**

**Partner**

M.No. 104151

Mumbai, 30<sup>th</sup> May, 2018.



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## Annexure B to Independent Auditor's Report

Referred to as 'Annexure B' in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Parnax Lab Limited on the standalone Ind AS financial statements for the year ended on 31st March, 2018.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Parnax Lab Limited ("the Company") as on 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended and as on that date.

#### Management's Responsibility for Internal Financial Controls

2. 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 ("the Guidance Note"). 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 Act.

#### Auditors' Responsibility

3. 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 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 over financial reporting. Those Standards and the Guidance Note require that we comply with the 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.
4. 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 Ind AS financial statements, whether due to fraud or error.
5. 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

6. 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. 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**

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

**For Ladha Singhal & Associates**  
**Chartered Accountants**

Firm's Registration No.: 120241W

Sd/-

**(Vinod Ladha)**  
**Partner**

M.No.: 104151

Place : Mumbai

Dated : 30th May, 2018



## Standalone Balance Sheet as at 31st March, 2018

(Rs. in '000)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>I</b>	<b>ASSETS</b>				
	<b>1. Non - Current Assets</b>				
	(a) Property, plant and equipment	2	6,205.57	63,509.57	66,312.25
	(b) Intangible assets	3	25.09	44.34	63.59
	(c) Investments in subsidiaries	4	99,800.00	100,935.21	106,748.94
	(d) Financial assets				
	(i) Investments	5	405.48	395.48	395.48
	(ii) Other financial assets	6	544.30	92.56	971.21
	(e) Deferred tax asset (net)	32	29,129.10	28,362.80	25,415.12
			<b>136,109.53</b>	<b>193,339.95</b>	<b>199,906.58</b>
	<b>2. Current Assets</b>				
	(a) Inventories	7	4,069.42	2,711.13	3,180.39
	(b) Financial assets				
	(i) Trade Receivable	8	40,442.69	33,773.46	54,056.24
	(ii) Cash and Cash Equivalents	9	185.72	2,559.22	289.25
	(iii) Bank balances other than (ii) above	10	104.12	1,634.47	1,534.73
	(iv) Loans	11	260.56	264.57	813.46
	(c) Current tax assets (net)	12	2,179.17	5,738.10	5,960.15
	(d) Other current assets	13	10,289.69	8,282.97	15,855.52
			<b>57,531.36</b>	<b>54,963.91</b>	<b>81,689.73</b>
	<b>3. Assets classified as held for disposal</b>	14	38,027.14	-	-
	<b>TOTAL ASSETS</b>		<b>231,668.04</b>	<b>248,303.86</b>	<b>281,596.31</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1. Equity</b>				
	(a) Share Capital	15	85,048.66	85,048.66	85,048.66
	(b) Other equity	16	1,472.73	24,844.05	30,998.69
			<b>86,521.39</b>	<b>109,892.71</b>	<b>116,047.35</b>
	<b>2. Liabilities</b>				
	<b>Non-Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	17	83,789.04	65,301.72	104,651.66
	(b) Provision	18	132.92	2,521.28	-
			<b>83,921.96</b>	<b>67,823.01</b>	<b>104,651.66</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	35,096.03	34,944.79	20,075.79
	(ii) Trade Payables	20	12,931.86	7,324.92	3,696.71
	(iii) Other financial Liabilities	21	9,944.24	26,265.72	31,811.79
	(b) Other current liabilities	22	3,235.83	1,996.22	2,257.14
	(c) Short Term Provision	23	16.73	56.50	3,055.87
			<b>61,224.69</b>	<b>70,588.15</b>	<b>60,897.30</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>231,668.04</b>	<b>248,303.86</b>	<b>281,596.31</b>
	<b>Significant Accounting Policies</b>	1			

The accompanying notes are an integral part of these standalone financial statements

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

Sd/-

(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-

(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-

(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)

## Standalone Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in '000)

	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>I</b>	Revenue from Operations (gross)	24	58,030.88	52,790.33
	Less :Excise Duty		-	-
	Net Revenue from Operations		58,030.88	52,790.33
<b>II</b>	Other Income	25	3,482.70	2,767.44
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>61,513.58</b>	<b>55,557.77</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of Materials Consumed	26	20,700.07	19,316.76
	Purchase of Stock In Trade	27	6,488.76	7,739.58
	Change in Inventories	28	-	320.28
	Employee Benefits Expense	29	8,893.80	7,946.74
	Finance Cost	30	12,757.84	13,276.34
	Depreciation and Amortization Expense	2	4,411.27	5,327.18
	Other Expenses	31	20,682.32	11,234.23
	Impairment of assets classified as held for disposal		12,340.47	-
	<b>Total Expenses</b>		<b>86,274.53</b>	<b>65,161.11</b>
<b>V</b>	Profit / (Loss) before tax (III-IV)		(24,760.95)	(9,603.34)
<b>VI</b>	Tax Expense:	32		
	(a) Current Tax		-	-
	(b) Deferred Tax (Asset) / Liability		(766.29)	(2,947.68)
	(c) Short (Excess) Prov for Tax for Earlier Years		2.34	14.83
<b>VII</b>	<b>Profit / (Loss) after tax (V-VI)</b>		<b>(23,997.00)</b>	<b>(6,670.49)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A.(i) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		29.11	(515.84)
	A.(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive income</b>		<b>29.11</b>	<b>(515.84)</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)</b>		<b>(24,026.11)</b>	<b>(6,154.64)</b>
<b>IX.</b>	<b>Earnings Per Equity Share of Rs.10/- each :</b>			
	Weighted average no. of shares (Basic & Diluted)		8,504,866	8,504,866
	Basic & Dilute Earning Per Share (Rs.)		(2.82)	(0.78)
	<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of these standalone financial statements

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-  
(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-  
(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)





## Standalone Cash Flow Statement for the year ended 31st March, 2018

(Rs. in '000)

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	(24,760.95)	(9,603.34)
	<b>Adjustments for</b>		
	Depreciation	4,411.27	5,327.18
	Finance Cost	12,757.84	13,276.34
	Loss on sale of Property, plant & equipments	2,206.26	-
	Sundry Balances written off	1,431.48	1,610.54
	Diminution in value of Investments	1,135.21	-
	Impairment of assets classified as held for disposal	12,340.47	-
	Interest & Dividend income	(224.53)	(43.83)
	<b>Operating Loss Before Working Capital Adjustments</b>	<b>9,297.05</b>	<b>10,566.90</b>
	<b>Changes in Working Capital</b>		
	<u>Adjustments for (increase) / decrease in operating assets:</u>		
	Inventories	(1,358.29)	469.27
	Trade receivables	(6,669.24)	20,282.78
	Other assets (Financials and Non Financial assets)	(2,355.58)	7,289.79
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	5,606.94	3,628.21
	Other liabilities (Financials and Non Financial assets)	(1,666.48)	(5,769.23)
	<b>Cash generated from operations</b>	<b>2,854.41</b>	<b>36,467.72</b>
	Direct Tax Paid (Refund) [Net]	(3,556.59)	(207.22)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>6,411.00</b>	<b>36,674.94</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant & equipment	992.90	(2,505.25)
	Proceeds from sale of fixed assets		
	Proceeds/(Purchase) from sale of Non Current Investments	(10.00)	5,813.73
	Interest & Dividend income	224.53	43.83
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,207.43)</b>	<b>3,352.31</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from borrowings (net)	(2,333.65)	(28,869.61)
	Finance Cost	(7,658.27)	(8,887.68)
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(9,991.93)</b>	<b>(37,757.28)</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,373.50)</b>	<b>2,269.97</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,559.22</b>	<b>289.25</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>185.72</b>	<b>2,559.22</b>

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

Sd/-

(Vinod Ladha)

Partner

M. No. 104151

Place : Mumbai

Date : 30<sup>th</sup> May, 2018

Sd/-

(Prakash M. Shah)

Chairman &amp; CEO

(DIN 00440980)

Sd/-

(Baiju M. Shah)

Managing Director &amp; CFO

(DIN 00440806)



**Standalone Statement of Changes in Equity for the year ended 31st March, 2018**

**(A) Equity Share Capital (Rs. in '000)**

	Amount
Balance as at April 01, 2016	85,048.66
Changes in share capital during the year	-
Balance as at March 31, 2017	85,048.66
Changes in share capital during the year	-
Balance as at March 31, 2018	85,048.66

**(B) Other Equity**

(Rs. in '000)

	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Total
<b>Balance as at April 01, 2016</b>	63,665.78	(32,667.09)	-	30,998.69
Profit/(Loss) for the year	-	(6,670.49)	-	(6,670.49)
Other comprehensive income for the year	-	-	515.84	515.84
<b>Balance as at March 31, 2017</b>	<b>63,665.78</b>	<b>(39,337.58)</b>	<b>515.84</b>	<b>24,844.05</b>
Profit/(Loss) for the year	-	(23,997.00)	-	(23,997.00)
Other comprehensive income for the year	-	-	(29.11)	(29.11)
Amortisation of land transfer to asset held for disposal	-	654.80	-	654.80
<b>Balance as at March 31, 2018</b>	<b>63,665.78</b>	<b>(62,679.77)</b>	<b>486.73</b>	<b>1,472.73</b>

The accompanying notes are an integral part of these financial statements

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

Sd/-

(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-

(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-

(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)

**Notes to Standalone Financial Statements for the year ended 31st March, 2018****Note - 1****A. CORPORATE INFORMATION:**

Parnax Lab Limited is a public company incorporated under the provisions of the Companies Act, 1956. The Company is principally engaged in the business activities of manufacturing and export of Pharmaceutical Formulations.

**B. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

Refer Note 43 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, performance and cash flows.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 8)

(ii) Defined benefit employee plan (Refer note no. 13)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in INR, the functional currency of the Company.

**2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13

(b) Estimation of current tax expenses and payable - Refer note no. - 14

**3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.



The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

#### 4. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### 5. Depreciation and Amortization:

##### (a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (b) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

#### 6. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013.

#### 7. Financial Instruments:

##### Financial assets - Initial recognition:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the company changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity 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. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

"For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing."



### **Derecognition**

"The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained."

### **Financial Liabilities**

#### **Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

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

Subsequent measurement Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. Loans & Borrowings: After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process. Financial Guarantee Contracts Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognized in the statement of profit or loss.

Derivative financial instruments The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

#### **Offsetting of financial instruments**

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

## **8. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) In the principal market for the asset or liability, or (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"



- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
  - (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  - (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above"

## 9. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a First-in First-Out (FIFO). Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

## 10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

## 11. Foreign Currency Transactions:

a) Initial Recognition Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss."

## 12. Revenue Recognition:

"Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below."

### Sale of Goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

### Rendering of Services

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed/rendered.

### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

### Dividend

Dividend Income is recognized when right to receive the same is established.



### 13. Employee Benefits:

#### The Company have provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and (b) Defined contribution plans such as Provident fund & Superannuation fund
- (a) Defined-benefit plan: The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss. Re-measurement comprising of actuarial gains and losses arising from (a) Re-measurement of Actuarial(gains)/losses (b) Return on plan assets, excluding amount recognized in effect of asset ceiling (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods. Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

- b) Defined-contribution plan: Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.
- c) Other employee benefits: (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation. (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

### 14. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income. Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period."



**15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**16. Earnings Per Share:**

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

**17. Assets held for disposal**

The Company classifies non-current assets as held for sale if their current carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Any expected loss is recognised immediately on statement of profit & loss.

Property, plant & equipment once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

**18. Leases:****Where the Company is Lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

**Where the Company is Lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**19. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.



**Notes to Standalone Financial Statements for the year ended 31st March, 2018**

**Note 2 : Property, plant & equipments**

Particulars	Land	Factory Building	Office Premises	Plant & Machinery	Electrical Installation	Generator	Furniture	Motor Car	Computer	Office Equipments	Other Equipment	Q.C Equipments	R & D Equipments	Air Conditioner	Total
<b>Gross carrying amount</b>															
Deemed cost as at April 01, 2016 (refer (2) below)	1,126.69	28,296.89	5,401.47	4,046.80	578.22	965.38	153.95	1,715.38	98.19	210.73	20,254.01	955.82	1,517.97	990.75	66,312.25
Additions	2,390.00	-	-	-	-	-	-	-	-	-	-	-	-	115.25	2,505.25
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	3,516.69	28,296.89	5,401.47	4,046.80	578.22	965.38	153.95	1,715.38	98.19	210.73	20,254.01	955.82	1,517.97	1,106.00	68,817.50
Additions	1,098.00	-	-	-	-	-	-	-	-	-	-	-	-	-	1,098.00
Disposals	-	-	-	-	-	(965.38)	-	-	-	-	(2,079.57)	(327.15)	(1,063.60)	-	(4,435.69)
Transferred to assets held for disposal	(4,614.69)	(28,296.89)	-	(4,046.80)	(578.22)	-	-	-	-	-	(18,174.44)	(628.67)	(464.38)	-	(56,794.09)
Balance as at March 31, 2018	-	-	5,401.47	-	-	-	153.95	1,715.38	98.19	210.73	-	-	-	1,106.00	8,685.73
<b>Accumulated depreciation/Amortisation</b>															
Balance as at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation/Amortisation charge for the year	74.39	1,557.15	313.29	726.65	62.80	111.13	47.43	759.70	36.73	50.02	905.72	201.46	291.46	170.02	5,307.93
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2017	74.39	1,557.15	313.29	726.65	62.80	111.13	47.43	759.70	36.73	50.02	905.72	201.46	291.46	170.02	5,307.93
Depreciation/Amortisation charge for the year	90.54	1,557.15	313.29	571.79	53.09	27.40	47.44	576.95	-	38.79	821.00	86.43	81.64	126.52	4,392.03
Disposals	-	-	-	-	-	(138.53)	-	-	-	-	-	-	-	-	(138.53)
Transferred to assets held for disposal	(164.94)	(3,114.31)	-	(1,298.44)	(115.89)	-	-	-	-	-	(1,726.71)	(287.89)	(373.10)	-	(7,081.28)
Accumulated depreciation as at March 31, 2018	-	-	626.57	-	-	-	94.86	1,336.65	36.73	88.81	-	-	-	296.53	2,480.16
Net carrying amount as at April 01, 2016	1,126.69	28,296.89	5,401.47	4,046.80	578.22	965.38	153.95	1,715.38	98.19	210.73	20,254.01	955.82	1,517.97	990.75	66,312.25
Net carrying amount as at March 31, 2017	3,442.30	26,739.74	5,088.18	3,320.15	515.42	854.25	106.53	955.68	61.46	160.72	19,348.29	754.36	1,226.52	935.98	63,509.57
Net carrying amount as at March 31, 2018	-	-	4,774.89	-	-	-	59.09	378.73	61.46	121.93	-	-	-	809.47	6,205.57

**Note:**

- Refer note no. 35 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2016 under the previous GAAP.

**Deemed Cost as at April 01, 2016**

Particulars	Land	Factory Building	Office Premises	Plant & Machinery	Electrical Installation	Generator	Furniture	Motor Car	Computer	Office Equipments	Other Equipment	Q.C Equipments	R & D Equipments	Air Conditioner	Total
<b>Gross Block as on April 01, 2016</b>	1,616.56	55,045.47	8,076.54	23,381.41	7,651.34	1,527.51	2,926.43	7,739.13	3,942.59	1,699.66	39,588.25	2,551.03	4,362.75	3,113.99	162,222.67
Accumulated depreciation till April 01, 2016	-	26,748.58	2,675.07	19,334.62	7,073.12	562.14	2,772.48	6,023.75	3,844.40	1,488.92	18,334.24	1,595.21	2,844.77	2,123.24	95,420.55
Deemed Cost as at April 01, 2016	1,616.56	28,296.89	5,401.47	4,046.80	578.22	965.38	153.95	1,715.38	98.19	210.73	20,254.01	955.82	1,517.97	990.75	66,802.12



## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 3 : Intangible assets

(Rs. in '000)

Particulars	Software	Total
<b>Gross carrying amount</b>		
<b>Deemed cost as at April 01, 2016 (refer (3) below)</b>	<b>63.59</b>	<b>63.59</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2017</b>	<b>63.59</b>	<b>63.59</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2018</b>	<b>63.59</b>	<b>63.59</b>

## Accumulated depreciation/Amortisation

Particulars	Software	Total
<b>Balance as at April 01, 2016</b>		
Depreciation/Amortisation charge for the year	19.25	19.25
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>19.25</b>	<b>19.25</b>
Depreciation/Amortisation charge for the year	19.25	19.25
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>38.49</b>	<b>38.49</b>

Particulars	Software	Total
Net carrying amount as at April 01, 2016	63.59	63.59
Net carrying amount as at March 31, 2017	44.34	44.34
Net carrying amount as at March 31, 2018	25.09	25.09

## Deemed Cost as at April 01, 2016

Particulars	Software
Gross Block as on April 01, 2016	116.91
Accumulated depreciation till April 01, 2016	53.32
Deemed Cost as at April 01, 2016	63.59

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 4 : Investments in Subsidiaries

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Investment in Equity instruments - Subsidiaries - Carried at Cost Unquoted, fully paid up</b>			
49,90,000 (As at March 31, 2017 April 01, 2016 - 49,90,000) Equity Share of Rs. 10/- each of Naxpar Pharma Pvt. Ltd.	99,800.00	99,800.00	99,800.00
Investment in LLP (Novonax LLP)	-	1,135.21	6,948.94
<b>Total</b>	<b>99,800.00</b>	<b>100,935.21</b>	<b>106,748.94</b>
Aggregate amount of unquoted investments before impairment	99,800.00	100,935.21	106,748.94
Aggregate amount of impairment in the value of investment	1,135.21	-	-

## Note 5 : Non-Current Investments

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Other Equity instruments, at fair value through profit &amp; loss Unquoted, fully paid-up</b>			
The Shamrao Vitthal Co-op. Bank Ltd. (319 Shares of Rs. 25/- each)	7.98	7.98	7.98
Apna Sahakari Bank Ltd (400 Shares of Rs. 25/- each)	10.00	-	-
Maratha Sahakari Bank Ltd. (15,500 Shares of Rs. 25/- each)	387.50	387.50	387.50
<b>Total</b>	<b>405.48</b>	<b>395.48</b>	<b>395.48</b>
Aggregate amount of Unquoted investments at cost	405.48	395.48	395.48
Aggregate amount of impairment in the value of investment	-	-	-

## Note 6 : Other financial assets (Non-Current)

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Unsecured, Considered good</b>			
Security Deposit	544.30	92.56	92.56
Other advances	-	-	878.68
<b>Total</b>	<b>544.30</b>	<b>92.56</b>	<b>971.21</b>

## Note 7 : Inventories

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>(As taken, valued and certified by the Management) (Valued at Cost or Market value, whichever is lower)</b>			
Raw Material	2,475.56	884.55	1,693.95
Finished Goods	-	1,270.99	320.28
Packing Material	1,593.86	555.58	1,166.16
<b>Total</b>	<b>4,069.42</b>	<b>2,711.13</b>	<b>3,180.39</b>

Note: Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value.

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 8 : Trade Receivable

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Unsecured, Considered good	40,442.69	33,773.46	54,056.24
<b>Total</b>	<b>40,442.69</b>	<b>33,773.46</b>	<b>54,056.24</b>

## Note 9 : Cash and Cash Equivalents

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(a) Cash on Hand	24.55	24.51	240.77
(b) Balance with Scheduled Banks - In Current Accounts	161.17	2,534.71	48.48
<b>Total</b>	<b>185.72</b>	<b>2,559.22</b>	<b>289.25</b>

## Note 10 : Bank balances other than cash &amp; cash equivalents

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balance with Scheduled Banks - In Fixed Deposit Account (Lodged as margin money against bank guarantee)	104.12	1,634.47	1,534.73
<b>Total</b>	<b>104.12</b>	<b>1,634.47</b>	<b>1,534.73</b>

## Note 11 : Loans

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Unsecured, considered good Loans and Advances to Employees	260.56	264.57	813.46
<b>Total</b>	<b>260.56</b>	<b>264.57</b>	<b>813.46</b>

## Note 12 : Current tax assets (net)

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advance Income Tax	2,179.17	5,738.10	5,960.15
<b>Total</b>	<b>2,179.17</b>	<b>5,738.10</b>	<b>5,960.15</b>

## Note 13 : Other current assets

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances recoverable in cash or in kind or for value to be received	2,653.26	4,302.26	11,401.13
Advance to Supplier	1,299.25	1,490.52	1,737.34
Balance with Government Authorities	-	33.32	33.32
Balance with Central Excise Service Tax (Credit to be availed)	-	-	925.66
Balance with GST	2,359.03	-	-
GST Refund Receivable	2,095.32	-	-
Sales Tax	1,882.84	2,456.88	1,758.07
<b>Total</b>	<b>10,289.69</b>	<b>8,282.97</b>	<b>15,855.52</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 14 : Assets classified as held for sale

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Land	5,104.56	-	-
Other Property, Plant & Equipments	45,263.06	-	-
Less: Impairment of assets classified as held for sale	(12,340.47)		
<b>Total</b>	<b>38,027.14</b>	<b>-</b>	<b>-</b>

**Note:**

The Company intends to dispose off its certain of property, plant & equipment as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility at Silvassa.

An impairment loss has been recognised on reclassification of the Plant, Property & equipment as held for sale and the Company expects to realise fair value less cost to sell to be higher than carrying amount.

An active program to locate the buyer and to complete the sale has already been initiated.

## Note 15 : Share Capital

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Authorised: 100,00,000 (100,00,000) Equity Shares of Rs. 10/- each	100,000.00	100,000.00	100,000.00
<b>Total</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, Subscribed and Paid up:</b> 85,04,866 (85,04,866) Equity Shares of Rs.10/- each fully paid up (of the above 53,04,866 shares of Rs. 10/- each were issue at the time of scheme of amalgamation)	85,048.66	85,048.66	85,048.66
<b>Total</b>	<b>85,048.66</b>	<b>85,048.66</b>	<b>85,048.66</b>
(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period : Number of shares at the beginning of the year	85,048.66	85,048.66	85,048.66
Add: Issued during the year	-	-	-
Number of shares at the end of the year	<b>85,048.66</b>	<b>85,048.66</b>	<b>85,048.66</b>

**(ii) Terms/rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per shares. Each holder of Equity Shares is entitled to one vote

per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company,

after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

<b>(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :</b>	Nil	Nil	Nil
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## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## (iv) Details of Shares held by each shareholder holding more than 5% shares :

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 01st April, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Baiju Shah	628,261	7.39%	628,261	7.39%	628,261	7.39%
Binoy Shah	1,369,600	16.10%	1,369,600	16.10%	1,369,600	16.10%
Ila Shah	660,872	7.77%	660,872	7.77%	660,872	7.77%
Mihir Shah	1,141,250	13.42%	1,141,250	13.42%	1,141,250	13.42%
Pragna Shah	539,887	6.35%	539,887	6.35%	539,887	6.35%
Prakash M. Shah	675,426	7.94%	675,426	7.94%	675,426	7.94%

## Note 16 : Reserves &amp; Surplus

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
General Reserve	63,665.78	63,665.78	63,665.78
Surplus in Statement of profit & loss	(62,679.77)	(39,337.58)	(32,667.09)
Accumulated other comprehensive income - Actuarial Gains/(Losses)	486.73	515.84	515.84
<b>Total</b>	<b>1,472.73</b>	<b>24,844.05</b>	<b>31,514.53</b>

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>A) General Reserve Account</b>		
Opening Balance	63,665.78	63,665.78
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	63,665.78	63,665.78
<b>B) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(39,337.58)	(32,667.09)
Add/(Less): profit/(loss) for the year	(23,997.00)	(6,670.49)
Add/(Less): Amortisation of land transfer to asset held for disposal	654.80	-
Closing Balance	(62,679.77)	(39,337.58)
<b>C) Other Comprehensive income</b>		
Opening Balance	515.84	-
Add/(Less): for the year	(29.11)	515.84
Closing balance	486.73	515.84
<b>Total</b>	<b>1,472.73</b>	<b>24,844.05</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 17 : Borrowings

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Secured</b>			
<b>Term Loans (From Banks)</b>			
- From Banks	35,676.32	22,073.57	41,328.42
<b>Unsecured</b>			
From Intercorporates	48,112.71	43,228.15	38,839.48
From Directors, Shareholders & their Relatives	-	-	24,483.75
<b>Total</b>	<b>83,789.04</b>	<b>65,301.72</b>	<b>104,651.66</b>

**Terms and Conditions**

a) Term loan from Apna Sahakari Bank Ltd is secured mortgage of office premises situated at Building No 8, Jogani Industrial Complex Chunabhatti, Mumbai

b) Repayment Profile of Term Loans is as set out below:

Nature of Loan	Rate of Interest (%)	Banlance No of Installments	Installments ending on
Apna Sahakari Bank Ltd	10.75	72.00	Mar-24

## Note 18 - Provisions

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	59.91	2,521.28	-
Provision for Leave Encashment	73.01	-	-
<b>Total</b>	<b>132.92</b>	<b>2,521.28</b>	<b>-</b>

## Note 19 : Short Term Borrowing

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Secured</b>			
Working Capital Facility			
- From Banks	15,622.28	14,661.04	20,075.79
<b>Unsecured</b>			
From Directors, Payable on demand	19,473.75	20,283.75	-
<b>Total</b>	<b>35,096.03</b>	<b>34,944.79</b>	<b>20,075.79</b>

(Working Capital facility from State Bank of India is secured by way of Hypothecation of stocks, book debts and entire current assets of the company. The facility is further secured by charge on fixed assets and personal guarantee of all the Directors of the company.)



## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 20 : Trade Payables

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Trade Payables:</b>			
Sundry Creditors for Goods	12,931.86	7,324.92	3,696.71
<b>Total</b>	<b>12,931.86</b>	<b>7,324.92</b>	<b>3,696.71</b>

## Note 21 : Other Financial Liabilities

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Current Maturities of Long Term Debts	5,146.21	21,018.86	23,342.62
Bank Overdraft	-	-	117.22
Other Payables:			
Sundry Creditors for Expenses	4,798.03	5,246.87	8,351.96
<b>Total</b>	<b>9,944.24</b>	<b>26,265.72</b>	<b>31,811.79</b>

## Note 22 - Other current liabilities

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Statutory Remittances	175.89	1,196.32	2,257.14
Advances from Customers	3,059.94	799.90	-
<b>Total</b>	<b>3,235.83</b>	<b>1,996.22</b>	<b>2,257.14</b>

## Note 23 - Short-Term Provision

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	13.39	56.50	3,055.87
Provision for Leave Encashment	3.35	-	-
<b>Total</b>	<b>16.73</b>	<b>56.50</b>	<b>3,055.87</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 24 : Revenue from Operations

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Goods (Including excise duty)	58,030.88	52,790.33
<b>Total</b>	<b>58,030.88</b>	<b>52,790.33</b>

## Note 25 : Other Income

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Dividend	1.11	1.11
(b) Interest Received on FDR	223.42	42.72
(c) Interest on Income Tax Refund	855.09	40.85
(d) Duty Drawback Received	-	698.77
(e) Export Incentives (MEIS)	1,785.07	-
(e) Exchange Gain	618.01	-
(f) Commission Received on Sales	-	1,983.99
<b>Total</b>	<b>3,482.70</b>	<b>2,767.44</b>

## Note 26 : Cost of Material Consumed

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock	1,440.13	2,860.11
Add:- Purchases during the year	23,329.36	17,896.78
	24,769.49	20,756.89
Less: - Closing Stock	4,069.42	1,440.13
<b>Total</b>	<b>20,700.07</b>	<b>19,316.76</b>

## Note 27 : Purchase of Stock in Trade

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock of Finished Goods Traded	1,270.99	-
Add: Purchases during the year	5,217.76	9,010.57
	6,488.76	9,010.57
Less: Closing Stock of Finished Goods Traded	-	1,270.99
<b>Total</b>	<b>6,488.76</b>	<b>7,739.58</b>

## Note 28 : Changes In Inventories

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) At the beginning of the period		
(i) Finished Goods	-	320.28
(b) At the end of the period		
(i) Finished Goods	-	-
<b>Total</b>	<b>-</b>	<b>320.28</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 29 : Employes Benefits Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Salaries and Wages	5,082.90	6,418.75
(b) Bonus & Exgratia	3,026.71	616.03
(c) Staff Welfare Expenses	80.43	188.72
(d) Gratuity Paid	299.66	369.90
(e) Employer's Contribution to Providend Fund	236.98	353.35
(f) Leave encashment	167.12	-
<b>Total</b>	<b>8,893.80</b>	<b>7,946.74</b>

## Note 30 : Finance Cost

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Bank Charges & Commission	1,195.90	808.40
(b) Interest Paid to Bank - Working Capital	1,678.07	1,900.03
(c) Interest Paid to Bank - Term Loan	3,702.91	6,047.99
(d) Interest paid to Others	1,296.39	131.26
(e) Interest expenses on unwinding of discounts	4,884.56	4,388.67
<b>Total</b>	<b>12,757.84</b>	<b>13,276.34</b>

## Note 31 : Other Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>(A) Manufacturing Expenses</b>		
(a) Analytical Charges, Chemical & Glassware Consumed	191.31	72.96
(b) Consumable & Stores	1.59	-
(c) Power & Fuel Consumed	1,051.85	1,327.17
(d) Factory Expenses	40.16	39.03
(e) Freight & Octroi	236.68	209.70
(f) Loading Unloading & Packing Charges	230.97	294.70
(g) License Fees	593.23	106.61
(h) Job Work Charges Paid	3,265.07	2,752.94
(i) Reapir & Maintenance		
-Plant & Machinary	53.07	97.87
-Building	23.00	-
-Other	43.22	82.32
(j) Security Charges	693.45	947.08
	<b>6,423.60</b>	<b>5,930.38</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Note 31 : Other Expenses (Cont.)

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>(B) Selling and Distribution Expenses</b>		
(a) Sales Promotion Expenses	12.38	158.54
(b) Advertisement Expenses	85.74	42.47
(c) Commission on Sale	660.20	343.44
(d) CHA Charges	945.68	749.50
(e) Freight & Octroi (Export & Outward)	1,423.06	1,129.13
(f) Export Insurance	72.86	56.84
(g) Export Expenses	84.45	92.61
(h) Product Dev & Registration	304.67	452.58
(i) Travelling Expenses	78.08	42.91
	<b>3,667.10</b>	<b>3,068.02</b>
<b>(C) Administrative and General Expenses</b>		
(a) Rent Rates & Taxes	396.65	147.62
(b) Insurance	304.21	316.57
(c) Legal & Professional Fees	3,153.43	4,095.33
(d) Payment to Auditors -Audit fees	250.00	250.00
(e) ROC Filing Fees	19.90	111.00
(f) Office Expenses	25.71	96.16
(g) Conveyance	110.24	247.39
(h) Sundry Balances W/off	1,431.48	1,610.54
(i) Printing & Stationery	146.39	137.18
(j) Telephone Expenses	66.67	110.11
(k) Postage & Courier	200.27	246.15
(l) Motar Car Expenses	343.65	309.04
(m) Electricity Charges	356.26	303.58
(n) Membership & subscription	60.23	28.30
(o) Other Expenses	1,182.75	171.83
(p) Listing Fees	287.50	229.00
(q) Donation	50.00	-
(r) Loss on sale of Fixed Assets	2,206.26	-
(s) Exchange Loss	-	49.30
(t) Expected credit losses	-	(6,223.26)
	<b>10,591.61</b>	<b>2,235.83</b>
<b>Total</b>	<b>20,682.32</b>	<b>11,234.23</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## 32 Income taxes

## (a) Tax expense recognised in the Statement of profit and loss:

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Current tax</b>		
Current year	-	-
Short Provision for Tax for earlier years	2.34	14.83
<b>Total current tax</b>	<b>2.34</b>	<b>14.83</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(766.29)	(2,947.68)
<b>Total deferred income tax expense/(credit)</b>	<b>(766.29)</b>	<b>(2,947.68)</b>
<b>Total income tax expense/(credit)</b>	<b>(763.95)</b>	<b>(2,932.85)</b>

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

## (b) Reconciliation of effective tax rate

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit /(loss) before taxation	(24,760.95)	(9,603.34)
Enacted income tax rate in India	25.75%	30.90%
Tax at the enacted income tax rate	(6,375.95)	(2,967.43)
<i>Reconciliation line items:</i>		
Tax credits not recognised	(5,611.99)	-
Others	-	(34.58)
<b>Tax expense/ (credit)</b>	<b>(763.95)</b>	<b>(2,932.85)</b>

## (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

(Rs. in '000)

Particulars	As at April 01, 2016	Credit/ (charge) in Statement of profit and loss	As at March 31, 2017
Deferred tax assets/(liabilities)			
On losses and unabsorbed depreciation	35,224.46	2,737.00	37,961.46
On Account of Depreciation	(10,834.73)	439.54	(10,395.19)
On expenses allowable on payment basis	1,025.39	(228.85)	796.54
	<b>25,415.12</b>	<b>2,947.68</b>	<b>28,362.80</b>

Particulars	As at April 01, 2017	Credit/ (charge) in Statement of profit and loss	As at March 31, 2018
Deferred tax assets/(liabilities)			
On losses and unabsorbed depreciation	37,961.46	(1,135.79)	36,825.67
On Account of Depreciation	(10,395.19)	2,637.47	(7,757.73)
On expenses allowable on payment basis	796.54	(735.38)	61.15
	<b>28,362.80</b>	<b>766.29</b>	<b>29,129.10</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

**33 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"**

i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The disclosure in respect of the defined Gratuity Plan are given below:

**A. Balance Sheet**

(Rs. in '000)

Particulars	Defined benefit plans		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of plan liabilities	715.70	3,019.27	3,463.71
Fair value of plan assets	642.40	441.48	407.84
<b>Asset/(Liability) recognised</b>	<b>73.30</b>	<b>2,577.79</b>	<b>3,055.87</b>

**B. Movements in plan assets and plan liabilities**

(Rs. in '000)

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2017</b>	<b>3,019.27</b>	<b>441.48</b>
Current service cost	39.76	34.22
Past service cost	-	-
Interest Cost/(Income)	126.48	-
Return on plan assets excluding amounts included in net finance income/cost	-	166.71
Actuarial (gain)/loss arising from changes in financial assumptions	(17.28)	-
Actuarial (gain)/loss arising from experience adjustments	213.10	-
Employer contributions	-	2,665.63
Benefit payments	(2,665.63)	(2,665.63)
<b>As at 31st March 2018</b>	<b>715.70</b>	<b>642.40</b>

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2016</b>	<b>3,463.71</b>	<b>407.84</b>
Current service cost	136.68	30.59
Past service cost	-	-
Interest Cost/(Income)	263.81	-
Return on plan assets excluding amounts included in net finance income/cost	-	3.06
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	(512.78)	-
Employer contributions	-	332.14
Benefit payments	(332.14)	(332.14)
<b>As at 31st March 2017</b>	<b>3,019.27</b>	<b>441.48</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## C. Statement of Profit and Loss

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Employee Benefit Expenses:</b>		
Current service cost	39.76	136.68
Interest cost/(income)	126.48	263.81
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>166.24</b>	<b>400.49</b>
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(166.71)	-
Actuarial gains/(losses) arising from changes in financial assumptions	(17.28)	-
Experience gains/(losses)	213.10	(512.78)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>29.12</b>	<b>(512.78)</b>

## D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2018	As at March 31, 2017
<b>Financial Assumptions</b>		
Discount rate	7.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

## E. Major categories of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2018	As at March 31, 2017
<b>Insurance policies</b>	<b>100%</b>	<b>100%</b>

## F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in '000)

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	652.35	788.68
Salary Escalation Rate	1.00%	794.25	646.67

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## G. The defined benefit obligations shall mature after year end 31st March, 2018 as follows:

Year ending March 31, 2018	Defined benefit obligation
2019	13.39
2020	14.22
2021	15.13
2022	225.31
2023	12.61
Thereafter	401.87

The weighted average duration of the defined benefit obligation is 13.90.

## 34 Contingent liabilities

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Company not acknowledged as debts			
(i) Guarantees given by banks	-	-	2,476.00
(ii) liabilities that may arise in respect of disputed matters in relation to			
- Excise duty	6,317.00	6,317.00	6,887.00
- Income tax	-	4,838.00	5,942.00
	<b>6,317.00</b>	<b>11,155.00</b>	<b>15,305.00</b>

**Note:** - The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

## 35 Commitments

The Company does not have any commitments (including capital commitments) as on March 31, 2018. (As at March 31, 2017 and April 01, 2016 - Nil)

## 36 Earning Per share

(Rs. in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after tax available for equity shareholders	(23,997.00)	(6,670.49)
Weighted average number of equity shares	8,504,866	8,504,866
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	(2.82)	(0.78)

## 37 Net debt reconciliations

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current borrowings	83,789.04	65,301.72
Current borrowings (including current maturities)	40,242.24	55,963.64
	<b>124,031.28</b>	<b>121,265.37</b>



## Notes to Standalone Financial Statements for the year ended 31st March, 2018

(Rs. in '000)

Particulars	For the year ended March 31, 2018
Net debt as at April 01, 2017	121,265.37
Cash flows	(2,333.65)
Unwinding of discounts on Interest free loan	4,884.56
Borrowing cost	215.00
<b>Net debt as at March 31, 2018</b>	<b>124,031.28</b>

**38 Financial instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values: 1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments. 2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>As at March 31, 2018</b>					
<b>Financial assets</b>					
Investments	-	-	405.48	405.48	405.48
Trade receivables	-	-	40,442.69	40,442.69	40,442.69
Cash and cash equivalents	-	-	185.72	185.72	185.72
Other bank balances	-	-	104.12	104.12	104.12
Loans	-	-	260.56	260.56	260.56
Other financial assets	-	-	544.30	544.30	544.30
<b>Total</b>	-	-	<b>41,942.86</b>	<b>41,942.86</b>	<b>41,942.86</b>
<b>Financial liabilities</b>					
Borrowings	-	-	118,885.07	118,885.07	118,885.07
Trade payables	-	-	12,931.86	12,931.86	12,931.86
Others	-	-	9,944.24	9,944.24	9,944.24
<b>Total financial liabilities</b>	-	-	<b>141,761.17</b>	<b>141,761.17</b>	<b>141,761.17</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>As at March 31, 2017</b>					
<b>Financial assets</b>					
Investments	-	-	395.48	395.48	395.48
Trade receivables	-	-	33,773.46	33,773.46	33,773.46
Cash and cash equivalents	-	-	2,559.22	2,559.22	2,559.22
Other bank balances	-	-	1,634.47	1,634.47	1,634.47
Loans	-	-	264.57	264.57	264.57
Other financial assets	-	-	92.56	92.56	92.56
<b>Total</b>	-	-	<b>38,719.74</b>	<b>38,719.74</b>	<b>38,719.74</b>
<b>Financial liabilities</b>					
Borrowings	-	-	100,246.51	100,246.51	100,246.51
Trade payables	-	-	7,324.92	7,324.92	7,324.92
Others	-	-	26,265.72	26,265.72	26,265.72
<b>Total financial liabilities</b>	-	-	<b>133,837.15</b>	<b>133,837.15</b>	<b>133,837.15</b>
<b>As at April 01, 2016</b>					
<b>Financial assets</b>					
Investments	-	-	395.48	395.48	395.48
Trade receivables	-	-	54,056.24	54,056.24	54,056.24
Cash and cash equivalents	-	-	289.25	289.25	289.25
Other bank balances	-	-	1,534.73	1,534.73	1,534.73
Loans	-	-	813.46	813.46	813.46
Other financial assets	-	-	971.21	971.21	971.21
<b>Total</b>	-	-	<b>58,060.35</b>	<b>58,060.35</b>	<b>58,060.35</b>
<b>Financial liabilities</b>					
Borrowings	-	-	124,727.45	124,727.45	124,727.45
Trade payables	-	-	3,696.71	3,696.71	3,696.71
Others	-	-	31,811.79	31,811.79	31,811.79
<b>Total financial liabilities</b>	-	-	<b>160,235.95</b>	<b>160,235.95</b>	<b>160,235.95</b>

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**39 Financial risk factors**

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

**(a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company.

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## (i) The following is the contractual maturities of the financial liabilities:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2018</b>				
Non-derivative liabilities				
Borrowings	124,031.28	-	40,242.24	83,789.04
Trade payables	12,931.86	-	12,931.86	-
Other financial liabilities	4,798.03	-	4,798.03	-
	<b>141,761.17</b>	<b>-</b>	<b>57,972.13</b>	<b>83,789.04</b>
<b>As at March 31, 2017</b>				
Non-derivative liabilities				
Borrowings	121,265.37	-	55,963.64	65,301.72
Trade payables	7,324.92	-	7,324.92	-
Other financial liabilities	5,246.87	-	5,246.87	-
	<b>133,837.15</b>	<b>-</b>	<b>68,535.43</b>	<b>65,301.72</b>
<b>As at April 01, 2016</b>				
Non-derivative liabilities				
Borrowings	148,070.07	-	43,418.41	104,651.66
Trade payables	3,696.71	-	3,696.71	-
Other financial liabilities	8,469.17	-	8,469.17	-
	<b>160,235.95</b>	<b>-</b>	<b>55,584.29</b>	<b>104,651.66</b>

## (b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

## (i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

## Unhedged Foreign currency exposure

Particulars	Trade receivables	
	In Foreign Currency	In INR
<b>As at March 31, 2018</b>		
- USD	752.23	54,598.01
<b>As at March 31, 2017</b>		
- USD	841.16	42,221.38
<b>As at April 01, 2016</b>		
- USD	1,148.76	71,620.95

**Notes to Standalone Financial Statements for the year ended 31st March, 2018****(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest rate risk	(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total borrowings	51,298.60	36,734.61	61,404.21
% of Borrowings out of above bearing variable rate of interest	100%	100%	100%

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax:

Particulars	(Rs. in '000)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
50 bp increase would decrease the profit before tax by	256.49	183.67
50 bp decrease would increase the profit before tax by	(256.49)	(183.67)

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Company's major sales are to its holding company,

Exposure to the Credit risks	(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) - Trade Receivables	40,442.69	33,773.46	54,056.24

**Trade and other receivables**

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## Ageing of the accounts receivables

(Rs. in '000)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
< 180 days	12,376.63	183.45	5,945.29
> 180 days	28,066.06	33,590.01	68,729.92
	<b>40,442.69</b>	<b>33,773.46</b>	<b>74,675.21</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2018 and March 31, 2017

## 40 (a) Financial risk factors

## Capital risk management

## The Company's objectives when managing capital are to :

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital. (Rs. in '000)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity	86,521.39	109,892.71	116,047.35
Net debt (Total borrowings less cash and cash equivalents)	123,845.56	118,706.15	147,780.82
<b>Total capital</b> (Borrowings and Equity)	<b>210,366.95</b>	<b>228,598.86</b>	<b>263,828.17</b>
<b>Gearing ratio</b>	<b>58.87%</b>	<b>51.93%</b>	<b>56.01%</b>

## (b) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

## 41 Segment Reporting

The Company's Board of Directors consisting of Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of Manufacture of Pharmaceuticals, Medicinal products and the management considers these business activities as a single reportable segment.

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## 42 Related party disclosure under Ind AS 24

## Name of related parties and description of relationship

## (a) Subsidiary

Naxpar Pharma Pvt. Ltd.

## (b) Key managerial personnel

Mr. Prakash M. Shah, Director

Mr. Baiju M. Shah, Director

## (c) Relative of key managerial personnel

Mr. Binoy B. Shah, Son of Mr. Baiju M. Shah

## (d) Concern in which KMP and/or Relatives of KMP is interested

M/s Nithyasha Healthcare Pvt. Ltd.

M/s. Tridente Medicamentos LLP

## Transactions with Related parties

(Rs. in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of Material</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	9.60	0.75
- Nithyasha Healthcare Pvt. Ltd.		
<b>Purchase of Material</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	3,347.43	6,807.14
<b>Rent Received</b>		
- M/s. Tridente Medicamentos LLP	60.00	60.00
<b>Job work charges paid</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	288.75	-
<b>Sale of Property, plant &amp; equipments</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	2,132.72	-
<b>Salary paid to KMP</b>		
- Mr. Binoy B. Shah	600.00	600.00
<b>Deposit received</b>		
- M/s. Tridente Medicamentos LLP	-	30.00

## Balances as at

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Loan</b>			
- Naxpar Pharma Pvt. Ltd., Subsidiary	-	-	6,284.82
<b>Payables</b>			
- Naxpar Pharma Pvt. Ltd., Subsidiary	5,125.35	1,185.64	-
- Binoy B Shah, KMP	144.31	163.10	558.84
<b>Unsecured loan from</b>			
Prakash M Shah	11,666.75	12,466.75	13,216.75
Baiju M Shah	7,807.00	7,817.00	11,267.00
<b>Deposit received</b>			
- M/s. Tridente Medicamentos LLP	30.00	30.00	-

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**Notes to Standalone Financial Statements for the year ended 31st March, 2018**
**43 First time adoption of Ind AS**

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed****A. Ind AS optional exemptions****(i) Deemed Cost**

The Company on first time adoption of Ind AS, has elected to continue with the carrying value for all of its property, plant & equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

**(ii) Investments in subsidiary**

The Company has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

**(iii) Designation of previously recognised financial instruments**

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The company has opted to apply this exemption for its investment in equity Investments.

**B. Ind AS mandatory exemptions****(i) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and financial liabilities**

The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) Reconciliation of Balance sheet as at April 1, 2016 (Transition date)
- (ii) A. Reconciliation of Balance sheet as at March 31, 2017  
B. Reconciliation of total comprehensive income for the year ended March 31, 2017
- (iii) Reconciliation of Equity as at April 1, 2016 and March 31, 2017
- (iv) Impact on cash flow statement for the period ended March 31, 2017

**Notes to Standalone Financial Statements for the year ended 31st March, 2018**

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

**(i) Reconciliation of Balance sheet as at April 1, 2016****(Rs. in '000)**

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non - Current Assets</b>				
(a) Property, plant and equipment		66,802.12	(489.87)	66,312.25
(b) Intangible assets		63.59	-	63.59
(c) Investments in subsidiaries		106,748.94	-	106,748.94
(d) Financial assets		-	-	-
(i) Investments		395.48	-	395.48
(ii) Other financial assets		971.21	-	971.21
(iii) Deferred tax asset (net)		25,415.12	-	25,415.12
		<b>200,396.45</b>	<b>(489.87)</b>	<b>199,906.58</b>
<b>2. Current Assets</b>				
(a) Inventories		3,180.39	-	3,180.39
(b) Financial assets		-	-	-
(i) Trade Receivable	(iii)	74,675.21	(20,618.98)	54,056.24
(ii) Cash and Cash Equivalents		289.25	-	289.25
(iii) Bank balances other than (ii) above		1,534.73	-	1,534.73
(iv) Loans		813.46	-	813.46
(c) Current tax assets(net)		5,960.15	-	5,960.15
(d) Other current assets		15,855.52	-	15,855.52
		<b>102,308.71</b>	<b>(20,618.98)</b>	<b>81,689.73</b>
		<b>302,705.15</b>	<b>(21,108.84)</b>	<b>281,596.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital		85,048.66	-	85,048.66
(b) Other equity	(ii) & (iii)	31,001.92	(3.23)	30,998.69
		<b>116,050.58</b>	<b>(3.23)</b>	<b>116,047.35</b>
<b>2. Non - Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	125,757.27	(20,760.52)	104,996.76
Provisions		-	-	-
		<b>125,757.27</b>	<b>(20,760.52)</b>	<b>104,996.76</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	20,075.79	(345.10)	19,730.69
(ii) Trade Payables		3,696.71	-	3,696.71
(iii) Other financial Liabilities		31,811.79	-	31,811.79
(b) Other current liabilities		2,257.14	-	2,257.14
(c) Short Term Provision		3,055.87	-	3,055.87
		<b>60,897.30</b>	<b>(345.10)</b>	<b>60,552.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>302,705.15</b>	<b>(21,108.84)</b>	<b>281,596.31</b>



## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## (ii) A. Reconciliation of Balance sheet as at March 31, 2017

(Rs. in '000)

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non - Current Assets</b>				
(a) Property, plant and equipment		64,073.83	(564.26)	63,509.57
(b) Intangible assets		44.34	-	44.34
(c) Investments in subsidiaries		100,935.21	-	100,935.21
(d) Financial assets		-	-	-
(i) Investments		395.48	-	395.48
(ii) Other financial assets		92.56	-	92.56
(e) Deferred tax asset (net)		28,362.80	-	28,362.80
		<b>193,904.21</b>	<b>(564.26)</b>	<b>193,339.95</b>
<b>2. Current Assets</b>				
(a) Inventories		2,711.13	-	2,711.13
(b) Financial assets		-	-	-
(i) Trade Receivable	(iii)	48,169.17	(14,395.72)	33,773.46
(ii) Cash and Cash Equivalents		2,559.22	-	2,559.22
(iii) Bank balances other than (ii) above		1,634.47	-	1,634.47
(iv) Loans		264.57	-	264.57
(c) Current tax assets(net)		5,738.10	-	5,738.10
(d) Other current assets		8,282.97	-	8,282.97
		<b>69,359.63</b>	<b>(14,395.72)</b>	<b>54,963.91</b>
		<b>263,263.84</b>	<b>(14,959.98)</b>	<b>248,303.86</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital		85,048.66	-	85,048.66
(b) Other equity	(ii) & (iii)	23,357.42	1,486.62	24,844.05
		108,406.08	1,486.62	109,892.71
<b>2. Liabilities</b>				
<b>Non - Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	81,748.32	(16,446.60)	65,301.72
Provisions		2,521.28	-	2,521.28
		<b>84,269.61</b>	<b>(16,446.60)</b>	<b>67,823.01</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		34,944.79	-	34,944.79
(ii) Trade Payables		7,324.92	-	7,324.92
(iii) Other financial Liabilities		26,265.72	-	26,265.72
(b) Other current liabilities		1,996.22	-	1,996.22
(c) Short Term Provision		56.50	-	56.50
		<b>70,588.15</b>	<b>-</b>	<b>70,588.15</b>
<b>TOTAL</b>		<b>263,263.84</b>	<b>(14,959.98)</b>	<b>248,303.86</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2018

## ii. B. Reconciliation of Statement of total comprehensive income for the year ended March 31, 2017

(Rs. in '000)

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations		52,790.33	-	52,790.33
Other income		2,767.44	-	2,767.44
<b>Total income</b>		<b>55,557.77</b>	<b>-</b>	<b>55,557.77</b>
<b>Expenses</b>				
Cost of materials consumed		19,316.76	-	19,316.76
Purchases of traded goods		7,739.58	-	7,739.58
Change in inventories of Finished goods and Semi finished goods		320.28	-	320.28
Employee benefits expense	(i)	7,430.90	515.84	7,946.74
Finance costs	(ii)	8,617.33	4,659.01	13,276.34
Depreciation and amortisation expense		5,252.78	74.39	5,327.18
Other expenses	(iii)	17,457.49	(6,223.26)	11,234.23
<b>Total expenses</b>		<b>66,135.13</b>	<b>(974.01)</b>	<b>65,161.12</b>
<b>Profit before tax</b>		<b>(10,577.36)</b>	<b>974.01</b>	<b>(9,603.35)</b>
<b>Tax expense</b>				
Current tax		-	-	-
Deferred tax (net)		(2,947.68)	-	(2,947.68)
Short Provision for Tax for earlier years		14.83	-	14.83
		<b>(2,932.85)</b>	<b>-</b>	<b>(2,932.85)</b>
<b>Profit for the year (A)</b>		<b>(7,644.51)</b>	<b>974.01</b>	<b>(6,670.50)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations, net of tax	(i)	-	(515.84)	(515.84)
Tax impact on above		-	-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>(515.84)</b>	<b>(515.84)</b>
<b>Total comprehensive income for the year</b>		<b>(7,644.51)</b>	<b>1,489.85</b>	<b>(6,154.64)</b>

## iii. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Equity (Shareholder's funds) under previous GAAP	108,406.08	116,050.58
Financial liability carried at amortised cost	16,446.60	21,105.61
Expected Credit Loss	(14,395.72)	(20,618.98)
Others	(564.26)	(489.87)
Deferred tax impact on above adjustments	-	-
<b>Total equity under Ind AS</b>	<b>109,892.71</b>	<b>116,047.35</b>

**Notes to Standalone Financial Statements for the year ended 31st March, 2018****iv. Impact on cash flow statement for the period ended March 31, 2017**

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Notes to First-time adoption:****"(i) Remeasurement of post employment benefit obligations**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at March 31, 2017.

**"(ii) Borrowing costs - Financial Liability**

Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit or loss or capitalised. Under IND AS, transaction costs are deducted from the initial recognition amount of the financial liability and charged to Statement of Profit and Loss over the tenure of the borrowings using the effective interest rate method."

**(iii) Expected credit loss allowance:**

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

**"(iv) Deferred taxes:**

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Company has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP."

**(v) Other Comprehensive Income:**

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "other comprehensive income". OCI for the Company includes re-measurement of defined benefit plans of Rs 36.56 lakhs net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

**44 Recent accounting pronouncements**

**IND AS 115 - Revenue from Contracts with Customers**"has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018."

The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

Ind AS 21 - Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will not have any material impact on the financial statements of the Company.

**Notes to Standalone Financial Statements for the year ended 31st March, 2018**

- 45 The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.
- 46 The financial statements were approved for issue by the Board of Directors on May 30, 2018.
- 47 The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

**For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W**

**For and on behalf of the Board of Directors  
For Parnax Lab Ltd.**

Sd/-

**(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018**

Sd/-

**(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)**

Sd/-

**(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT****To the Members of Parnax Lab Limited****Report on the Consolidated Indian Accounting Standard (Ind AS) Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of **Parnax Lab Limited** (hereinafter referred to as "the Holding Company") and its subsidiary **Naxpar Pharma Private Limited** (the holding company and its subsidiary constitute "the Group") which comprise the consolidated Balance Sheet as at March 31, 2018, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) the consolidated Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind AS Financial Statements. 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 the 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the consolidated Ind AS financial statement in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2018, and its consolidated profits (including other comprehensive income) their consolidated cash flows and consolidated changes in equity for the year ended on that date.

**Other Matter**

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements****10. 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018, and taken on record by the Board of Directors of the Holding Company and on the basis of the report of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Consolidated Ind AS financial statements disclosed the impact, if any of pending litigation as at 31st March 2018 on the consolidated Ind AS financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;
  - ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For Ladha Singhal & Associates**  
**Chartered Accountants**

Firm's Registration No.: 120241W

Sd/-

**(Vinod Ladha)**  
**Partner**

M. No.: 104151

Place :Mumbai

Dated :30th May, 2018

**Annexure A to the Independent Auditors' Report**

Referred to as "Annexure A" in paragraph 10(f) under Independent Auditors' Report of even date to the members of **Parnax Lab Limited** on the consolidated Ind AS financial statements for the year ended on 31st March, 2018.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **Parnax Lab Limited** ("the Holding Company") and its subsidiary company which are incorporated in India, as on 31st March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended and as on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are 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 ("the Guidance Note"). 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**

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with 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 over financial reporting. Those Standards and the Guidance Note require that we comply with the 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.
4. 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.
5. 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**

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

7. 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**

8. In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note.

**For Ladha Singhal & Associates**

**Chartered Accountants**

Firm's Registration No.: 120241W

Sd/-

**(Vinod Ladha)**

**Partner**

M.No.: 104151

Place : Mumbai

Dated : 30th May, 2018





## Consolidated Balance Sheet as at 31st March, 2018

(Rs. in '000)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>I</b>	<b>ASSETS</b>				
	<b>1. Non - Current Assets</b>				
	(a) Property, plant and equipment	2	434,846.90	471,643.43	377,857.67
	(b) Capital Work in Progress		-	-	24,386.09
	(c) Intangible assets	3	2,153.06	1,550.47	129.91
	(d) Financial assets				
	(i) Investments	4	2,332.96	3,417.43	9,095.41
	(ii) Other financial assets	5	3,560.02	2,819.52	3,141.81
	(e) Other non-current assets	6	66,200.00	67,200.00	73,283.47
			<b>509,092.94</b>	<b>546,630.84</b>	<b>487,894.36</b>
	<b>2. Current Assets</b>				
	(a) Inventories	7	76,738.04	79,415.19	66,284.86
	(b) Financial assets				
	(i) Trade Receivable	8	186,636.41	186,572.05	173,557.61
	(ii) Cash and Cash Equivalents	9	9,592.68	4,336.50	508.40
	(iii) Bank balances other than (ii) above	10	6,463.44	6,919.06	5,404.46
	(iv) Loans	11	6,380.45	3,779.59	3,087.89
	(c) Current tax assets(net)	12	7,378.33	15,761.53	15,356.01
	(d) Other current assets	13	33,425.24	11,889.54	11,711.20
			<b>326,614.58</b>	<b>308,673.47</b>	<b>275,910.45</b>
	<b>3. Assets classified as held for disposal</b>	14	38,027.14	-	-
	<b>TOTAL ASSETS</b>		<b>873,734.67</b>	<b>855,304.31</b>	<b>763,804.81</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1. Equity</b>				
	(a) Share Capital	15	85,048.66	85,048.66	85,048.66
	(b) Other equity	16	240,066.90	228,645.04	191,349.12
	<b>Equity attributable to owners</b>		<b>325,115.56</b>	<b>313,693.70</b>	<b>276,397.78</b>
	Non-Controlling Interest		703.79	635.18	548.10
	Total equity		325,819.35	314,328.87	276,945.88
	<b>2. Liabilities</b>				
	Non-Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17	166,948.66	170,795.21	202,076.62
	(b) Provision	18	2,305.97	3,762.86	-
	(c) Deferred tax liabilities (net)		6,752.86	1,944.55	4,871.13
			<b>176,007.50</b>	<b>176,502.62</b>	<b>206,947.75</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	19	150,286.97	156,502.30	130,495.75
	(ii) Trade Payables	20	76,759.61	76,698.01	30,881.62
	(iii) Other financial Liabilities	21	128,899.96	122,846.51	107,373.91
	(b) Other current liabilities	22	15,750.32	8,338.82	7,407.89
	(c) Short Term Provision	23	210.97	87.17	3,751.99
			371,907.83	364,472.81	279,911.17
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>873,734.67</b>	<b>855,304.31</b>	<b>763,804.81</b>
	<b>Significant Accounting Policies</b>	1			

The accompanying notes are an integral part of these consolidated financial statements

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-

(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-

(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-

(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in '000)

	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I	Revenue from Operations (gross)	24	1,054,985.51	948,098.69
	Less :Excise Duty		-	-
	Net Revenue from Operations		<b>1,054,985.51</b>	<b>948,098.69</b>
II	Other Income	25	13,427.80	3,661.96
III	<b>Total Revenue (I + II)</b>		<b>1,068,413.31</b>	<b>951,760.65</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	26	544,393.48	496,298.48
	Purchase of Stock In Trade	27	7,008.52	932.44
	Change in Inventories	28	(2,433.83)	2,178.83
	Employee Benefits Expense	29	116,783.81	92,208.29
	Finance Cost	30	43,234.65	49,220.98
	Depreciation and Amortization Expense	2	37,402.29	37,523.07
	Other Expenses	31	279,463.32	226,285.92
	Impairment of assets classified as held for disposal		12,340.47	-
	<b>Total Expenses</b>		<b>1,038,192.72</b>	<b>904,648.01</b>
V	Profit / (Loss) before tax (III-IV)		<b>30,220.58</b>	<b>47,112.64</b>
VI	Tax Expense:	32		
	(a) Current Tax		15,000.00	12,900.00
	(b) Deferred Tax (Asset) / Liability		4,808.31	(2,926.58)
	(c) Short (Excess) Prov for Tax for Earlier Years		(147.48)	221.28
			<b>19,660.84</b>	<b>10,194.70</b>
VII	Profit / (Loss) after tax (V-VI)		10,559.75	36,917.94
VIII	<b>Other Comprehensive Income</b>			
	A.(i) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		270.46	465.06
	A.(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive income</b>		<b>270.46</b>	<b>465.06</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)</b>		<b>10,830.21</b>	<b>37,382.99</b>
	<b>Total profit/(loss) for the year attributable to:</b>			
	- Owners of the Company		10,538.63	36,844.10
	- Non-controlling interests		21.12	73.84
	<b>Other Comprehensive income attributable to :</b>			
	- Owners of the Company		269.92	464.12
	- Non-controlling interests		0.54	0.93
	<b>Total Comprehensive income attributable to:</b>			
	- Owners of the Company		10,808.55	37,308.22
	- Non-controlling interests		21.66	74,765.98
IX.	<b>Earnings Per Equity Share of Rs.10/- each :</b>			
	Weighted average no. of shares (Basic & Diluted)		8,504,866.00	8,504,866.00
	Basic & Dilute Earning Per Share (Rs.)		1.24	4.34
	<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of these consolidated financial statements

For and on behalf of the Board of Directors

For Parnax Lab Ltd.

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-  
(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-  
(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)



## Consolidated Cash Flow Statement for the year ended 31st March, 2018

(Rs. in '000)

	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	30,220.58	47,112.64
	<b>Adjustments for</b>		
	Depreciation	37,402.29	37,523.07
	Finance Cost	43,234.65	49,220.98
	Loss on sale of Property, plant & equipments	1,384.10	49.30
	Sundry Balances written off	1,084.30	1,583.71
	Diminution in value of Investments	1,135.21	-
	Impairment of assets classified as held for disposal	12,340.47	-
	Interest & Dividend income	(587.54)	(537.87)
	<b>Operating Loss Before Working Capital Adjustments</b>	<b>126,214.06</b>	<b>134,951.83</b>
	<b>Changes in Working Capital</b>		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	2,677.15	(13,130.33)
	Trade receivables	(64.35)	(13,014.44)
	Other assets (Financials and Non Financial assets)	(24,505.73)	2,437.42
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	61.60	45,816.39
	Other liabilities (Financials and Non Financial assets)	30,920.90	16,966.62
	<b>Cash generated from operations</b>	<b>135,303.62</b>	<b>174,027.49</b>
	Direct Tax Paid (Refund) [Net]	6,469.32	13,526.80
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>128,834.30</b>	<b>160,500.69</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant & equipment	(52,305.26)	(108,392.60)
	Proceeds/(Purchase) from sale of Non Current Investments	(50.74)	5,677.98
	Interest & Dividend income	587.54	537.87
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(51,768.46)</b>	<b>(102,176.75)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from borrowings (net)	(34,231.30)	(9,663.53)
	Finance Cost	(37,578.36)	(44,832.32)
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(71,809.66)</b>	<b>(54,495.85)</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>5,256.18</b>	<b>3,828.10</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,336.50</b>	<b>508.40</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>9,592.68</b>	<b>4,336.50</b>

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-  
(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-  
(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)



## Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

**(A) Equity Share Capital (Rs. in '000)**

	Amount
<b>Balance as at April 01, 2016</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>85,048.66</b>

**(B) Other Equity****(Rs. in '000)**

	Capital Reserve on Consolidation	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Total
<b>Balance as at April 01, 2016</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>126,060.73</b>	-	<b>191,349.12</b>
Profit/(Loss) for the year	-	-	36,844.10	-	36,844.10
Other comprehensive income for the year	-	-	-	451.82	451.82
<b>Balance as at March 31, 2017</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>162,904.83</b>	<b>451.82</b>	<b>228,645.04</b>
Profit/(Loss) for the year	-	-	10,538.63	-	10,538.63
Other comprehensive income for the year	-	-	-	228.43	228.43
Amortisation of land transfer to asset held for disposal	-	-	654.80	-	654.80
<b>Balance as at March 31, 2018</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>174,098.26</b>	<b>680.25</b>	<b>240,066.90</b>

The accompanying notes are an integral part of these financial statements

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

For and on behalf of the Board of Directors  
For Parnax Lab Ltd.

Sd/-

(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018

Sd/-

(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)

Sd/-

(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)

**Notes to consolidated financial statements for the year ended 31st March, 2018****Note - 1****A. CORPORATE INFORMATION:**

The consolidated financial statements comprises financial statements of Parnax Lab Limited (Parent Company) and its subsidiary Naxpar Pharma Private Limited (hereinafter to be referred as the Group) for the year ended March 31, 2018.

Parnax Lab Limited is a public Group incorporated under the provisions of the Companies Act, 1956. The Group is principally engaged in the business activities of manufacturing and export of Pharmaceutical Formulations.

**B. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation of Financial Statements:**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

These consolidated financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Group had prepared its consolidated financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

Refer Note 43 for the details of significant first-time adoption exemptions availed by the Group and an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, performance and cash flows.

The financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no.8)
- (ii) Defined benefit employee plan (Refer note no. 13)

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2018.

**Subsidiaries**

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

**Specifically, the Group controls an investee if and only if the Group has**

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) Exposure, or rights, to variable returns from its involvement with the investee
- (c) The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

**Consolidation Procedure****Subsidiaries**

- (a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies

#### **Changes in the Group's ownership interest in existing subsidiaries:**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non controlling interests.

The consolidated financial statements are presented in INR, the functional currency of the Group.

## **2. Use of Estimates and judgments:**

The preparation of the consolidated financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### **Critical accounting judgements and key source of estimation uncertainty**

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- (a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13
- (b) Estimation of current tax expenses and payable - Refer note no. - 14

## **3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital working-progress".

#### 4. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### 5. Depreciation and Amortization:

##### (a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (b) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates."

#### 6. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013.

#### 7. Financial Instruments:

##### Financial assets - Initial recognition:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

##### Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Group can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity 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. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.



**Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

**Financial Liabilities****Initial Recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

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

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognized in the statement of profit or loss.

**Derivative financial instruments**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

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

**8. Fair Value Measurement**

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) In the principal market for the asset or liability, or (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above"

## 9. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a First-in First-Out (FIFO). Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

## 10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

## 11. Foreign Currency Transactions:

### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

### b) Measurement of Foreign

Currency Items at the Balance Sheet Date Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

## 12. Revenue Recognition:

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

### Sale of Goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

**Rendering of Services**

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed/rendered.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

**Dividend**

Dividend Income is recognized when right to receive the same is established.

**13. Employee Benefits:**

The Group provides following post-employment plans:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as Provident fund & Superannuation fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

- b) Defined-contribution plan:** Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.
- c) Other employee benefits:** (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**14. Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**15. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**16. Earnings Per Share:**

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

**17. Assets held for disposal**

The Group classifies non-current assets as held for sale if their current carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Any expected loss is recognised immediately on statement of profit & loss.

Property, plant & equipment once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

**18. Leases:**

Where the Group is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

**Where the Group is Lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**19. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.”

Contingent assets are neither recognized nor disclosed in financial statements.



Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Note 2 : Property, plant & equipments

Particulars	(Rs. in '000)													Total			
	Land - Leased	Land - Freehold	Factory Building	Office Premises	Plant & Machinery	Electrical Installation	Generator	Furniture	Motor Car	Computer	Office Equipments	Other Equipment	Q.C Equipments		R & D Equipments	Air Conditioner	Bus
Gross carrying amount																	
Deemed cost as at April 01, 2016 (refer (2) below)	1,126.69	15,486.94	171,771.43	5,401.47	66,376.91	6,682.10	965.38	6,901.80	14,069.82	1,523.55	806.18	75,813.37	7,323.29	1,517.97	1,713.99	376.78	377,857.87
Additions	2,390.00	-	33,734.31	-	45,117.93	2,130.70	-	3,766.01	5,954.05	481.77	369.69	32,507.15	4,533.73	-	269.95	-	131,255.28
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	3,516.69	15,486.94	205,505.74	5,401.47	111,494.84	8,812.80	965.38	10,667.81	20,023.87	2,005.32	1,175.87	108,320.52	11,857.02	1,517.97	1,983.94	376.78	509,112.95
Additions	1,098.00	-	16,352.78	-	8,232.56	6,153.16	-	1,852.10	325.51	679.64	987.01	15,353.17	2,608.94	-	558.25	-	54,201.10
Disposals	-	-	-	-	-	-	(965.38)	-	-	-	-	(2,079.57)	(327.15)	-	-	-	(4,435.69)
Transferred to assets held for disposal	(4,614.69)	-	(28,296.89)	-	(4,046.80)	(578.22)	-	-	-	-	-	(18,174.44)	(628.67)	(454.38)	-	-	(56,794.09)
Balance as at March 31, 2018	-	15,486.94	193,561.63	5,401.47	115,680.60	14,387.73	-	12,519.91	20,349.38	2,684.96	2,162.87	103,419.67	13,510.14	-	2,542.19	376.78	502,094.27
Accumulated depreciation/ Amortisation																	
Balance as at April 01, 2016																	
Depreciation/Amortisation charge for the year	74.39	-	7,330.12	313.29	8,274.29	4,451.83	111.13	2,190.25	3,084.23	1,304.42	292.10	8,277.41	1,046.28	291.46	265.12	163.23	37,469.52
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2017	74.39	-	7,330.12	313.29	8,274.29	4,451.83	111.13	2,190.25	3,084.23	1,304.42	292.10	8,277.41	1,046.28	291.46	265.12	163.23	37,306.29
Depreciation/Amortisation charge for the year	90.54	-	7,555.05	313.29	10,303.38	892.52	27.40	1,586.28	3,549.23	474.66	385.93	10,145.96	1,166.42	81.64	252.11	163.23	36,987.65
Disposals	-	-	-	-	-	-	(138.53)	-	-	-	-	-	-	-	-	-	(138.53)
Transferred to assets held for disposal	(164.94)	-	(3,114.31)	-	(1,298.44)	(115.89)	-	-	-	-	-	(1,726.71)	(287.89)	(373.10)	-	-	(7,081.28)
Accumulated depreciation as at March 31, 2018	-	-	11,770.86	626.57	17,279.23	5,228.46	-	3,776.53	6,633.46	1,779.08	678.03	16,696.65	1,924.81	-	517.23	326.46	67,237.37
Net carrying amount as at April 01, 2016	1,126.69	15,486.94	171,771.43	5,401.47	66,376.91	6,682.10	965.38	6,901.80	14,069.82	1,523.55	806.18	75,813.37	7,323.29	1,517.97	1,713.99	376.78	377,857.87
Net carrying amount as at March 31, 2017	3,442.30	15,486.94	198,175.62	5,088.18	103,220.55	4,360.97	854.25	8,477.57	16,939.64	700.90	883.77	100,043.11	10,810.74	1,226.52	1,718.82	213.55	471,643.43
Net carrying amount as at March 31, 2018	-	15,486.94	181,790.77	4,774.89	98,401.37	9,159.28	-	8,743.38	13,715.92	905.88	1,484.84	86,723.02	11,585.33	-	2,024.96	50.32	434,846.90

Note:

1. Refer note no. 35 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
2. The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2016 under the previous GAAP.

Deemed Cost as at April 01, 2016

Particulars	(Rs. in '000)													Total			
	Land - Leased	Land - Freehold	Factory Building	Office Premises	Plant & Machinery	Electrical Installation	Generator	Furniture	Motor Car	Computer	Office Equipments	Other Equipment	Q.C Equipments		R & D Equipments	Air Conditioner	Bus
Gross Block as on April 01, 2016	1,616.56	15,486.94	232,547.20	8,076.54	114,248.84	28,633.99	1,527.51	16,741.65	24,357.42	7,381.85	3,000.70	113,301.26	11,961.35	4,362.75	4,280.94	1,006.50	588,532.01
Accumulated depreciation till April 01, 2016	-	-	60,775.77	2,675.07	47,871.94	21,951.90	562.14	9,839.85	10,287.60	5,858.30	2,194.53	37,487.89	4,638.06	2,844.77	2,566.95	629.72	210,164.48
Deemed Cost as at April 01, 2016	1,616.56	15,486.94	171,771.43	5,401.47	66,376.91	6,682.10	965.38	6,901.80	14,069.82	1,523.55	806.18	75,813.37	7,323.29	1,517.97	1,713.99	376.78	378,347.53

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 3 : Intangible assets

(Rs. in '000)

Particulars	Software	Total
<b>Gross carrying amount</b>		
<b>Deemed cost as at April 01, 2016 (refer (3) below)</b>	<b>129.91</b>	<b>129.91</b>
Additions	1,474.11	1,474.11
Disposals	-	-
<b>Balance as at March 31, 2017</b>	<b>1,604.02</b>	<b>1,604.02</b>
Additions	1,017.23	1,017.23
Disposals	-	-
<b>Balance as at March 31, 2018</b>	<b>2,621.25</b>	<b>2,621.25</b>

## Accumulated depreciation/Amortisation

Particulars	Software	Total
<b>Balance as at April 01, 2016</b>		
Depreciation/Amortisation charge for the year	53.55	53.55
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>53.55</b>	<b>53.55</b>
Depreciation/Amortisation charge for the year	414.64	414.64
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>468.19</b>	<b>468.19</b>

Particulars	Software	Total
Net carrying amount as at April 01, 2016	129.91	129.91
Net carrying amount as at March 31, 2017	1,550.47	1,550.47
Net carrying amount as at March 31, 2018	2,153.06	2,153.06

## Deemed Cost as at April 01, 2016

Particulars	Software
Gross Block as on April 01, 2016	116.91
Accumulated depreciation till April 01, 2016	53.32
Deemed Cost as at April 01, 2016	63.59

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 4 : Non-Current Investments

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Other Equity instruments, at fair value through profit &amp; loss Unquoted, fully paid-up</b>			
The Shamrao Vitthal Co-op. Bank Ltd. (319 Shares of Rs. 25/- each)	7.98	7.98	7.98
Apna Sahakari Bank Ltd (20,000 Shares of Rs. 25/- each)	500.00	500.00	500.00
Maratha Sahakari Bank Ltd. (25,540 Shares of Rs. 25/- each)	638.50	638.50	638.50
Janasev Sahakari Bank Borivali Ltd (20,000 Shares of Rs. 25/- each)	510.00	500.00	500.00
Investment in LLP (Novonax LLP)	-	1,135.21	6,948.94
Investment in Partnership Firm (Sonex Inc)	676.48	635.75	500.00
<b>Total</b>	<b>2,332.96</b>	<b>3,417.43</b>	<b>9,095.41</b>
Aggregate amount of Unquoted investments at cost	2,332.96	3,417.43	9,095.41
Aggregate amount of impairment in the value of investment	1,135.21	-	-

## Note 5 : Other financial assets (Non-Current)

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Unsecured, Considered good</b>			
Security Deposit	3,560.02	2,819.52	2,263.16
Other advances	-	-	878.65
<b>Total</b>	<b>3,560.02</b>	<b>2,819.52</b>	<b>3,141.81</b>

## Note 6 : Other assets (Non-Current)

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Unsecured, Considered good</b>			
Capital Advance	66,200.00	67,200.00	73,283.47
<b>Total</b>	<b>66,200.00</b>	<b>67,200.00</b>	<b>73,283.47</b>

## Note 7 : Inventories

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>(As taken, valued and certified by the Management) (Valued at Cost or Market value, whichever is lower)</b>			
Raw Material	33,210.40	32,223.67	23,802.26
Work in Progress	7,296.37	4,123.13	4,531.63
Finished Goods	1,874.27	2,831.10	3,330.44
Packing Material	33,506.70	39,739.79	33,906.12
Others	850.29	497.50	714.42
<b>Total</b>	<b>76,738.04</b>	<b>79,415.19</b>	<b>66,284.86</b>

**Note:** Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value.



## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 8 : Trade Receivable

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Unsecured, Considered good	186,636.41	186,572.05	173,557.61
<b>Total</b>	<b>186,636.41</b>	<b>186,572.05</b>	<b>173,557.61</b>

## Note 9 : Cash and Cash Equivalents

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
(a) Cash on Hand	722.13	297.24	428.17
(b) Balance with Scheduled Banks	-	-	-
- In Current Accounts	8,870.55	4,039.26	80.24
<b>Total</b>	<b>9,592.68</b>	<b>4,336.50</b>	<b>508.40</b>

## Note 10 : Bank balances other than cash &amp; cash equivalents

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Balance with Scheduled Banks</b>			
- In Fixed Deposit Account	6,463.44	6,919.06	5,404.46
(Lodged as margin money against bank guarantee)			
<b>Total</b>	<b>6,463.44</b>	<b>6,919.06</b>	<b>5,404.46</b>

## Note 11 : Loans

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Unsecured, considered good</b>			
Loans and Advances to Employees	6,380.45	3,779.59	3,087.89
<b>Total</b>	<b>6,380.45</b>	<b>3,779.59</b>	<b>3,087.89</b>

## Note 12 : Current tax assets (net)

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advance Income Tax	7,378.33	15,761.53	15,356.01
<b>Total</b>	<b>7,378.33</b>	<b>15,761.53</b>	<b>15,356.01</b>

## Note 13 : Other current assets

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Advances recoverable in cash or in kind or for value to be received	24,801.48	6,930.65	5,622.52
Advance to Supplier	1,299.25	1,490.52	1,737.34
Balance with Government Authorities	-	-	-
Balance with Central Excise	-	33.32	33.32
Service Tax (Credit to be availed)	-	-	925.66
Balance with GST	3,346.36	-	-
GST Refund Receivable	2,095.32	-	-
Sales Tax	1,882.84	3,435.05	3,392.37
<b>Total</b>	<b>33,425.24</b>	<b>11,889.54</b>	<b>11,711.20</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 14 : Assets classified as held for sale

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Land	5,104.56	-	-
Other Property, Plant & Equipments	45,263.06	-	-
Less: Impairment of assets classified as held for sale	(12,340.47)	-	-
<b>Total</b>	<b>38,027.14</b>	<b>-</b>	<b>-</b>

**Note:**

The Company intends to dispose off its certain part of property, plant & equipment as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility at Silvassa.

An impairment loss has been recognised on reclassification of the Plant, Property & equipment as held for sale and the Company expects to realise fair value less cost to sell to be higher than carrying amount.

An active program to locate the buyer and to complete the sale has already been initiated.

## Note 15 : Share Capital

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Authorised:</b>			
100,00,000 (100,00,000) Equity Shares of Rs. 10/- each	100,000.00	100,000.00	100,000.00
<b>Total</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>100,000.00</b>
<b>Issued, Subscribed and Paid up:</b>			
85,04,866 (85,04,866) Equity Shares of Rs.10/- each fully paid up (of the above 53,04,866 shares of Rs. 10/- each were issue at the time of scheme of amalgamation)	85,048.66	85,048.66	85,048.66
<b>Total</b>	<b>85,048.66</b>	<b>85,048.66</b>	<b>85,048.66</b>
<b>(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :</b>			
Number of shares at the beginning of the year	8,504.87	8,504.87	8,504.87
Add: Issued during the year	-	-	-
Number of shares at the end of the year	<b>8,504.87</b>	<b>8,504.87</b>	<b>8,504.87</b>

**(ii) Terms/rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per shares. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

<b>(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :</b>	Nil	Nil	Nil
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## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## (iv) Details of Shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 01st April, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Baiju Shah	628,261	7.39%	628,261	7.39%	628,261	7.39%
Binoy Shah	1,369,600	16.10%	1,369,600	16.10%	1,369,600	16.10%
Ila Shah	660,872	7.77%	660,872	7.77%	660,872	7.77%
Mihir Shah	1,141,250	13.42%	1,141,250	13.42%	1,141,250	13.42%
Pragna Shah	539,887	6.35%	539,887	6.35%	539,887	6.35%
Prakash M. Shah	675,426	7.94%	675,426	7.94%	675,426	7.94%

## Note 16 : Reserves &amp; Surplus

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Capital Reserve on Consolidation	1,622.61	1,622.61	1,622.61
General Reserve	63,665.78	63,665.78	63,665.78
Surplus in Statement of profit & loss	174,098.26	162,904.83	126,060.73
Accumulated other comprehensive income			
Actuarial Gains/(Losses)	680.25	451.82	-
<b>Total</b>	<b>240,066.90</b>	<b>228,645.04</b>	<b>191,349.12</b>

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>A) Capital Reserve on Consolidation</b>		
Opening Balance	1,622.61	1,622.61
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	1,622.61	1,622.61
<b>B) General Reserve Account</b>		
Opening Balance	63,665.78	63,665.78
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	63,665.78	63,665.78
<b>C) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	162,904.83	126,060.73
Add/(Less): profit/(loss) for the year	10,538.63	36,844.10
Add/(Less): Amortisation of land transfer to asset held for disposal	654.80	-
Closing Balance	174,098.26	162,904.83
<b>D) Other Comprehensive income</b>		
Opening Balance	451.82	-
Add/(Less): for the year	228.43	451.82
Closing balance	680.25	451.82
<b>Total</b>	<b>240,066.90</b>	<b>228,645.04</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 17 : Borrowings

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Secured</b>			
<b>Term Loans</b>			
- from Banks	112,918.78	118,656.79	132,603.89
<b>Car Loans</b>			
- From Banks	3,542.56	5,132.23	2,876.85
- From Others	536.61	1,928.43	1,423.04
<b>Unsecured</b>			
From Intercorporate	49,950.71	45,077.76	40,689.10
From Directors, Shareholders & their Relatives	-	-	24,483.75
<b>Total</b>	<b>166,948.66</b>	<b>170,795.21</b>	<b>202,076.62</b>

**Terms and Conditions**

- a) The term loan is secured by way of secured mortgage of office premises situated at Building No 8, Jogani Industrial Complex, Chunabhatti, Mumbai and equitable mortgage of Land & Building located at Plot No. 182, Village Gurumajra, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh and other immovable & Hypothecation of movable machineries and personal guarantee by the directors.
- b) All the vehicle loans are secured by way of Hypothecation of respective vehicle.

**c) Repayment Profile of Term Loans is as set out below:**

Nature of Loan	Rate of Interest (%)	Banlance No of Installments	Installments ending on
Apna Sahakari Bank Ltd	10.75%	72	Mar-24
Apna Sahakari Bank Ltd	10.45%	6 to 57	Dec-22
Janaseva Sahakari Bank (Borivali) Ltd	13.50%	6	Sep-18
HDFC Bank Ltd	9.35%	33	Dec-20
Daimler Financial Service I Pvt Ltd	11.00%	20	Nov-19
Volkswagan Finance Pvt Ltd	11.50%	7	Oct-18
ICICI Bank Ltd	9.36%	37	Apr-21

## Note 18 - Provisions

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	1,287.40	3,762.86	-
Provision for Leave Encashment	1,018.57	-	-
<b>Total</b>	<b>2,305.97</b>	<b>3,762.86</b>	<b>-</b>

## Note 19 : Short Term Borrowing

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
<b>Secured</b>			
Working Capital Facility			
- From banks	130,813.22	136,218.55	130,495.75
<b>Unsecured</b>			
From Directors, Payable on demand	19,473.75	20,283.75	-
<b>Total</b>	<b>150,286.97</b>	<b>156,502.30</b>	<b>130,495.75</b>

(Working Capital facility from Bank is secured by way of Hypothecation of stocks, book debts and entire current assets of the company. The facility is further secured by charge on fixed assets and personal guarantee of all the Directors of the company.)

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 20 : Trade Payables

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Trade Payables:			
Sundry Creditors for Goods	76,759.61	76,698.01	30,881.62
<b>Total</b>	<b>76,759.61</b>	<b>76,698.01</b>	<b>30,881.62</b>

## Note 21 : Other Financial Liabilities

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Current Maturities of Long Term Debts	49,074.26	67,587.39	64,120.18
Bank Overdraft	-	1,136.94	2,072.32
Other Payables:			
Sundry Creditors for Expenses	79,825.70	54,122.18	41,181.42
<b>Total</b>	<b>128,899.96</b>	<b>122,846.51</b>	<b>107,373.91</b>

## Note 22 - Other current liabilities

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Statutory Remittances	10,061.24	7,538.92	7,407.89
Advances from Customers	5,689.08	799.90	-
<b>Total</b>	<b>15,750.32</b>	<b>8,338.82</b>	<b>7,407.89</b>

## Note 23 - Short-Term Provision

(Rs. in '000)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Provision for Gratuity	163.23	87.17	3,751.99
Provision for Leave Encashment	47.74	-	-
<b>Total</b>	<b>210.97</b>	<b>87.17</b>	<b>3,751.99</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 24 : Revenue from Operations

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of Goods (Including excise duty)	841,684.84	718,634.99
Sale of Services - Labour Charges	213,300.67	229,463.70
<b>Total</b>	<b>1,054,985.51</b>	<b>948,098.69</b>

## Note 25 : Other Income

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Dividend	1.11	76.26
(b) Interest Received on FDR	586.43	461.61
(c) Interest on Income Tax Refund	855.09	40.85
(d) Duty Drawback Received	2,734.81	698.77
(e) Interests - From others	48.23	50.48
(f) Licence Fees Recovered	-	350.00
(g) Export Incentives (MEIS)	7,026.57	-
(h) Exchange Gain	618.01	-
(i) Commission Received on Sales	-	1,983.99
(j) Excise Refund Received	1,557.56	-
<b>Total</b>	<b>13,427.80</b>	<b>3,661.96</b>

## Note 26 : Cost of Material Consumed

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock	71,963.46	57,708.38
Add:- Purchases during the year	539,147.12	510,553.56
	611,110.58	568,261.94
Less: - Closing Stock	66,717.10	71,963.46
	544,393.48	496,298.48
<b>Total</b>	<b>544,393.48</b>	<b>496,298.48</b>

## Note 27 : Purchase of Stock in Trade

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Stock of Finished Goods Traded	1,270.99	-
Add: Purchases during the year	6,791.11	2,203.43
	<b>8,062.11</b>	<b>2,203.43</b>
Less: Closing Stock of Finished Goods Traded	1,053.59	1,270.99
<b>Total</b>	<b>7,008.52</b>	<b>932.44</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 28 : Changes In Inventories

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>(a) At the beginning of the period</b>		
(i) Finished Goods	1,560.11	3,330.44
(ii) Work in Progress	4,123.13	4,531.63
<b>(b) At the end of the period</b>		
(i) Finished Goods	820.69	1,560.11
(ii) Work in Progress	7,296.37	4,123.13
<b>Total</b>	<b>(2,433.83)</b>	<b>2,178.83</b>

## Note 29 : Employees Benefits Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Salaries and Wages	100,241.00	80,896.29
(b) Bonus & Exgratia	4,924.12	2,165.60
(c) Staff Welfare Expenses	3,738.71	3,747.34
(d) Gratuity Paid	1,236.18	1,145.24
(e) Employer's Contribution to Provident Fund	3,706.12	3,105.19
(f) Contribution to ESIC	1,665.96	1,148.63
(g) Leave encashment	1,271.73	-
<b>Total</b>	<b>116,783.81</b>	<b>92,208.29</b>

## Note 30 : Finance Cost

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Bank Charges & Commission	1,656.40	1,592.12
(b) Interest Paid to Bank - Working Capital	15,639.05	16,239.29
(c) Interest Paid to Bank - Term Loan	18,169.00	25,237.51
(d) Interest on Vehicle Loan	877.94	1,216.97
(e) Interest to Others	2,007.70	546.43
(f) Interest expenses on unwinding of discounts	4,884.56	4,388.67
<b>Total</b>	<b>43,234.65</b>	<b>49,220.98</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Note 31 : Other Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>(A) Manufacturing Expenses</b>		
(a) Analytical Charges, Chemical & Glassware Consumed	13,043.04	14,072.37
(b) Consumable & Stores	7,343.95	7,375.97
(c) Power & Fuel Consumed	29,327.64	32,089.94
(d) Factory Expenses	1,100.37	1,189.66
(e) Freight & Octroi	5,069.63	8,578.73
(f) Loading Unloading & Packing Charges	70,899.64	82,961.09
(g) License Fees	792.36	214.77
(h) Job Work Charges Paid	2,976.32	2,752.94
(i) Repair & Maintenance		
-Plant & Machinery	20,838.91	15,598.54
-Building	16,508.22	8,490.75
-Other	1,417.88	831.78
(j) Security Charges	3,975.78	3,854.44
(k) Pollution Control Expenses	120.00	60.00
	<b>173,413.73</b>	<b>178,070.99</b>
<b>(B) Selling and Distribution Expenses</b>		
(a) Sales Promotion Expenses	2,297.44	3,203.45
(b) Advertisement Expenses	175.04	72.47
(c) Commission on Sale	17,837.93	343.44
(d) CHA Charges	10,961.94	749.50
(e) Freight & Octroi (Export & Outward)	18,849.88	3,543.36
(f) Export Insurance	72.86	56.84
(g) Export Expenses	84.45	92.61
(h) Product Dev & Registration	304.67	452.58
(i) Travelling Expenses	6,569.35	4,499.63
(j) Rate Differences	128.86	119.18
	<b>57,282.42</b>	<b>13,133.06</b>
<b>(C) Administrative and General Expenses</b>		
(a) Rent Rates & Taxes	14,672.99	7,551.86
(b) Insurance	1,948.20	1,823.27
(c) Legal & Professional Fees	14,926.08	15,817.51
(d) Payment to Auditors		
-Audit fees	500.00	537.50
(e) ROC Filing Fees	43.47	153.00
(f) Office Expenses	130.48	480.32
(g) Conveyance	1,804.94	1,182.38
(h) Sundry Balances W/off	1,084.30	1,583.71
(i) Printing & Stationery	2,629.64	2,265.85
(j) Telephone Expenses	929.31	1,276.23
(k) Postage & Courier	923.91	1,103.96
(l) Donation	200.00	2,313.00
(m) Motor Car Expenses	2,706.96	2,496.64
(n) Electricity Charges	582.95	628.96
(o) Membership & subscription	137.90	150.18
(p) Other Expenses	1,623.72	1,623.21
(q) Listing Fees	287.50	229.00
(r) Exchange Loss	1,384.10	49.30
(s) Share of Loss of Partnership Firm	44.46	39.25
(t) Loss on Sale of Fixed Assets	2,206.26	-
(u) Expected credit losses	-	(6,223.26)
	<b>48,767.17</b>	<b>35,081.87</b>
<b>Total</b>	<b>279,463.32</b>	<b>226,285.92</b>



## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## 32 Income taxes

## (a) Tax expense recognised in the Statement of profit and loss:

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Current tax</b>		
Current year	15,000.00	12,900.00
Short Provision for Tax for earlier years	(147.48)	221.28
<b>Total current tax</b>	<b>14,852.53</b>	<b>13,121.28</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	4,808.31	(2,926.58)
<b>Total deferred income tax expense/(credit)</b>	<b>4,808.31</b>	<b>(2,926.58)</b>
<b>Total income tax expense/(credit)</b>	<b>19,660.84</b>	<b>10,194.70</b>

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

## (b) Reconciliation of effective tax rate

(Rs. in '000)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit /(loss) before taxation	30,220.58	47,112.64
Enacted income tax rate in India	25.75%	30.90%
Tax at the enacted income tax rate	7,781.80	14,557.81
<b>Reconciliation line items:</b>		
Tax rate difference for subsidiary	4,002.39	1,225.67
Tax credit not recognised	5,611.99	-
Others	2,264.65	(3,137.43)
<b>Tax expense/ (credit)</b>	<b>19,660.84</b>	<b>10,194.70</b>

## (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

(Rs. in '000)

Particulars	As at April 01, 2016	Credit/ (charge) in Statement of profit and loss	As at March 31, 2017
<b>Deferred tax assets/liabilities</b>			
On losses and unabsorbed depreciation	35,224.46	2,737.00	37,961.46
On Account of Depreciation	(41,336.08)	240.41	(41,095.67)
On expenses allowable on payment basis	1,240.49	(50.83)	1,189.66
	<b>(4,871.13)</b>	<b>2,926.58</b>	<b>(1,944.55)</b>

Particulars	As at April 01, 2017	Credit/ (charge) in Statement of profit and loss	As at March 31, 2018
<b>Deferred tax assets/(liabilities)</b>			
On losses and unabsorbed depreciation	37,961.46	(1,135.79)	36,825.67
On Account of Depreciation	(41,095.67)	(3,337.24)	(44,432.91)
On expenses allowable on payment basis	1,189.66	(335.28)	854.38
	<b>(1,944.55)</b>	<b>(4,808.31)</b>	<b>(6,752.86)</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## 33 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The disclosure in respect of the defined Gratuity Plan are given below:

## A. Balance Sheet

(Rs. in '000)

Particulars	Defined benefit plans		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of plan liabilities	4,241.97	5,850.90	5,415.47
Fair value of plan assets	2,791.34	2,000.86	1,663.48
<b>Asset/(Liability) recognised</b>	<b>1,450.63</b>	<b>3,850.03</b>	<b>3,751.99</b>

## B. Movements in plan assets and plan liabilities

(Rs. in '000)

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2017	5,850.90	2,000.53
Current service cost	905.32	174.24
Past service cost	-	-
Interest Cost/(Income)	337.66	-
Return on plan assets excluding amounts included in net finance income/cost	-	116.03
Actuarial (gain)/loss arising from changes in demographic assumptions	-	211.67
Actuarial (gain)/loss arising from changes in financial assumptions	(512.91)	-
Actuarial (gain)/loss arising from experience adjustments	146.81	-
Employer contributions	-	3,197.48
Benefit payments	(2,697.48)	(2,697.48)
<b>As at 31st March 2018</b>	<b>4,241.97</b>	<b>2,791.14</b>

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2016	5,415.47	1,663.48
Current service cost	852.68	-
Past service cost	-	-
Interest Cost/Income	419.95	127.40
Return on plan assets excluding amounts included in net finance income/cost	-	(40.02)
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	(505.07)	-
Employer contributions	-	582.14
Benefit payments	(332.14)	(332.14)
<b>As at 31st March 2017</b>	<b>5,850.90</b>	<b>2,000.86</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## C. Statement of Profit and Loss

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Employee Benefit Expenses:</b>		
Current service cost	905.32	852.68
Interest cost/(income)	163.22	292.55
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>1,068.54</b>	<b>1,145.24</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	-	-
Actuarial gains/(losses) arising from changes in Demographic assumptions	211.67	
Actuarial gains/(losses) arising from changes in financial assumptions	(512.91)	-
Experience gains/(losses)	30.78	(465.06)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(270.46)</b>	<b>(465.06)</b>

## D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2018	As at March 31, 2017
<b>Financial Assumptions</b>		
Discount rate	7.75%	7.50%
Salary Escalation Rate	5.00%	5.00%

## E. Major categories of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2018	As at March 31, 2017
<b>Insurance policies</b>	<b>100%</b>	<b>100%</b>

## F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in '000)

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	4,572.83	3,976.00
Salary Escalation Rate	1.00%	4,010.36	4,538.60

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## G. The defined benefit obligations shall mature after year end 31st March, 2018 as follows:

Year ending March 31, 2018	Defined benefit obligation
2019	162.87
2020	204.04
2021	213.58
2022	555.30
2023	391.08
Thereafter	2,627.37

The weighted average duration of the defined benefit obligation is 16.41.

The weighted average duration of the defined benefit obligation is 13.90.

## 34 Contingent liabilities

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Company not acknowledged as debts			
(i) Guarantees given by banks	3,344.00	1,094.00	5,359.00
(ii) liabilities that may arise in respect of disputed matters in relation to			
- Excise duty	6,317.00	6,317.00	6,887.00
- Income tax	-	4,838.00	5,942.00
- VAT	-	7,591.00	7,591.00
(iii) Others	14,387.00	9,274.00	10,074.00
	<b>24,048.00</b>	<b>29,114.00</b>	<b>35,853.00</b>

Note: - The Group's pending litigations comprise of claims against the Group and proceedings pending with tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its consolidated financial statements.

## 35 Commitments

The Company does not have any commitments (including capital commitments) as on March 31, 2018. (As at March 31, 2017 and April 01, 2016 - Rs. 56,833,000)

## 36 Earning Per share

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax available for equity shareholders	10,559.75	36,917.94
Weighted average number of equity shares	8,504,866	8,504,866
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	1.24	4.34

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## 37 Net debt reconciliations

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current borrowings	166,948.66	170,795.21
Current borrowings (including current maturities)	199,361.23	224,089.69
	<b>366,309.89</b>	<b>394,884.90</b>

Changes in liability arising from financing activities	For the year ended March 31, 2018
<b>Net debt as at April 01, 2017</b>	<b>394,884.90</b>
Cash flows	(34,231.30)
Unwinding of discounts on Interest free loan	4,884.56
Borrowing cost	771.73
<b>Net debt as at March 31, 2018</b>	<b>366,309.89</b>

## 38 Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>As at March 31, 2018</b>					
Financial assets					
Investments	-	-	2,332.96	2,332.96	2,332.96
Trade receivables	-	-	186,636.41	186,636.41	186,636.41
Cash and cash equivalents	-	-	9,592.68	9,592.68	9,592.68
Other bank balances	-	-	6,463.44	6,463.44	6,463.44
Loans	-	-	6,380.45	6,380.45	6,380.45
Other financial assets	-	-	3,560.02	3,560.02	3,560.02
<b>Total</b>	-	-	<b>214,965.95</b>	<b>214,965.95</b>	<b>214,965.95</b>
Financial liabilities					
Borrowings	-	-	317,235.63	317,235.63	317,235.63
Trade payables	-	-	76,759.61	76,759.61	76,759.61
Others	-	-	128,899.96	128,899.96	128,899.96
<b>Total financial liabilities</b>	-	-	<b>522,895.20</b>	<b>522,895.20</b>	<b>522,895.20</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

(Rs. in '000)

Financial assets	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>As at March 31, 2017</b>					
Investments	-	-	3,417.43	3,417.43	3,417.43
Trade receivables	-	-	186,572.05	186,572.05	186,572.05
Cash and cash equivalents	-	-	4,336.50	4,336.50	4,336.50
Other bank balances	-	-	6,919.06	6,919.06	6,919.06
Loans	-	-	3,779.59	3,779.59	3,779.59
Other financial assets	-	-	2,819.52	2,819.52	2,819.52
<b>Total</b>	-	-	<b>207,844.15</b>	<b>207,844.15</b>	<b>207,844.15</b>
<b>Financial liabilities</b>					
Borrowings	-	-	327,297.51	327,297.51	327,297.51
Trade payables	-	-	76,698.01	76,698.01	76,698.01
Others	-	-	122,846.51	122,846.51	122,846.51
<b>Total financial liabilities</b>	-	-	<b>526,842.04</b>	<b>526,842.04</b>	<b>526,842.04</b>
<b>As at April 01, 2016</b>					
<b>Financial assets</b>					
Investments	-	-	9,095.41	9,095.41	9,095.41
Trade receivables	-	-	173,557.61	173,557.61	173,557.61
Cash and cash equivalents	-	-	508.40	508.40	508.40
Other bank balances	-	-	5,404.46	5,404.46	5,404.46
Loans	-	-	3,087.89	3,087.89	3,087.89
Other financial assets	-	-	3,141.81	3,141.81	3,141.81
<b>Total</b>	-	-	<b>194,795.59</b>	<b>194,795.59</b>	<b>194,795.59</b>
<b>Financial liabilities</b>					
Borrowings	-	-	332,572.38	332,572.38	332,572.38
Trade payables	-	-	30,881.62	30,881.62	30,881.62
Others	-	-	107,373.91	107,373.91	107,373.91
<b>Total financial liabilities</b>	-	-	<b>470,827.91</b>	<b>470,827.91</b>	<b>470,827.91</b>

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**39 Financial risk factors**

The Group's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Group's operations and to provide to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

**(a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## (i) The following is the contractual maturities of the financial liabilities:

(Rs. in '000)

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2018</b>				
<b>Non-derivative liabilities</b>				
Borrowings	366,309.89	-	199,361.23	166,948.66
Trade payables	76,759.61	-	76,759.61	-
Other financial liabilities	79,825.70	-	79,825.70	-
	<b>522,895.20</b>	<b>-</b>	<b>355,946.54</b>	<b>166,948.66</b>
<b>As at March 31, 2017</b>				
<b>Non-derivative liabilities</b>				
Borrowings	394,884.90	-	224,089.69	170,795.21
Trade payables	76,698.01	-	76,698.01	-
Other financial liabilities	55,259.12	-	55,259.12	-
	<b>526,842.04</b>	<b>-</b>	<b>356,046.82</b>	<b>170,795.21</b>
<b>As at April 01, 2016</b>				
<b>Non-derivative liabilities</b>				
Borrowings	396,692.55	-	194,615.93	202,076.62
Trade payables	30,881.62	-	30,881.62	-
Other financial liabilities	43,253.74	-	43,253.74	-
	<b>470,827.91</b>	<b>-</b>	<b>268,751.29</b>	<b>202,076.62</b>

## (b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

## (i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

## Unhedged Foreign currency exposure

(Rs. in '000)

Particulars	Trade receivables	
	In Foreign Currency	In INR
<b>As at March 31, 2018</b>		
- USD	752.23	54,598.01
<b>As at March 31, 2017</b>		
- USD	841.16	42,221.38
<b>As at April 01, 2016</b>		
- USD	1,148.76	71,620.95

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(Rs. in '000)

Exposure to Interest rate risk	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total borrowings	247,811.16	261,936.00	291,883.28
% of Borrowings out of above bearing variable rate of interest	100%	100%	100%

**Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax:

(Rs. in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
50 bp increase would decrease the profit before tax by	1,239.06	1,309.68
50 bp decrease would increase the profit before tax by	(1,239.06)	(1,309.68)

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Company's major sales are to its holding company, "

(Rs. in '000)

Exposure to the Credit risks	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) - Trade Receivables	186,636.41	186,572.05	173,557.61

**Trade and other receivables**

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counterparty



## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## Ageing of the accounts receivables

(Rs. in '000)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
< 180 days	155,057.25	152,657.49	124,995.49
> 180 days	31,579.16	33,914.56	48,562.12
	<b>186,636.41</b>	<b>186,572.05</b>	<b>173,557.61</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2018 and March 31, 2017

## 40 (a) Financial risk factors

## Capital risk management

The Parent Company's objectives when managing capital are to :

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Parent Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.**

(Rs. in '000)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity	325,115.56	313,693.70	276,397.78
Net debt (Total borrowings less cash and cash equivalents)	356,717.21	390,548.40	396,184.15
Total capital (Borrowings and Equity)	681,832.77	704,242.09	672,581.93
Gearing ratio	52.32%	55.46%	58.90%

## (b) Dividends

The Group follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

## 41 Segment Reporting

The Group's Board of Directors consisting of Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of Manufacture of Pharmaceuticals, Medicinal products and the management considers these business activities as a single reportable segment.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## 42 Related party disclosure under Ind AS 24

## Name of related parties and description of relationship

**(a) Key managerial personnel**

Mr. Prakash M. Shah, Director

Mr. Baiju M. Shah, Director

**(b) Relative of key managerial personnel**

Mr. Binoy B. Shah, Son of Mr. Baiju M. Shah

**(c) Concern in which KMP and/or Relatives of KMP is interested**

M/s Nithyasha Healthcare Pvt. Ltd.

M/s. Tridente Medicamentos LLP

(Rs. in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Rent Received</b>		
- M/s. Tridente Medicamentos LLP	60.00	60.00
<b>Sale of Material</b>		
Nithyasha Healthcare Pvt. Ltd.	3,423.42	4,048.13
Tridente Medicamentos LLP	9,046.49	-
<b>Salary Paid to Key Management Personnel &amp; to their Relatives</b>		
Mr. Prakash M. Shah	3,600.00	3,000.00
Mr. Baiju M. Shah	3,600.00	3,000.00
Mr. Mihir P. Shah	3,000.00	2,400.00
Mrs. Pragna P. Shah	720.00	720.00
Mrs. Ila B. Shah	720.00	720.00
Mrs. Ami M. Shah	1,200.00	720.00
Mr. Binoy Shah	3,000.00	2,400.00
<b>Interest Paid</b>		
Nithyasha Healthcare Pvt. Ltd.	179.51	180.00
<b>Rent Paid</b>		
Mr. Mihir P. Shah	180.00	-
<b>Deposit received</b>		
- M/s. Tridente Medicamentos LLP	-	30.00

## Balances as at

(Rs. in '000)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Payables</b>			
Mr. Prakash M. Shah	1.20	89.39	1.82
Mr. Baiju M. Shah	0.10	60.38	1.94
Mr. Mihir P. Shah	0.50	8.02	
Mrs. Pragna P. Shah	0.77	47.79	611.87
Mrs. Ila B. Shah	1.27	90.00	
Mrs. Ami M. Shah	0.22	39.34	22.17
Mr. Binoy Shah	144.39	168.74	2.75

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

Particulars	(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Unsecured loan from KMP</b>			
Prakash M Shah	11,666.75	12,466.75	13,216.75
Baiju M Shah	7,807.00	7,817.00	11,267.00
<b>Unsecured Loan from concern in which KMP and/ or Relatives of KMP is interested</b>			
Nithyasha Healthcare Pvt. Ltd.	1,500.00	1,500.00	1,500.00
Novomed Pharma Pvt. Ltd.	338.00	349.61	349.61
<b>Receivable from Concern in which KMP and/or Relatives of KMP is interested</b>			
Nithyasha Healthcare Pvt. Ltd.	674.78	473.68	287.44
Tridente Medicamentos LLP	7,520.91	-	-
<b>Deposit received</b>			
- M/s. Tridente Medicamentos LLP	30.00	30.00	30.00

**43 First time adoption of Ind AS**

The accounting policies set out in Note 1, have been applied in preparing the consolidated financial statements from the year ended March 31, 2018, the comparative information presented in these consolidated financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the Parent Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed****A. Ind AS optional exemptions****(i) Deemed Cost**

The Group on first time adoption of Ind AS, has elected to continue with the carrying value for all of its property, plant & equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

**(ii) Designation of previously recognised financial instruments**

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has opted to apply this exemption for its investment in equity Investments.

**B. Ind AS mandatory exemptions****(i) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

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**Notes to Consolidated Financial Statements for the year ended 31st March, 2018****(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and financial liabilities**

The Group has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

**(i) Reconciliation of Balance sheet as at April 1, 2016 (Transition date)****(ii) A. Reconciliation of Balance sheet as at March 31, 2017****B. Reconciliation of total comprehensive income for the year ended March 31, 2017****(iii) Reconciliation of Equity as at April 1, 2016 and March 31, 2017****(iv) Impact on cash flow statement for the period ended March 31, 2017**

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with previous GAAP.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## (i) Reconciliation of Balance sheet as at April 1, 2016

(Rs. in '000)

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non - Current Assets</b>				
(a) Property, plant and equipment		378,347.53	(489.87)	377,857.67
(b) Capital Work in Progress		24,386.09	-	24,386.09
(c) Intangible assets		129.91	-	129.91
(d) Financial assets				-
(i) Investments		9,095.41	-	9,095.41
(ii) Other financial assets		3,141.81	-	3,141.81
(e) Other current assets		73,283.47		73,283.47
		<b>488,384.23</b>	<b>(489.87)</b>	<b>487,894.36</b>
<b>2. Current Assets</b>				
(a) Inventories		66,284.86	-	66,284.86
(b) Financial assets				
(i) Trade Receivable	(iii)	194,176.58	(20,618.98)	173,557.61
(ii) Cash and Cash Equivalents		508.40	-	508.40
(iii) Bank balances other than (ii) above		5,404.46	-	5,404.46
(iv) Loans		3,087.89	-	3,087.89
(c) Current tax assets(net)		15,356.01	-	15,356.01
(d) Other current assets		11,711.20	-	11,711.20
		<b>296,529.42</b>	<b>(20,618.98)</b>	<b>275,910.45</b>
		<b>784,913.65</b>	<b>(21,108.84)</b>	<b>763,804.81</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital		85,048.66	-	85,048.66
(b) Other equity	(ii) & (iii)	191,352.35	(3.23)	191,349.12
Equity attributable to owners		276,401.01	(3.23)	276,397.78
Non-Controlling Interest		548.10	-	548.10
<b>Total equity</b>		<b>276,949.11</b>	<b>(3.23)</b>	<b>276,945.88</b>
<b>2. Non - Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	223,182.24	(21,105.61)	202,076.62
(b) Deferred tax liabilities (net)		4,871.13		4,871.13
		<b>228,053.36</b>	<b>(21,105.61)</b>	<b>206,947.75</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	130,495.75	-	130,495.75
(ii) Trade Payables		30,881.62	-	30,881.62
(iii) Other financial Liabilities		107,373.91	-	107,373.91
(b) Other current liabilities		7,407.89	-	7,407.89
(c) Short Term Provision		3,751.99	-	3,751.99
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>279,911.17</b>	<b>-</b>	<b>279,911.17</b>
		<b>784,913.65</b>	<b>(21,108.84)</b>	<b>763,804.81</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## (ii) A. Reconciliation of Balance sheet as at March 31, 2017

(Rs. in '000)

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non - Current Assets</b>				
(a) Property, plant and equipment		472,207.69	(564.26)	471,643.43
(b) Intangible assets		1,550.47	-	1,550.47
(c) Financial assets				
(i) Investments		3,417.43	-	3,417.43
(ii) Other financial assets		2,819.52	-	2,819.52
(d) Other current assets		67,200.00		67,200.00
		<b>547,195.11</b>	<b>(564.26)</b>	<b>546,630.84</b>
<b>2. Current Assets</b>				
(a) Inventories		79,415.19	-	79,415.19
(b) Financial assets				
(i) Trade Receivable	(iii)	200,967.77	(14,395.72)	186,572.05
(ii) Cash and Cash Equivalents		4,336.50	-	4,336.50
(iii) Bank balances other than (ii) above		6,919.06	-	6,919.06
(iv) Loans		3,779.59	-	3,779.59
(c) Current tax assets(net)		15,761.53	-	15,761.53
(d) Other current assets		11,889.54	-	11,889.54
		<b>323,069.18</b>	<b>(14,395.72)</b>	<b>308,673.47</b>
		<b>870,264.29</b>	<b>(14,959.98)</b>	<b>855,304.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital		85,048.66	-	85,048.66
(b) Other equity	(ii) & (iii)	227,158.41	(14,86.62)	212,214.88
<b>Equity attributable to owners</b>		<b>312,207.07</b>	<b>(14,86.62)</b>	<b>297,263.54</b>
Non-Controlling Interest		635.18	-	635.18
<b>Total equity</b>		<b>312,842.25</b>	<b>(14,86.62)</b>	<b>297,898.72</b>
<b>2. Liabilities</b>				
<b>Non - Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	(ii)	187,241.81	(16,446.60)	187,225.37
(b) Provision		3,762.86	-	3,762.86
(c) Deferred tax liabilities (net)		1,944.55	-	1,944.55
		<b>192,949.23</b>	<b>(16,446.60)</b>	<b>192,932.78</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		156,502.30	-	156,502.30
(ii) Trade Payables		76,698.01	-	76,698.01
(iii) Other financial Liabilities		122,846.51	-	122,846.51
(b) Other current liabilities		8,338.82	-	8,338.82
(c) Short Term Provision		87.17	-	87.17
		<b>364,472.81</b>	<b>-</b>	<b>364,472.81</b>
<b>TOTAL</b>		<b>870,264.29</b>	<b>(14,959.98)</b>	<b>855,304.31</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2018

## ii. B. Reconciliation of Statement of total comprehensive income for the year ended March 31, 2017

(Rs. in '000)

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations		948,098.69	-	948,098.69
Other income		3,661.96	-	3,661.96
<b>Total income</b>		<b>951,760.65</b>	<b>-</b>	<b>951,760.65</b>
Expenses				
Cost of materials consumed		496,298.48	-	496,298.48
Purchases of traded goods		932.44	-	932.44
Change in inventories of Finished goods and Semi finished goods		2,178.83	-	2,178.83
Employee benefits expense	(i)	91,743.23	465.06	92,208.29
Finance costs	(ii)	44,561.97	4,659.01	49,220.98
Depreciation and amortisation expense		37,448.68	74.39	37,523.07
Other expenses	(iii)	232,509.18	(6,223.26)	226,285.92
<b>Total expenses</b>		<b>905,672.82</b>	<b>(1,024.80)</b>	<b>904,648.02</b>
<b>Profit before tax</b>		<b>46,087.83</b>	<b>1,024.80</b>	<b>47,112.63</b>
<b>Tax expense</b>				
Current tax			12,900.00	-
12,900.00				
Deferred tax (net)		(2,926.58)	-	(2,926.58)
Short Provision for Tax for earlier years		221.28	-	221.28
		10,194.70	-	10,194.70
<b>Profit for the year (A)</b>		<b>35,893.13</b>	<b>1,024.80</b>	<b>36,917.93</b>
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations, net of tax	(i)	-	(465.06)	(465.06)
Tax impact on above		-	-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>(465.06)</b>	<b>(465.06)</b>
<b>Total comprehensive income for the year</b>		<b>35,893.13</b>	<b>1,489.85</b>	<b>37,382.99</b>

## iii. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

Particulars	As at March 31, 2018	As at March 31, 2017
Total Equity (Shareholder's funds) under previous GAAP	312,207.07	276,401.01
Financial liability carried at amortised cost	16,446.60	1,105.61
Expected Credit Loss	(14,395.72)	(20,618.98)
Others	(564.26)	(489.87)
Deferred tax impact on above adjustments	-	-
<b>Total equity under Ind AS</b>	<b>313,693.70</b>	<b>276,397.78</b>

**Notes to Consolidated Financial Statements for the year ended 31st March, 2018****iv. Impact on cash flow statement for the period ended March 31, 2017**

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**Notes to First-time adoption:****(i) Remeasurement of post employment benefit obligations**

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at March 31, 2017."

**(ii) Borrowing costs - Financial Liability**

Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to statement of profit or loss or capitalised. Under IND AS, transaction costs are deducted from the initial recognition amount of the financial liability and charged to Statement of Profit and Loss over the tenure of the borrowings using the effective interest rate method.

**(iii) Expected credit loss allowance:**

Under Indian GAAP, the Group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

**(iv) Deferred Taxes:**

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Group has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP.

**(v) Other Comprehensive Income:**

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "other comprehensive income". OCI for the Group includes re-measurement of defined benefit plans of Rs 36.56 lakhs net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

**44 Recent accounting pronouncements****IND AS 115 - Revenue from Contracts with Customers**

has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Group from 1 April 2018.

The management is yet to assess the impact of the aforesaid amendments on the Group's financial information.

**Ind AS 21 - Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will not have any material impact on the financial statements of the Group.



**Notes to Consolidated Financial Statements for the year ended 31st March, 2018**

45 The Group is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

46 For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information (Rs. in '000)

Particulars	Parent Company	Subsidiary	Total
<b>Net assets i.e. total assets - total liabilities</b>			
Amount	86,524.62	239,294.73	325,819.35
As a % of Consolidated net assets	27%	73%	100%
<b>Share in Profit &amp; Loss</b>			
Amount	(23,997.00)	34,556.75	10,559.75
As a % of Consolidated Profit & loss	-227%	327%	100%
<b>Share in Other Comprehensive Income</b>			
Amount	(29.11)	299.57	270.46
As a % of Consolidated other comprehensive income	-11%	111%	100%
<b>Share in Total Comprehensive Income</b>			
Amount	(24,026.11)	34,856.33	10,830.21
As a % of total Comprehensive income	-222%	322%	100%

47 The consolidated financial statements were approved for issue by the Board of Directors on May 30, 2018.

48 The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

**For and on behalf of the Board of Directors  
For Parnax Lab Ltd.**

**For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W**

Sd/-

**(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2018**

Sd/-

**(Prakash M. Shah)  
Chairman & CEO  
(DIN 00440980)**

Sd/-

**(Baiju M. Shah)  
Managing Director & CFO  
(DIN 00440806)**





## FORM NO SH-13

**Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,  
**PARNAX LAB LIMITED.**  
 Gala No. 114, Bldg. No. 8,  
 Jogani Industrial Complex,  
 Chunabhatti,  
 Mumbai-400022.  
 Dist. Mumbai

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of Securities	Folio No.	No of Securities	Certificate No	Distinctive No

**(2) PARTICULARS OF NOMINEE/S -**

- a) Name :
- b) Date of Birth:
- c) Father's/Mother's/Spouse's name:
- d) Occupation:
- e) Nationality:
- f) Address:
- g) E-mail Id:
- h) Relationship with the security holder:

**(3) IN CASE NOMINEE IS A MINOR -**

- a) Date of Birth:
- b) Date of attaining majority:
- c) Name of guardian:
- d) Address of guardian:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s): \_\_\_\_\_

Signature \_\_\_\_\_

Witness with the name and address: \_\_\_\_\_

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## Parnax Lab Limited

Gala No. 114, Bldg. No. 8, Jogani Industrial Complex, Chunabhatti, Mumbai-400022.

CIN: L36912MH1982PLC027925

Tel No.022-30015666 • Fax.022-24057708

Web site: www.naxparlab.com

Email ID: info@naxparlab.com

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### Attendance Slip

### 36<sup>th</sup> Annual General Meeting

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

1. Name of the Member(s)	
2. Name(s) of the Joint-Holder(s) : If any	
3. i) Registered Folio No. :	
ii) DP ID No & Client ID No. [Applicable to Members Holding shares in dematerialized Form]	
4. Number of Shares(s) held :	

I/We hereby record my/our presence at the **36th ANNUAL GENERAL MEETING** of the Company to be held on Saturday 29th September, 2018 at Gala No. 114, Bldg. No. 8, Jogani Industrial Complex, Chunabhatti, Mumbai-400022 at 4:00 pm.

\_\_\_\_\_  
Member's Signature / Proxy's Signature or  
Authorised Signatory's Signature

Note:

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

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## Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s) : .....

Registered Address: .....

E. Mail Id:..... Folio No./Client Id ..... DP ID.....

I/We, being the member(s) holding of .....shares of the above named Company, hereby appoint

1. Name:.....

Address:.....

E.mail ID.....Signature:..... or failing him

2. Name:.....

Address:.....

E.mail ID.....Signature:..... or failing him

3. Name:.....

Address:.....

E.mail ID.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held Saturday, 29th September 2018 at 4.00 pm at 114, bldg. no. 8, Jogani Industrial Complex, Chunabhathi, Mumbai-400022 at any adjournment thereof in respect of such resolutions as are indicated below



<b>Resolution No</b>	<b>Resolutions</b>		
	<b>Ordinary Business</b>	<b>For</b>	<b>Against</b>
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended 31stMarch 2018 including audited Balance sheet as at 31stMarch, 2018 and the statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.		
2.	Reappointment of Mr. Baiju Shah who retires by rotation.		
	<b>Special Business:</b>		
3.	To Approve the Related Party Transaction.		
4.	Adoption of new set of Memorandum of Association		
5.	To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company		

Signed this.....day of .....2018

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue stamp
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**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.**



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### 36<sup>th</sup> Annual General Meeting

#### ASSENT/ DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name(s) & Registered Address :  
of the sole / first named  
Member
2. Name(s) of the Joint-Holder(s) :  
If any
3. i) Registered Folio No. :  
ii) DP ID No & Client ID No.  
[Applicable to Members  
Holding shares in dematerialized  
Form]
4. Class of Shares :
5. Number of Shares(s) held :

I/ We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated on Saturday, 29<sup>th</sup> September, 2018 by conveying my/ our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

Resolution No	Resolutions		
		For	Against
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2018 including audited Balance sheet as at 31st March, 2018 and the statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.		
2.	Reappointment of Mr. Baiju Shah who retires by rotation.		
	<b>Special Business</b>		
3.	To Approve the Related Party Transaction.		
4.	Adoption of new set of Memorandum of Association		
5.	To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company		

Place:  
Date:

\_\_\_\_\_  
Signature of the Member  
Or Authorised Representative

- Notes: i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.  
ii) Last date for receipt of Assent/ Dissent Form: September 28, 2018(5.00 pm IST)  
iii) Please read the instructions printed overleaf carefully before exercising your vote.

## **General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent. If a shareholder has opted for physical Assent/Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through physical assent/dissent form and e-voting, then vote cast through e-voting shall be treated as valid.
2. The notice of Annual General Meeting is dispatched / e-mailed to the members whose names appear on the Register of Members as on 31st August, 2018 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/ dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.

## **Instructions for voting physically on Assent / Dissent Form**

1. A member desiring to exercise vote by Assent/ Dissent should complete this (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 5.00 pm on Friday, 28th September 2018. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Assent/ Dissent Form, if so required and the same duly completed should reach the Scrutinizer not later than the specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent/ Dissent form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.

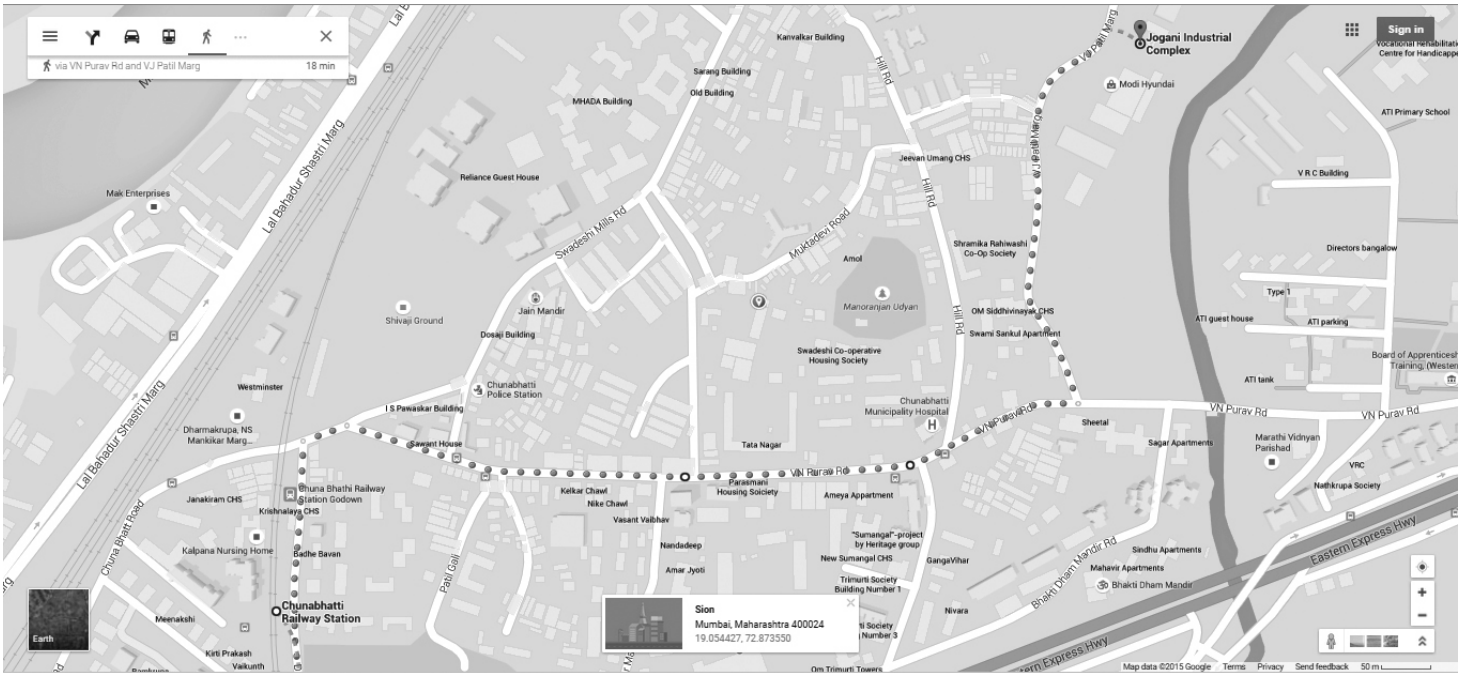
## 36<sup>th</sup> Annual General Meeting

Day & Date: Saturday, 29<sup>th</sup> September 2018

Time: 4.00 P.M.

Venue: Gala No. 114, Bldg. No. 8,  
Jogani Industrial Complex, Chunabhatti, Mumbai - 400022.

### ROUTE MAP TO VENUE OF THE AGM





# **Parnax Lab Limited**

**Regd office:** 114, Bldg no. 8, Jogani Industrial Complex,  
Chunabhatti, Mumbai - 400022