



Link

Pharma-Chem Ltd.
An ISO - 9001 Company

Regd. Office & Factory:

Plot No. 161/1,162, GIDC,

Nandesari – 391 340,

Dist. Vadodara, Gujarat, India

Tel: 0265-2840448

Email: linkpharmachem@hotmail.com

CIN: L24230GJ1984PLC007540

Date: 26.08.2019

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 524748

Dear Sir/Madam,

Sub: Submission of Annual Report for the year 2018-19 along with Notice convening 34th Annual General Meeting

Ref: Intimation under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we herewith submit the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 34th Annual General Meeting which will be held on Friday, September 27, 2019 at NIA Hall, Plot No. 134/1, GIDC Estate, Opp. Shopping Centre, Nandesari - 391 340, Dist. Vadodara.

Kindly take the same on record.

Thanking you,

For Link Pharma Chem Limited

Bhushan Joshi
Company Secretary





34th

ANNUAL REPORT

2018-2019

Link

Pharma Chem Limited



LINK PHARMA CHEM LIMITED

CIN: L24230GJ1984PLC007540

Corporate Information

BOARD OF DIRECTORS

Mr. Balvant Retarekar – Chairman & Whole-time Director

Mr. Satish Thakur – Managing Director

Mr. Suresh Dhattrak – Independent Director

Mr. Devang Shah – Independent Director

Ms. Sayali Sohoni – Independent Director

34th Annual General Meeting of the Company is scheduled to be held on Friday, 27th September, 2019 at 11:00 a.m. at NIA Hall, Plot No. 134/1, GIDC Estate, Opp. Shopping Centre, Nandesari – 391 340, Dist. Vadodara.

CHIEF FINANCIAL OFFICER

Mr. Ravindra Bedekar

COMPANY SECRETARY

Mr. Bhushan Joshi

AUDITORS

M/s. Sanjay Soni & Associates
Chartered Accountants, Vadodara

BANKERS

Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
B-102 & 103, Shangrila Complex
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020

REGISTERED OFFICE

162, GIDC Estate, Nandesari – 391 340,
Dist. Vadodara

WORKS

161/1, 162, GIDC Estate, Nandesari – 391 340
Dist. Vaddoara

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NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of **Link Pharma Chem Limited** will be held at NIA Hall, Plot No. 134/1, GIDC Estate, Opp. Shopping Centre, Nandesari - 391 340, Dist. Vadodara on Friday, 27th September, 2019 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

01. To consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
02. To appoint Mr. Satish G Thakur, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

03. To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Suresh B Dhattrak, Independent Director of the Company, who holds office of Independent Director upto the conclusion of the Annual General Meeting to be held in the calendar year 2019, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the

Companies Act, 2013, from a member proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years from the date of the Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

04. To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Devang U Shah, Independent Director of the Company, who holds office of Independent Director upto the conclusion of the Annual General Meeting to be held in the calendar year 2019, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years from the date of the Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

05. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement), 2015 including

statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, approval/ratification of the members be and is hereby accorded for the transaction(s) of sale of raw materials to M/s Pharma Inter Chemie for an amount up to Rs. 10 Crore during F.Y 2019-20.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

Regd. Office:

162, GIDC Estate, Nandesari,
Dist. Vadodara

**BY THE ORDER OF BOARD
LINK PHARMA CHEM LIMITED**

Date: May 30, 2019

CIN: L24230GJ1984PLC007540

E-mail: linkpharmacs@gmail.com

**B. V. RETAREKAR
CHAIRMAN
(DIN: 00292197)**

Notes:

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item No. 3, 4 and 5 of the accompanying Notice is annexed hereto.
2. The relevant details of persons seeking re-appointment under Item No. 2, 3 and 4 of the Notice, as required pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings is also annexed.
3. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.
4. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive).
7. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
8. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios along with the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
9. Members are requested to notify immediately:
 - (a) any change in their residential address
 - (b) Income-Tax permanent Account Number (PAN).
 - (c) Bank details - Name and address of the Bank; A/c No.; type of A/c
 - (d) E-mail ID for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
10. Members seeking any information or clarification with regard to the accounts are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.
11. The Company has created an exclusive e-mail Id: linkpharmacs@gmail.com for quick redressal of shareholders/investors grievances.

12. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and the Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means through remote e-voting platform provided by Link Intime India Private Limited (LI IPL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The voting period begins on Tuesday, 24th September, 2019, at 10.00 am and ends on Thursday, 26th September, 2019 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

**Please refer EVENT Number : 190201
The instructions for shareholders voting electronically are as under:**

- (i) Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section.
- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (iv) Your User ID details are given below:

- (a) Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
- (b) Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.
- (c) Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.
- (v) Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below: Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

| For Shareholders holding shares in Demat Form or Physical Form | |
|---|--|
| | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). - Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field. |
| DOB/ DOI | Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format. |
| Bank Account Number | Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c). |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

(vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

(vii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

(viii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

(ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

(x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

(xi) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

(xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

(xiii) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

(xiv) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

(xv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in> under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

(xvi) General Instructions:

- a) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 20th September, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, 20th September, 2019 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- b) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date of Friday, 20th September, 2019, may obtain the login ID and password by sending a request at insta.vote@linkintime.co.in or calling on 022-49186000.
- c) Mr. Vijay J Bhatt, Practicing Company Secretary (Membership No. FCS 4900), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- d) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.linkpharmachem.co.in and on the website of LIIPL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the Stock Exchange.

EXPLANATORY STATEMENT
[Pursuant to Section 102 of the Companies Act, 2013]

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice and shall be taken as forming part of the notice:

Item No. 3:

Mr. Suresh Dhatriak was appointed as an Independent Director of the Company, in accordance to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Rules framed thereunder, at the 29th Annual General Meeting of the Company held on September 29, 2014 for a term of five consecutive years i.e upto the conclusion of the 34th Annual General Meeting of the Company.

Since, Mr. Suresh Dhatriak, has completed one term as an Independent Director of the Company, he is eligible for re-appointment for one more term. Further, based on the Performance Evaluation of the Independent Directors, conducted by the entire Board on various parameters, the Nomination and Remuneration Committee have recommended re-appointment of Mr. Suresh Dhatriak for the second term of five years from the date of the Annual General Meeting of the Company to be held in the calendar year 2019 and that he shall not be liable to retire by rotation.

Mr. Suresh Dhatriak is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by Securities and Exchange Board of India. Declaration has been received from Mr. Suresh Dhatriak that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations.

The Board confirms that Mr. Suresh Dhatriak fulfils the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

None of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, except Mr. Suresh Dhatriak and his relatives in the resolution at Item No. 3 of this Notice.

The Board recommends passing of the Special Resolution at item no. 3.

Item No. 4:

Mr. Devang U Shah was appointed as an Independent Director of the Company, in accordance to the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Rules framed thereunder, at the 29th Annual General Meeting of the Company held on September 29, 2014 for a term of five consecutive years i.e upto the conclusion of the 34th Annual General Meeting of the Company.

Since, Mr. Devang U Shah, has completed one term as an Independent Director of the Company, he is eligible for re-appointment for one more term. Further, based on the Performance Evaluation of the Independent Directors, conducted by the entire Board on various parameters, the Nomination and Remuneration Committee have recommended re-appointment of Mr. Devang U Shah for the second term of five years from the date of the Annual General Meeting of the Company to be held in the calendar year 2019 and that he shall not be liable to retire by rotation.

Mr. Devang U Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by Securities and Exchange Board of India. Declaration has been received from Mr. Devang U Shah that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations.

The Board confirms that Mr. Devang U Shah fulfils the conditions for re-appointment as an Independent Director as specified in the Companies Act, 2013, the rules framed thereunder and the Listing Regulations and that he is independent of the management of the Company.

None of the other Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, except Mr. Devang U Shah and his relatives in the resolution at Item No. 4 of this Notice.

The Board recommends passing of the Special Resolution at item no. 4.

Item No. 5:

The provisions of Section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required. The Audit Committee of the Company granted its omnibus approval to make transaction(s) with M/s Pharma Inter Chemie for the sale of raw materials up to aggregate amount of Rs. 10 Crore during the FY 2019-20 at an arm's length basis. As a result, the Company intends to enter into transaction(s) with M/s. Pharma Inter Chemie in FY 2019-20 which may exceed the prescribed limit under the aforesaid section. The Company is seeking shareholders approval for the same.

Mr. Satish Thakur, Managing Director and Mr. Balvant Retarekar, Chairman & Whole-time Director are concerned or interested in the resolution. None of the other Directors/KMP is in any way concerned or interested in the resolution.

The Board of Directors recommends the above ordinary resolution for your approval.

PLACE: VADODARA

DATE: MAY 30, 2019

**BY THE ORDER OF BOARD
LINK PHARMA CHEM LIMITED**

**B. V. RETAREKAR
CHAIRMAN
(DIN: 00292197)**

ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Secretarial Standard - 2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

| | | | |
|--|--|--|--|
| Name of the Director | Mr. Satish Thakur | Mr. Suresh Dhattrak | Mr. Devang Shah |
| Date of Birth | 01/12/1951 | 01/09/1952 | 11/05/1961 |
| Brief Resume of the Director and Expertise in specific functional area | More than 40 years of experience in running the business of chemicals of varied types. He has expertise of designing of project and its development. | More than 35 years of experience in the various fields like finance, accounts, administration etc. Being Chairman of Audit Committee, he contributes in the smooth functioning of the Company. | More than 35 years of experience in the various fields like finance, accounts, administration etc. Being Chairman of Audit Committee, he contributes in the smooth functioning of the Company. |
| Shareholding in the Company | 660989 Equity Shares | Nil | Nil |
| Directorships | None | None | Parasdeep-Marketing Private Limited |
| Memberships/ Chairmanship of Committees of other companies | None | None | None |
| Inter-se relationship between Directors and other Key Managerial Personnel | None | None | None |
| Number of Meetings of the Board attended | 6 out of 6 | 6 out of 6 | 6 out of 6 |

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 34th Annual Report of the Company along with the Audited Financial Statements for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS :

The performance during the period ended 31st March, 2019 has been as under

(Rs. in Lacs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Sales | 2450.01 | 2396.44 |
| Other Income | 19.29 | 6.95 |
| Profit Before, Interest, Depreciation and Tax | 221.05 | 284.56 |
| Interest | 38.55 | 61.56 |
| Depreciation | 89.49 | 85.95 |
| Provision for Taxation (Deferred & Current Tax) | 27.19 | 23.57 |
| Profit after Taxation | 65.81 | 113.48 |

PERFORMANCE REVIEW:

During the year under review your Company has earned net revenue of Rs. 2469.29 Lacs as against Rs. 2403.39 Lacs in the previous year. The Profit before finance cost and depreciation amounted to Rs. 221.05 Lacs as against Rs. 284.56 Lacs in the previous year. Profit before tax during the year worked out to Rs. 65.81 Lacs as compared to Rs. 113.48 Lacs in the previous year.

RESERVES:

There is no amount proposed to be transferred to Reserves out of profits of the financial year 2018-19.

DIVIDEND:

In view of meagre profit earned for the year under review, your Directors do not recommend any dividend.

SHARE CAPITAL:

The Company's paid-up Equity Share Capital continues to stand at Rs. 444.06 Lacs as on March 31, 2019.

During the year, the Company has not issued any shares or convertible securities. The Company does not have any Scheme for issue of shares including sweat equity shares to the employees or Directors of the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the financial year 2018-19.

CORPORATE GOVERNANCE:

Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in connection with Corporate Governance are not applicable to the Company, since the paid-up capital of the Company is less than Rs. 10 Crore and Net Worth of the Company is below Rs. 25 Crore.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

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

SUBSIDIARIES:

Your Company does not have any subsidiary/subsidiaries within the meaning of the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS:

A. Industry Structure and Developments:

The Company's main business was to manufacture organic intermediates which are used in pharmaceuticals, agro and specialty chemical industries.

B. Opportunities and Threats:

Due to specialized technology involved, the possibility of further competition is minimal. However, sudden change in raw material prices poses threat.

Your Company believes that it has a competitive edge in the market as the Company delivers timely and quality products to its customers. The Company has long standing relationship with many of its customers and vendors. The Company also believes that the real strength of the Company lies with its employees and they are the assets of the Company.

C. Performance:

In spite of various restrictions as per environmental laws, the Company has successfully utilized the existing capacity in compliance with those laws.

D. Outlook:

Your Company is continuously working on strengthening the business. Your Company has been successfully executing major orders from various customers and it has been enjoying the confidence of all customers with repeat orders. Your Company has been making consistent efforts for executing job order work and improving margins in majority products by reducing the various costs. The Company hopes to fare well by achieving better turnover and profits in the years to come..

E. Risks & Concerns:

Continuous upward trend in crude oil prices affecting raw material cost and depreciated rupee has also increased price of imported products.

F. Internal Control Systems and their Adequacy:

The Company has an adequate system of internal control to ensure compliance with policies and procedures. The internal audit is done by an independent firm of Chartered Accountants. Internal audits are regularly carried out to review the internal control systems. The internal audit reports along with recommendations contained therein are reviewed by the Audit Committee of the Board.

G. Human Resources / Industrial Relations Fronts:

The Company had cordial relations with its employees and all problems were solved across the table in a very congenial atmosphere. Your Directors wish to place on record their appreciation to all its employees for their sustained efforts and valuable contribution.

EXTRACT OF ANNUAL RETURN :

Extract of Annual Return in Form MGT-9 as on 31.03.2019 is appended to this Report as Annexure "A". In compliance with Section 134 (3) (a) of the Act, Annual Return of the Company can be accessed at <http://linkpharmachem.co.in>.

BOARD MEETINGS:

The Company has complied with the provisions for holding Board Meetings and the gap between any two meetings did not exceed 120 days. During the financial year under review, six Board Meetings were held, viz. on May 29, 2018, August 10, 2018, September 22, 2018, November 03, 2018, January 28, 2019 and March 30, 2019.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

(a) that in the preparation of the annual accounts for the year ended March 31, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;

(b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

(c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the Directors had prepared the annual accounts on a going concern basis;

(e) that the Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDEPENDENT DIRECTOR'S DECLARATION:

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and the Listing Regulations.

EVALUATION OF THE BOARD'S PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees. The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees. The Board of Directors expressed their satisfaction with the evaluation process.

BOARD OF DIRECTORS:

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the Listing Regulations.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Satish G Thakur (DIN: 00292129), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-election.

Further pursuant to the provisions of the Companies Act, 2013 ("the Act"), the members at their 29th Annual General Meeting had appointed Mr. Suresh B Dhatriak and Mr. Devang U Shah as an Independent Non-Executive Directors to hold office for five consecutive years upto the conclusion of the 34th Annual General Meeting of the Company. Mr. Suresh B Dhatriak and Mr. Devang U Shah are eligible for re-appointment as an Independent Non-Executive Director for the second term of five years from the date of Annual General Meeting of the Company to be held in the calendar year 2019.

Accordingly, pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee, the re-appointment of Mr. Suresh B Dhatriak and Mr. Devang U Shah for a period of five years is placed for the approval of the Members through a Special Resolution at the 34th Annual General Meeting.

RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure "B".

PARTICULARS REGARDING CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure "C" to this report.

DISCLOSURE UNDER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

Disclosures required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 have been annexed as Annexure "D".

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

AUDITORS:**(A) STATUTORY AUDITOR:**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sanjay Soni & Associates, Chartered Accountants (FRN 113251W) were appointed as Statutory Auditors for a second term of five years to hold office from the conclusion of 32nd Annual General Meeting up to the conclusion of the 37th Annual General Meeting of the Company.

The requirement of seeking ratification of the members for continuance of Statutory Auditors appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Auditors' Report to the Members on the Accounts of the Company for the year ended March 31, 2019 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation or adverse remark. During the year 2019.

(B) SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s. Vijay Bhatt & Co, Practicing Company Secretaries (C.P. No. 2265) to undertake the Secretarial

Audit of the Company. The Secretarial Audit Report is annexed as Annexure "E" and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

SECRETARIAL STANDARDS:

The Company complies with the all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company does not fall within the purview of Section 135 of the Companies Act, 2013.

DEPOSITS:

The Company has not accepted any fixed deposits and accordingly no amount was outstanding as on the date of the Balance Sheet.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There are no loans, guarantees or investments falling under Section 186 of the Companies Act, 2013. However, investments not falling under purview of this, made by the Company are given in the Notes to the financial statements.

RISK MANAGEMENT POLICY AND INTERNAL FINANCE CONTROL ADEQUACY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. The Company has developed and implemented Risk Management Policy of the Company to identify & evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The internal control systems are commensurate with the nature, size and complexity of the business of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has safe and healthy work environment that enables its employees to work without fear, prejudices, gender bias and sexual harassment and also set up guideline in line with the requirement of The Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013. During the financial year 2018-19, no complaint was received under the policy.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year 2018-19, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels. Your Directors also wish to thank its customers, suppliers, investors and bankers for their continued support and faith reposed in the Company.

**BY ORDER OF THE BOARD
FOR LINK PHARMA CHEM LIMITED**

**PLACE: VADODARA
DATE : MAY 30, 2019**

**B. V. RETAREKAR
CHAIRMAN
(DIN: 00292197)**

Annexure "A" to the Board's Report

Form No. MGT-9
Extract of Annual Return

AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[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 | L24230GJ1984PLC007540 |
| (ii) | Registration Date | 28.12.1984 |
| (iii) | Name of the Company | Link Pharma Chem Limited |
| (iv) | Category / Sub - category of the Company | Company Limited by Shares/ Indian Non Government Company |
| (v) | Address of the Registered Office with Contact Details | 162, GIDC Estate, Nandesari - 391 340 Dist. Vadodara Phone No. 0265-3065000 Fax No. 0265-2841351 Email Id: linkpharmacs@gmail.com |
| (vi) | Whether listed Company | Yes |
| (vii) | Name, Address and Contact details of Registrar and Transfer Agents if any | Link Intime India Private Limited B-102 & 103, Shangrila Complex, First Floor Opp. HDFC Bank, Nr. Radhakrishna Char Rasta, Akota, Vadodara - 390 020. Tel No : +91 265 2356573 E-mail id : vadodara@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 Products/Services | NIC Code of the Product/ Service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 01. | TDP | 20119 | 30.00% |
| 02. | TCSA | 21001 | 34.24% |
| 03. | Job Work of Chemicals | 20119 | 39.76% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Share Held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|-----------------|--------------------|
| NIL | | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % Change during the year |
|--|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2272236 | - | 2272236 | 51.17 | 2286440 | - | 2286440 | 51.49 | 0.32 |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub - Total (A) (1) | 2272236 | - | 2272236 | 51.17 | 2286440 | - | 2286440 | 51.49 | 0.32 |
| (2) Foreign | | | | | | | | | |
| NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| Other - Individuals | - | - | - | - | - | - | - | - | - |
| Bodies Corporate (Foreign Promoter) | - | - | - | - | - | - | - | - | - |
| Banks FI | - | - | - | - | - | - | - | - | - |
| Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = A)(1)+(A)(2) | 2272236 | - | 2272236 | 51.17 | 2286440 | - | 2286440 | 51.49 | 0.32 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 700 | 700 | 0.02 | - | 700 | 700 | 0.02 | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) :- | - | 700 | 700 | 0.02 | - | 700 | 700 | 0.02 | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 288443 | 5100 | 293543 | 6.61 | 289624 | 5100 | 294724 | 6.64 | 0.03 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 930708 | 455429 | 1386137 | 31.22 | 690323 | 421225 | 1381548 | 31.11 | 0.10 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 352067 | - | 352067 | 7.93 | 346732 | - | 346732 | 7.81 | 0.12 |
| C) Others (Specify) | | | | | | | | | |
| Clearing Members | 13540 | - | 13540 | 0.30 | 13675 | - | 13675 | 0.31 | 0.01 |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Non Resident Indians (Repat) | 18471 | 57800 | 76271 | 1.72 | 18196 | 57800 | 75996 | 1.71 | (0.01) |
| Non Resident Indians (Non Repat) | 19737 | - | 19737 | 0.45 | 18645 | - | 18645 | 0.42 | (0.03) |
| Hindu Undivided Family | 26337 | - | 26337 | 0.59 | 22108 | - | 22108 | 0.50 | 0.09 |
| Trusts | | - | - | - | - | - | - | - | - |
| Sub-Total (B)(2) :- | 1649303 | 518329 | 2167632 | 48.81 | 1669303 | 484125 | 2153428 | 48.49 | (0.32) |
| Total Public Shareholding (B)=B(1)+B(2) | 16303 | 519029 | 2168332 | 43.83 | 1669303 | 484825 | 2154128 | 48.51 | (0.32) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 3921539 | 519029 | 440568 | 100.00 | 3955743 | 484825 | 4440568 | 100.00 | - |

(ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of 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% | % Change in share holding during the year |
| 1 | Satish G Thakur | 660989 | 14.89 | - | 661989 | 14.91 | - | 0.02 |
| 2 | Balvant Retarekar | 584954 | 13.17 | - | 598158 | 13.47 | - | 0.30 |
| 3 | Neha Retarekar | 465089 | 10.47 | - | 465089 | 10.47 | - | - |
| 4 | Maya S Thakur | 397029 | 8.94 | - | 397029 | 8.94 | - | - |
| 5 | Shrinivas Thakur | 92808 | 2.09 | - | 92808 | 2.09 | - | - |
| 6 | Rishikesh Thakur | 26627 | 0.60 | - | 26627 | 0.60 | - | - |
| 7 | Mayank Retarekar | 14935 | 0.34 | - | 14935 | 0.34 | - | - |
| 8 | Himanshu Retarekar | 15135 | 0.34 | - | 15135 | 0.34 | - | - |
| 9 | Sonia Thakur | 14670 | 0.33 | - | 14670 | 0.33 | - | - |
| | Total | 2272236 | 51.17 | - | 2286440 | 51.49 | - | 0.32 |

(iii) Change in Promoters' Shareholding:

| Sr. No. | Name | Shareholding | | Date of Transaction | Increase/ Decrease in shareholding | Reason | Culmulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|---------|-------------------|---|----------------------------------|---------------------|------------------------------------|----------|---|----------------------------|
| | | No. of shares at the beginning (01-04-2018/ end of the year (31-03-2019)) | % of total shares of the Company | | | | No. of Shares | % total shares the Company |
| 01. | Satish Thakur | 660989 | 14.89 | 01.04.2018 | - | - | - | - |
| | | | | 18.05.2018 | 1000 | Purchase | 661989 | 14.91 |
| | | 661989 | 14.61 | 31.03.2019 | - | - | 661989 | 14.91 |
| 02. | Balvant Ratarekar | 584954 | 13.17 | 01.04.2018 | - | - | - | - |
| | | | | 18.05.2018 | 1000 | Purchase | 585954 | 13.20 |
| | | | | 08.03.2019 | 12204 | Purchase | 598158 | 13.47 |
| | | 598158 | 13.47 | 31.03.2019 | - | - | 598158 | 13.47 |

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

| Sr. No. | Name | Shareholding | | Date of Transaction | Increase/ Decrease in shareholding | Reason | Culmulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|---------|--------------------------|---|----------------------------------|---------------------|------------------------------------|----------|---|----------------------------|
| | | No. of shares at the beginning (01-04-2018/ end of the year (31-03-2019)) | % of total shares of the Company | | | | No. of Shares | % total shares the Company |
| 01. | Gurudev Marking Pvt. Ltd | 259295 | 5.84 | 01.04.2018 | - | - | - | - |
| | | | | 27.04.2018 | 1100 | Purchase | 260395 | 5.86 |
| | | | | 18.05.2018 | 1164 | Purchase | 261559 | 5.89 |
| | | | | 08.06.2018 | 1100 | Purchase | 262659 | 5.92 |
| | | | | 22.06.2018 | 1978 | Purchase | 264637 | 5.96 |

| | | | | | | | | |
|------------|----------------------------------|--------|------|------------|-------|----------|--------|------|
| | | | | 06.07.2018 | 1327 | Purchase | 265964 | 5.98 |
| | | | | 14.09.2018 | 426 | Purchase | 266390 | 6.00 |
| | | | | 05.10.2018 | 500 | Purchase | 271390 | 6.11 |
| | | 271390 | 6.11 | 31.03.2019 | - | - | 271390 | 6.11 |
| 02. | Daksha Kotak | 82742 | 1.86 | 01.04.2018 | - | - | - | - |
| | | | | 31.03.2019 | - | - | 82742 | 1.86 |
| 03. | Girdharilal Seksaria | 50538 | 1.14 | 01.04.2018 | - | - | - | - |
| | | | | 27.04.2018 | 1000 | Sell | 49538 | 1.12 |
| | | 49538 | 1.12 | 31.03.2019 | - | - | 49538 | 1.12 |
| 04. | Rajnikant M Sheth | 30177 | 0.68 | 01.04.2018 | - | - | - | - |
| | | 30177 | 0.68 | 31.03.2019 | - | - | 30177 | 0.68 |
| 05. | Shankhajit Srimani | 26370 | 0.59 | 01.04.2018 | - | - | - | - |
| | | | | 02.09.2018 | 370 | Sell | 26000 | 0.56 |
| | | 26000 | 0.56 | 31.03.2018 | - | - | 26000 | 0.56 |
| 06. | Rikesh Rajanikant Sheth | 21843 | 0.49 | 01.04.2018 | - | - | - | - |
| | | 21843 | 0.49 | 31.03.2019 | - | - | 21843 | 0.49 |
| 07. | Nirav M. Sapani | 7763 | 0.17 | 01.04.2018 | - | - | - | - |
| | | | | 06.04.2018 | 200 | Purchase | 7963 | 0.18 |
| | | | | 13.04.2018 | 1500 | Purchase | 9463 | 0.21 |
| | | | | 20.04.2018 | 25 | Purchase | 9488 | 0.21 |
| | | | | 27.04.2018 | 6000 | Purchase | 15488 | 0.35 |
| | | | | 18.05.2018 | 5605 | Purchase | 21093 | 0.48 |
| | | | | 01.06.2018 | 199 | Purchase | 21292 | 0.48 |
| | | | | 22.06.2018 | 50 | Purchase | 21342 | 0.48 |
| | | | | 13.07.2018 | 100 | Purchase | 21442 | 0.48 |
| | | 21442 | 0.48 | 31.03.2019 | - | - | 21442 | 0.48 |
| 08. | Naresh Kela | - | - | 01.04.2018 | - | - | - | - |
| | | | | 27.04.2018 | 5000 | Purchase | 5000 | 0.11 |
| | | | | 04.05.2018 | 15000 | Purchase | 20000 | 0.45 |
| | | | | 20.07.2018 | 1025 | Purchase | 21025 | 0.47 |
| | | 21025 | 0.47 | 31.03.2019 | - | - | 21025 | 0.47 |
| 09. | Sannareddy Suresh Babu | 17500 | 0.39 | 01.04.2018 | - | - | - | - |
| | | 17500 | 0.39 | 31.03.2019 | - | - | 17500 | 0.39 |
| 10. | Rukhsana Firoz Chasmawala | 13786 | 0.31 | 01.04.2018 | - | - | - | - |
| | | | | 22.06.2018 | 2032 | Purchase | 15818 | 0.36 |
| | | | | 29.09.2018 | 1224 | Purchase | 17042 | 0.38 |
| | | 17042 | 0.38 | 31.03.2019 | - | - | 17042 | 0.38 |
| 11. | Rajendra Nawal* | 22009 | 0.50 | 01.04.2018 | - | - | - | - |
| | | | | 06.04.2018 | 3260 | Sell | 18749 | 0.42 |
| | | | | 27.04.2018 | 3110 | Sell | 15639 | 0.35 |
| | | 15639 | 0.35 | 31.03.2019 | - | - | 15639 | 0.35 |
| 12. | Dipak C Sanghvi* | 20608 | 0.46 | 01.04.2018 | - | - | - | - |

| | | | | | | | | |
|-----|-------------------|-------|------|------------|------|----------|-------|------|
| | | | | 06.04.2018 | 1500 | Sell | 19108 | 0.43 |
| | | | | 13.04.2018 | 243 | Sell | 18865 | 0.42 |
| | | | | 20.04.2018 | 1250 | Sell | 17615 | 0.40 |
| | | | | 27.04.2018 | 2000 | Sell | 15615 | 0.35 |
| | | | | 04.05.2018 | 795 | Sell | 14820 | 0.33 |
| | | | | 11.05.2018 | 6070 | Sell | 8750 | 0.20 |
| | | | | 01.06.2018 | 2800 | Sell | 5950 | 0.13 |
| | | 5950 | 0.13 | 31.03.2019 | - | - | 5950 | 0.13 |
| 13. | Geetadevi Dariya* | 28134 | 0.63 | 01.04.2018 | - | - | - | - |
| | | | | 06.04.2018 | 2100 | Purchase | 30234 | 0.68 |
| | | | | 13.04.2018 | 2000 | Sell | 28234 | 0.64 |
| | | | | 27.04.2018 | 7934 | Sell | 20300 | 0.46 |
| | | | | 04.05.2018 | 1484 | Purchase | 21784 | 0.49 |
| | | | | 11.05.2018 | 1450 | Sell | 20334 | 0.49 |
| | | | | 18.05.2018 | 2300 | Sell | 18034 | 0.41 |
| | | | | 25.05.2018 | 750 | Sell | 17284 | 0.39 |
| | | | | 15.06.2018 | 1688 | Sell | 15596 | 0.35 |
| | | | | 22.06.2018 | 1 | Sell | 15595 | 0.35 |
| | | | | 30.06.2018 | 1055 | Sell | 14540 | 0.32 |
| | | | | 06.07.2018 | 1052 | Sell | 13488 | 0.30 |
| | | | | 27.07.2018 | 400 | Sell | 13088 | 0.29 |
| | | | | 03.08.2018 | 299 | Sell | 12789 | 0.29 |
| | | | | 10.08.2018 | 3300 | Sell | 9489 | 0.21 |
| | | | | 24.08.2018 | 555 | Sell | 8934 | 0.20 |
| | | | | 31.08.2018 | 943 | Sell | 8441 | 0.19 |
| | | | | 07.09.2018 | 4000 | Sell | 4441 | 0.10 |
| | | | | 14.09.2018 | 2000 | Sell | 2441 | 0.06 |
| | | | | 21.09.2018 | 25 | Sell | 2416 | 0.05 |
| | | | | 09.11.2018 | 2416 | Sell | - | - |
| | | | | 31.03.2019 | - | - | - | - |

* Not in the list of top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2019.

ceased to be in the list of top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01 04- 2018.

(v) Shareholding of Directors and Key managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cummulative Shareholding during the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| 01 | Satish G Thakur | 660989 | 14.89 | 661989 | 14.91 |
| 02 | Balvant V Retarekar | 584954 | 13.17 | 598158 | 13.47 |
| 03 | Suresh B Dhattrak | - | - | - | - |
| 04 | Devang Shah | 900 | 0.02 | - | - |
| 05 | Sayali Sohoni | - | - | - | - |
| 06 | Ravindra Bedekar - CFO | - | - | - | - |
| 07 | Bhushan Joshi - CS | 10 | 0.00 | 10 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Purchase/Sell in an open market. | | | |
| | At the End of the year | As appearing in the cumulative No. of shares column | | | |

(VI) INDEBTEDNESS:
Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Rs. in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 244.85 | 26.38 | - | 271.23 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but nor due | - | - | - | - |
| (Total i+ii+iii) | 244.85 | 26.38 | - | 271.23 |
| Change in indebtedness during the financial year | | | | |
| *Addition | - | - | - | - |
| * Reduction | 74.24 | 26.38 | - | (100.62) |
| Net Change | (74.24) | (26.38) | - | (100.62) |
| Indebtedness at the end of financial year | | | | |
| i) Principal Amount | 170.61 | - | - | 170.61 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but nor due | - | - | - | - |
| (Total i+ii+iii) | 170.61 | - | - | 170.61 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration of Managing Director, Whole-time Directors and/or Manager

(Rs. In lacs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---------|---|---|---|--------------|
| | | Satish G Thakur Managing Director | B V Retarekar Whole-time Director | |
| 1 | Gross salary (Rs. in Lacs) (a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 42.00 | 42.00 | 84.00 |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit (1%) - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | 42.00 | 42.00 | 84.00 |
| | Ceiling as per the Act | As per Schedule V, Part II of the companies Act, 2013 | | |

B. Remuneration to other Director

(Rs. In lacs)

| Sr. No. | Particulars of Remuneration | Name of Director | | | Total Amount |
|---------|--|-------------------------|--------------------------|---------------------------|--------------|
| | | Devang Shah Director | S B Dhattrak Director | Sayali Sohoni Director | |
| | Independent Director | | | | |
| | · Fee for attending board committee meetings | 0.30 | 0.30 | 0.30 | 0.90 |
| | · Commission | - | - | - | - |
| | · Others, please specify | - | - | - | - |
| | Total (1) | 0.30 | 0.30 | 0.30 | 0.90 |
| | Other Non-Executive Director | | | | |
| | · Fee for attending board committee meetings | - | - | - | - |
| | · Commission | - | - | - | - |
| | · Others, please specify | - | - | - | - |
| | Total (2) | 0.30 | 0.30 | 0.30 | 0.90 |
| | Total (B) = (1+2) | 0.30 | 0.30 | 0.30 | 0.90 |

C. REMUNERATION OF KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WHOLETIME DIRECTOR:

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|---------|---|--------------------------|-------------------|--------------|
| | | Chief Financial Officer | Company Secretary | |
| 1 | Gross salary (Rs. in Lacs) (a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 1.80 | 1.25 | 3.05 |
| | | 1.39 | 1.06 | 2.45 |
| | | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit (1%) - others, specify... | - | - | - |
| | | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 3.19 | 2.31 | 5.50 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL/NONE

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

Annexure "B" to the Board's Report

Form AOC-2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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 transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis : Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis:

(Rs. In Lacs)

| Sr. No. | Name of Related Party | Nature of Contracts/arrangement/transactions | Duration of the contracts/arrangement/transactions | Terms of Contracts | Value of Contracts | Dates of approved by the Board |
|---------|-----------------------|--|--|-------------------------|--|--|
| 01. | Pharma Inter Chemie | Sale of Raw Materials | Quarterly | Prevailing Market Price | Rs. 217.39 Rs. 258.29 Rs. 261.54 Rs. 225.61 | 10.08.2018 03.11.2018 28.01.2019 30.03.2019 |
| 02 | Chloro Chem of india | Rent paid | Yearly | Prevailing Market Price | Rs. 6.48 | 30.03.2019 |

No advance has been paid to any of the above related party during year.

Annexure "C" to the Board's Report

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

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

(A) Conservation of Energy :

- (i) the steps taken or impact on conservation of energy;
 - In boiler section, the waste heat energy is utilized in preheating water for boiler.
 - Steam pipes insulations are checked on regular basis.
 - Control of exhaust fan by frequency control device and recycling of steam condensate to the boiler.
 - In electricity consumption power factor is maintained within prescribed limit.
 - Shutting off unwanted office equipments, fans lights etc.
 - Power saver devices including LED bulbs are installed in place of conventional bulbs.
- (i) the steps taken by the company for utilizing alternate sources of energy;
 - The Company is yet to take steps in this direction.
- (ii) the capital investment on energy conservation equipments;
 - The Company has fitted dilute caustic scrubber in vent line of flue gases of boiler to scrub the free sulphur dioxide gas. The mist eliminator also there to save wet fumes to passing into chimney in line with the guideline given by the Gujarat Pollution Control Board consuming said fuel.

(B) Technology absorption :

| | | |
|----|---|--|
| 1. | The efforts made towards technology absorption | Efforts have been made to improve the quality of existing products of existing products. |
| 2. | The benefit derived like product improvement, cost reduction, product development, import substitution | Quality has been improved of existing products to achieve more customer satisfaction and has resulted in earning better price. |
| 3. | In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) | Not Applicable |
| 4. | The expenditure incurred in research & development. | NIL |

(C) Foreign exchange earnings and Outgo :

| | | |
|----|-------------------------|-------------------|
| 1. | Foreign Exchange Earned | Nil |
| 2. | Foreign Exchange Outgo | Rs. 2,70,54,955/- |

Annexure "D" to the Board's Report

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 :

| Sr. No. | Name of Director | Ratio |
|---------|-------------------------|---------|
| 01. | Mr. Satish G Thakur | 22.12:1 |
| 02. | Mr. Balvant V Retarekar | 22.12:1 |

2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19 compared to 2017-18 :

| Sr. No. | Name of Director, CFO and CS | % of increase |
|---------|---|---------------|
| 01. | Mr. Satish G Thakur- Managing Director | 8% |
| 02. | Mr. Balvant V Retarekar- Chairman & Whole-time Director | 8% |
| 03. | Mr. Ravindra Bedekar- CFO | 9% |
| 04. | Mr. Bhushan Joshi - CS | 6% |

3. The percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18: 13.33%

| | | |
|--|-------------------|-------------------|
| 4. The number of permanent employees on the roll of the Company: | 31.03.2019 | 31.03.2018 |
| | 87 | 88 |

5. Average percentile increase in salaries of employees other than managerial personnel : 10.08%
6. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.
7. There is no employee covered pursuant to Section 197 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no particulars are given.

Annexure "E" to the Board's Report**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Link Pharma Chem Limited
162, GIDC Estate,
Nandesari,
Dist. Vadodara

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Link Pharma Chem 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 covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Link Pharma Chem Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (A) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (B) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (C) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -Not applicable as the Company did not issue any security during the financial year under review.
 - (D) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;- Not applicable as the Company has not granted any options to its employees during the financial year under review.
 - (E) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable

as the Company has neither issued nor listed any debt securities during the financial year under review.

(F) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(G) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review; and

(H) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company did not buy back any security during the financial year under review.

Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws:

- (a) Environment (Protection) Act, 1986
- (b) Water (Prevention & Control of Pollution) Act, 1974
- (c) The Air (Prevention & Control of Pollution) Act, 1981

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

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

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

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at the meeting without any dissent.

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.

Place: Vadodara
Date: 27.05.2019

For Vijay Bhatt & Co.,
Company Secretaries

Vijay J Bhatt
Proprietor
FCS: 4900
CP: 2265

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

Annexure to the Secretarial Audit Report

Date: 27.05.2019

The Members of
Link Pharma Chem Limited

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Vijay Bhatt & Co.
Company Secretaries

Vijay J Bhatt
Proprietor
FCS: 4900
CP: 2265

DECLARATION ON CODE OF CONDUCT
[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as on 31st March, 2019. The declaration signed by the Managing Director of the Company is given below:

"I, Satish G Thakur, Managing Director of the Company, hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed the compliance of the Code of Conduct during the Financial Year ended 31st March, 2019."

Date: 30/05/2019
Place: Vadodara

SATISH G THAKUR
MANAGING DIRECTOR

MANAGING DIRECTOR & CFO CERTIFICATION
[Regulation 17(8) of SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015]

To,
The Board of Directors
Link Pharma Chem Limited

We certify that:

A. We have reviewed financial statements and the cash flow statement of Link Pharma Chem Ltd. for the year ended March 31, 2019 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the audit committee

- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Vadodara
Date: 30/05/2019

SATISH G THAKUR
MANAGING DIRECTOR

RAVINDRA BEDEKAR
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT
to the Members of **Link Pharma Chem Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Link Pharma Chem Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, (including Other Comprehensive Income), the statement of Cash Flows and the statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by Company's Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and change in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition:

Revenue is one of the key profit drives and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of result for the year. Our audit procedure with regard to revenue recognition includes testing controls. Automated and manual, around dispatched/ deliveries, inventory reconciliations and circularization of receivables balances, substantives testing for cut-offs and analytical reviews procedures.

Information other than the financial statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprise the information comprise the information comprise the information included in the Management's

Discussion and Analysis reports, but does not include the consolidated financial statements, standalone financial statement and our auditor's report thereon.

- Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that economic decisions of reasonably knowledgeable users of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143(3) of the Act, based on our audit, 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 including other comprehensive income, Cash Flow

Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account

- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over the financial reporting.
 - (g) With respect to the other matters to be included in the auditors' report in accordance with the requirements of section 197(16) of the Act as amended.
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year, is in accordance with the provision of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sanjay Soni & Associates
Chartered Accountants
ICAI Firm Registration No. 113251W

Date : 30.05.2019
Place : Vadodara

CA Sanjay Soni
Partner
Membership No. 040313

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Reports on other Legal and Regulatory Requirements' Section of our Report of even date)

Report on the Internal Financial Controls over financial reporting 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 Link Pharma Chem Ltd. ("the Company") As of March 31, 2019 in conjunction with our audit of the standalone Ind As financial statements of the Company for the year ended 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 (ICAI). 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, 2013.

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 accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (" the Guidance Note") and the Standards on Auditing prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing audit procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting , assessing the risk that 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 judgement, including the assessment of the risk 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 to 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 Company has , in all material respect an adequate internal financial controls system over financial reporting and such internal financial controls 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 Sanjay Soni & Associates
Chartered Accountants
ICAI Firm Registration No. 113251W

Place : Vadodara
Date : 30.05.2019

CA Sanjay Soni
Partner
Membership No. 040616

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under Reports on other Legal and Regulatory Requirements' section of our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative detail and situation, of fixed assets.
- (b) The Company has a regular program for verification of property, plant and equipment at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. The property, plant and equipments were physically verified during the current year in accordance with this program. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and to the best of our knowledge and belief, the title deeds of the immovable properties, are held in the name of the Company.
- 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 loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) According to the records of the Company examined by us and the information and explanations given to us. There are no loans, investments made or guarantees and securities provided by the company as per provisions of section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from public within the meaning of Sections 73, 74, and 76 of the Act.
- vi) The Central Government has been not prescribed the maintenance of cost accounts for the type of activities of the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under clause (d) of sub section (1) of section 148 of the Act .
- vii) According to the information and explanations given to us,
 - (a) The Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employees' state insurance, Income tax, Goods and Service Tax, Sales Tax ,service tax, duty of customs, Value Added Tax , duty of excise, cess and other material statutory dues, as applicable to it.
 - (b) There were no disputed amounts payable in respect of Provident Fund , Employees' State Insurance, Income Tax , Sales Tax, Service Tax , Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax and other material statutory dues in arrears as at March, 31, 2019 for a period of more than 6 months from the date they become payable Except for Profession Tax Rs 6,19,620 payable notified area authority.
 - (c) Details of dues of VAT and CST which have not been deposited as on 31st March, 2019 on account of disputes , are given below.
 - (d)

| Nature of statute | Nature of Dues | Amount (Rs. in lakh) | Period for which it relates | Forum where dispute is pending |
|-----------------------|----------------|----------------------|-----------------------------|--------------------------------------|
| Gujarat Vat Act,2004 | VAT | 132.34 | 2008-09 | Dy. Commissioner (Appeals), Vadodara |
| Central Sales Tax Act | CST | 46.86 | 2008-09 | |

There are no dues of Income Tax, Service Tax, Custom Duty, Goods and Service Tax and Value added Tax that has not been deposited as at 31.3.2019 on account of disputes.

- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks. The Company did not have any loans or borrowings from any financial institution or Government or debenture during the year.
- ix) In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer/ further public offer (including Debt instruments) and the term loan have been applied by the Company during the year for the purpose for which they were raised.
- 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 give to us, we have neither come across any instance of material fraud by 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) In our opinion and according to the information and explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule 5 to the Companies Act, 2013.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 177 and 188 of the Act and details of related party transactions have been disclosed in the standalone financial statement as required by the applicable Indian Accounting Standard.
- xiv) The Company has not made preferential allotment or private placement of shares or debentures during the year under review.
- xv) The Company has not entered into any non cash transactions with its directors or associate company or persons connected with them.
- xvi) The Company is not required to be registered under Section 45 -IA of The Reserve Bank of India Act, 1934.

For Sanjay Soni & Associates
Chartered Accountants
ICAI Firm Registration No. 113251W

CA Sanjay Soni
Partner
Membership No. 040616

Place : Vadodara
Date : 30.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019
(in Rs.)

| Particulars | Note | As at March 31, 2019 | As at March 31, 2018 |
|--|------|----------------------|----------------------|
| I. ASSETS | | | |
| 1. NON CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 3 | 9,13,72,146 | 9,76,13,520 |
| (b) Capital work in progress | | 42,90,661 | 1,02,594 |
| (c) Financial Assets | | | |
| i) Investments | 4 | 3,03,179 | 2,95,888 |
| ii) Other financial assets | 5 | 26,04,139 | 23,45,323 |
| (d) Income tax assets (Net) | 16 | 72,59,726 | 52,80,416 |
| (e) Other non-current assets | 6 | 23,65,966 | 4,51,692 |
| Total non-current assets | | 10,81,95,817 | 10,60,89,432 |
| 2. CURRENT ASSETS | | | |
| (a) Inventories | 7 | 2,86,91,555 | 2,63,37,997 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 8 | 3,04,32,009 | 3,18,47,374 |
| (ii) Cash and cash equivalents | 9 | 2,47,150 | 7,85,763 |
| (iii) Bank Balances other than (ii) above | 10 | 17,31,674 | 10,31,674 |
| (iv) Loans | 11 | 9,93,223 | 1,93,221 |
| (v) Other financial assets | 5 | 2,37,975 | 3,25,000 |
| (c) Other current assets | 6 | 94,99,524 | 53,05,446 |
| Total current assets | | 7,18,33,110 | 6,58,26,475 |
| Total Assets | | 18,00,28,927 | 17,19,15,907 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 12 | 4,44,05,680 | 4,44,05,680 |
| (b) Other equity | 13 | 5,94,10,457 | 5,34,89,437 |
| Total Equity | | 10,38,16,137 | 9,78,95,117 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| - Borrowings | 14 | 1,70,61,185 | 2,24,85,415 |
| (b) Provisions | 15 | 3,65,158 | 3,79,873 |
| (c) Deferred tax liabilities (Net) | 16 | 1,00,17,259 | 75,31,283 |
| Total non-current liabilities | | 2,74,43,602 | 3,03,96,571 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | 65,74,620 | 18,62,349 |
| (ii) Trade payables | 17 | 3,37,14,466 | 3,37,06,041 |
| (ii) Other financial liabilities | 18 | 55,55,692 | 55,03,811 |
| (c) Other current liabilities | 19 | 29,24,410 | 25,52,018 |
| Total current liabilities | | 4,87,69,188 | 4,36,24,219 |
| Total Equity and liabilities | | 18,00,28,927 | 17,19,15,907 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an interegral part of the financial statements.

As per our report of even date

For Sanjay Soni & Associates
Chartered Accountants
ICAI Firm Registration No. 113251W

For and on behalf of the Board of Directors of
Link Pharma Chem Limited (CIN: L24320GJ1984PLCOO7540)
B V Retarekar
Chairman

S. G. Thakur
Managing Director

CA Sanjay Soni
Partner
Membership No. 040616
Place : Vadodara
Date : May 30, 2019

Ravindra Bedekar
Chief Financial Officer

Place : Vadodara
Date : May 30, 2019

Bhushan Joshi
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(in Rs.)

| Particulars | Note | For the Year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|--|------|--------------------------------------|--------------------------------------|
| Revenue from operations | 20 | 24,50,00,695 | 23,96,44,427 |
| Other income | 21 | 19,28,707 | 6,94,859 |
| Total Income (A) | | 24,69,29,402 | 24,03,39,286 |
| Expenses: | | | |
| Cost of materials consumed | 22 | 11,87,48,025 | 7,82,94,173 |
| Changes in inventories of finished goods and work-in-progress | 23 | (54,76,801) | 2,06,72,611 |
| Excise Duty on sale of goods | | - | 43,20,767 |
| Employee benefits expense | 24 | 4,71,86,672 | 4,89,77,926 |
| Finance costs | 25 | 38,55,442 | 61,55,715 |
| Depreciation | 3 | 89,48,702 | 85,95,288 |
| Other Expenses | 26 | 6,43,66,523 | 5,96,17,404 |
| Total expenses (B) | | 23,76,28,563 | 22,66,33,884 |
| Profit before tax (C) = (A-B) | | 93,00,839 | 1,37,05,402 |
| Tax expense: | | | |
| Current tax | 16 | 18,79,795 | 27,55,900 |
| MAT credit recognised | 16 | (16,45,500) | (39,52,915) |
| Deferred tax | 16 | 24,85,164 | 35,54,302 |
| Total tax expense (D) | | 27,19,459 | 23,57,287 |
| Profit for the year (E) = (C-D) | | 65,81,380 | 1,13,48,115 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Net fair value gain on equity instruments through Other Comprehensive Income | | 7,291 | 7,524 |
| Income tax effect on above | | (812) | 10 |
| Remeasurement (loss) / gain of the defined benefit plan | | (9,01,134) | 7,06,028 |
| Income tax effect on above | | 2,34,295 | (1,94,528) |
| Total other comprehensive income for the year, net of tax (F) | | (6,60,360) | 5,19,034 |
| Total comprehensive income for the year (G) = (E-F) | | 59,21,020 | 1,18,67,149 |
| Earnings per equity share (Face value of Rs. 10) (in Rs.) | | | |
| Basic and Diluted | 29 | 1.48 | 2.56 |
| Summary of Significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

As per our report of even date
 For Sanjay Soni & Associates
 Chartered Accountants
 ICAI Firm Registration No. 113251W

For and on behalf of the Board of Directors of
Link Pharma Chem Limited (CIN: L24320GJ1984PLCOO7540)

B V Retarekar
 Chairman

S. G. Thakur
 Managing Director

CA Sanjay Soni
 Partner
 Membership No. 040616
 Place : Vadodara
 Date : May 30, 2019

Ravindra Bedekar
 Chief Financial Officer

Bhushan Joshi
 Company Secretary

Place : Vadodara
 Date : May 30, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(in Rs.)

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Net profit before taxation | 93,00,839 | 1,37,05,402 |
| Adjustments For : | | |
| Depreciation and amortization expense | 89,48,702 | 85,95,288 |
| (Profit) / Loss on Sale of Property, Plant & Equipment | -42,495 | -32,044 |
| Interest income | -1,09,000 | -31,751 |
| Finance cost | 38,55,442 | 61,55,715 |
| Operating Profit Before Working Capital Changes | 2,19,53,488 | 2,83,92,610 |
| Adjustments For : | | |
| (Increase)/Decrease in inventories | -23,53,558 | 1,63,40,707 |
| (Increase)/Decrease in trade receivables | 14,15,365 | -1,00,88,196 |
| (Increase)/Decrease in financial assets | -6,70,094 | -74,995 |
| (Increase)/Decrease in other assets | -41,94,079 | -4,66,552 |
| Increase/(Decrease) in trade and other payables | -5,31,032 | 67,96,091 |
| Working Capital Changes | -63,33,398 | 1,25,07,055 |
| Cash Generated From Operations | 1,56,20,090 | 4,08,99,664 |
| Taxes Paid (Net) | -19,79,309 | -30,19,845 |
| Net Cash From Operating Activities | 1,36,40,781 | 3,78,79,819 |
| B. Cash Flow From Investing Activities | | |
| Purchase of property, plant & equipment | -87,94,292 | -1,17,18,492 |
| Proceeds from sale of property, plant & equipment | 74,999 | 1,24,999 |
| Proceeds from maturity of bank deposits | -8,88,724 | 82,220 |
| Interest received | -3,975 | 3,445 |
| Net Cash Used in Investing Activities | -96,11,992 | -1,15,07,828 |
| C. Cash Flow From Financing Activities | | |
| Proceeds from borrowings | -7,11,959 | -2,01,85,623 |
| Finance cost paid | -38,55,442 | -61,55,715 |
| Net Cash Used In Financing Activities | -45,67,401 | -2,63,41,338 |
| Net Increase In Cash and Cash Equivalents (A+B+C) | -5,38,612 | 30,653 |
| Cash and Cash Equivalents at Beginning of Year | 7,85,762 | 7,55,109 |
| Cash and Cash Equivalents at the End of Year | 2,47,150 | 7,85,762 |

Notes:
1 Cash And Cash Equivalents Comprise Of :

| | As at March 31, 2019 | As at March 31, 2018 |
|----------------------|----------------------|----------------------|
| a Cash on Hand | 1,69,836 | 6,87,081 |
| b Balance with Bank: | | |
| -in Current Account | 19,823 | 40,822 |
| c Gold coin | 57,491 | 57,860 |
| | 2,47,150 | 7,85,763 |

2 The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

As per our report of even date
 For Sanjay Soni & Associates
 Chartered Accountants
 ICAI Firm Registration No. 113251W

For and on behalf of the Board of Directors of
Link Pharma Chem Limited (CIN: L24320GJ1984PLCOO7540)
B V Retarekar
 Chairman

S. G. Thakur
 Managing Director

CA Sanjay Soni
 Partner
 Membership No. 040616
 Place : Vadodara
 Date : May 30, 2019

Ravindra Bedekar
 Chief Financial Officer

Bhushan Joshi
 Company Secretary

 Place : Vadodara
 Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

| A] Equity Share Capital | | (in Rs.) |
|---|------|-------------|
| Particulars | Note | Amount ₹ |
| Issued, Subscribed and fully paid equity shares of | | |
| Balance as at March 31, 2017 | | 4,44,05,680 |
| Changes during the year | 13 | |
| Balance as at March 31, 2018 | | 4,44,05,680 |
| Changes during the year | 13 | |
| Balance as at March 31, 2019 | | 4,44,05,680 |

B] Other equity (In Rs.)

| Particulars | Reserves and surplus | | Other comprehensive income (OCI) | Total |
|--|----------------------|--------------------|----------------------------------|--------------------|
| | Securities Premium | Retained Earnings | Equity Instruments through OCI | |
| | Note 14 | Note 14 | Note 14 | |
| Balance as at March 31, 2017 | 2,87,12,527 | 1,28,66,751 | 43,010 | 4,16,22,288 |
| Profit for the year | - | 1,13,48,115 | | 1,13,48,115 |
| Other Comprehensive Income For the year | - | 5,11,500 | 7,534 | 5,19,034 |
| Total Comprehensive income for the year | - | 1,18,59,615 | 7,534 | 1,18,67,149 |
| Balance as at March 31, 2018 | 2,87,12,527 | 2,47,26,366 | 50,544 | 5,34,89,437 |
| Profit for the year | - | 65,81,380 | | 65,81,380 |
| Other comprehensive income for the year | - | (6,66,839) | 6,479 | (6,60,360) |
| Total Comprehensive income for the year | - | 59,14,541 | 6,479 | 59,21,020 |
| Balance as at March 31, 2019 | 2,87,12,527 | 3,06,40,907 | 57,023 | 5,94,10,457 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
 For Sanjay Soni & Associates
 Chartered Accountants
 ICAI Firm Registration No. 113251W

CA Sanjay Soni
 Partner
 Membership No. 040616
 Place : Vadodara
 Date : May 30, 2019

For and on behalf of the Board of Directors of
Link Pharma Chem Limited (CIN: L24320GJ1984PLCOO7540)

B V Retarekar
 Chairman

Ravindra Bedekar
 Chief Financial Officer

Place : Vadodara
 Date : May 30, 2019

S. G. Thakur
 Managing Director

Bhushan Joshi
 Company Secretary

Notes to the financial statements for the year ended 31st March, 2019**1. Corporate Information:**

The financial statements comprise financial statements of Link Pharma Chem Limited ('the Company') for the year ended March 31, 2019. The Company is a Public Limited Company incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in the manufacturing and selling of organic intermediates which are used in pharmaceuticals, agro and speciality chemical industries. The Company has its manufacturing location at Nandesari in Gujarat.

2. Basis of preparation, key accounting estimates and significant accounting policies**2.1 Basis of preparation**

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

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements except as mentioned below in 2.2.

2.2 Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- a. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.4 (b).
- b. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

2.3 Key accounting estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

There are few transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 31 for details of the key assumptions used in determining the accounting for these plans.

Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

Useful economic lives of property, plant and equipment

Property, plant and equipment as disclosed in note 3 are depreciated/amortised over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation/amortisation rates prospectively and hence the asset carrying values.

2.4 Summary of Significant accounting policies**a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

1) Sale of products

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

2) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

c. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

d. Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date on a portfolio basis.

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:

- In the principal market for the asset or liability, or
- 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (Refer Note 38)

Quantitative disclosures of fair value measurement hierarchy

- Financial instruments (including those carried at amortised cost)
- Disclosures for valuation methods, significant estimates and assumptions.

e. Property, Plant & Equipment (PPE)

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Depreciation is calculated on a straight-line method on the basis of the useful life as specified in Schedule II to the Companies Act, 2013, except in certain assets where the useful life was determined by technical evaluation. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Estimated useful lives of the assets are as follows:

| Assets class | Useful Life (Years) |
|-------------------------------------|---------------------|
| Plant & Machinery | 15 Years |
| Office Equipment including Computer | 3-5 Years |
| Building | 30-60 Years |
| Furniture and fixtures | 10 Years |
| Vehicles | 8 Years |

Depreciation:

Depreciation on Vehicles is provided on written down value method considering rate of depreciation at 25.89% per annum. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Land is not depreciated.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In

determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

g. Inventories

Inventories are stated at the lower of cost and net realizable value.

- (i) Stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.
- (ii) Semi-finished products and finished products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost comprises direct materials and where applicable, direct labour costs, those overheads that have been incurred in bringing the inventories to their present location and condition and excise duty payable on finished goods. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

j. Financial instruments

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

1) Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over

the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

2) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in

the statement of profit and loss.

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.

k. Taxes on income

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to setoff corresponding current tax assets against current tax liabilities and the deferred tax assets and

deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

I. Retirement and other employee benefits

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when employee rendered related services.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

n. Contingent liabilities and contingent assets

Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. Earnings per shareBasic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

p. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

q. Recent accounting pronouncementsStandards issued but yet not effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019.

The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short-term exemption in accordance with Ind AS 116.

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

c) Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply these amendments for annual reporting periods beginning on or after 1st April, 2019. The impact on the Financial Statements is being evaluated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3. Property, Plant and Equipment

| Particulars | (in Rs.) | | | | | | | | | | |
|--|------------------|--------------------|-----------------|--------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|----------------------|--------------------|---------------------|
| | Land | Factory Building | Office Building | Plant & Machinery | Pollution Control Equipment | Laboratory Equipment | Safety Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Total |
| Cost | | | | | | | | | | | |
| As at April 1, 2017 | 27,70,621 | 1,75,12,910 | 5,85,299 | 6,36,62,355 | 33,34,621 | 40,70,289 | 3,10,857 | 2,86,200 | 2,12,892 | 1,17,71,044 | 10,40,17,388 |
| Additions | - | 13,34,888 | - | 83,82,435 | 6,87,900 | - | - | 1,68,148 | - | - | 1,05,73,371 |
| Sale / Disposal | - | - | - | - | - | - | - | - | - | (2,62,262) | (2,62,262) |
| As at March 31, 2018 | 22,70,921 | 1,88,47,798 | 5,85,299 | 7,20,44,790 | 40,22,521 | 40,70,289 | 3,10,857 | 4,54,348 | 2,12,892 | 1,15,08,782 | 11,43,28,496 |
| Additions | - | - | - | 25,86,825 | - | - | - | 89,062 | = | 63,945 | 27,39,832 |
| Sale / Disposal | - | - | - | - | - | - | - | - | 2,12,892 | (12,38,246) | (12,38,246) |
| As at March 1, 2019 | 22,70,921 | 1,88,47,798 | 5,85,299 | 7,46,31,615 | 40,22,521 | 40,70,289 | 3,10,857 | 5,43,410 | | 1,03,34,481 | 11,58,30,082 |
| Depreciation and Impairment | | | | | | | | | | | |
| As at April 1, 2017 | - | 7,26,724 | 12,855 | 49,99,888 | 2,78,360 | 4,75,317 | 28,978 | 1,44,388 | 28,082 | 15,94,404 | 82,88,996 |
| Depreciation for the year | - | 7,73,521 | 12,855 | 52,62,691 | 2,85,280 | 4,81,428 | 31,422 | 38,200 | 23,758 | 16,86,133 | 85,95,288 |
| Deductions | - | - | - | - | - | - | - | - | - | (1,69,307) | (1,69,307) |
| As at March 31, 2018 | - | 15,00,245 | 25,710 | 1,02,62,579 | 5,63,640 | 9,56,745 | 60,400 | 1,82,588 | 51,840 | 31,11,230 | 1,67,14,977 |
| Depreciation for the year | - | 7,86,781 | 12,855 | 55,92,172 | 2,85,280 | 5,40,666 | 31,421 | 93,886 | 23,758 | 15,81,882 | 89,48,701 |
| Deductions | - | - | - | - | - | - | - | - | - | (12,05,742) | (12,05,742) |
| As at March 31, 2019 | - | 22,87,026 | 38,565 | 1,58,54,751 | 8,48,920 | 14,97,411 | 91,821 | 2,76,474 | 75,598 | 34,87,370 | 2,44,57,936 |
| Net Book Value | | | | | | | | | | | |
| As at March 31, 2019 | 22,70,921 | 1,65,60,772 | 5,46,734 | 5,87,76,864 | 31,73,601 | 25,72,878 | 2,19,036 | 2,66,936 | 1,37,294 | 68,47,111 | 9,13,72,146 |
| As at March 31, 2018 | 22,70,921 | 1,73,47,553 | 5,59,589 | 6,17,82,211 | 34,58,881 | 31,13,544 | 2,50,457 | 2,71,760 | 1,61,052 | 83,97,552 | 9,76,13,519 |
| Net Book Value | | | | | | | | | | | |
| | | | | | | | As at March 31, 2019 | As at March 31, 2018 | | | |
| Property, Plant & Equipment | | | | | | | 9,13,72,146 | 9,76,13,520 | | | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 4. Property, Plant and Equipment

| Particulars | No. of Units | As at March 31, 2019 | No. of Units | As at March 31, 2018 |
|---|--------------|-------------------------|--------------|-------------------------|
| (in Rs.) | | | | |
| NON CURRENT | | | | |
| Investment at fair value through profit or loss (FVTOCI) | | | | |
| Investment in equity instrument (quoted) : | | | | |
| 684 master shares of ₹ 10 each fully paid-up in Unit Trust of India (As at March 31.) | 684 | 83,899 | 684 | 76,608 |
| 2017: 684 shares; as at April 1, 2016: 684 shares) | | | | |
| Investment at fair value through other comprehensive income (FVTOCI) | | | | |
| Investment in equity instrument (unquoted) : | | | | |
| Enviro Technology Ltd. | 20,000 | 2,00,000 | 20,000 | 2,00,000 |
| Bharuch Enviro Infrastructure Ltd. | 378 | 3,780 | 378 | 3,780 |
| Center Point Association | 5 | 500 | 5 | 500 |
| Jhaveri Credit and Capital Limited | 1,00,000 | 1,00,000 | 1,00,000 | 1,00,000 |
| Less : Provision for diminution in value of investment | | (1,00,000) | | (1,00,000) |
| Investment at amortized cost | | | | |
| Investment in Government Securities - National Savings Certificate | | 15,000 | | 15,000 |
| Total | | 3,03,179 | | 2,95,888 |
| Total non-current investments | | 3,03,179 | | 2,95,888 |
| Aggregate amount of quoted investments | | 83,899 | | 76,608 |
| Market value of quoted investments | | 83,899 | | 76,608 |
| Aggregate amount of unquoted investments | | 2,19,280 | | 2,19,280 |
| Aggregate amount of impairment in the value of investments | | 1,00,000 | | 1,00,000 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 5. Other financial Assests (in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Unsecured, considered good | | |
| Non Current | | |
| Security Deposits | 23,67,086 | 22,96,994 |
| Balance with bank in deposit held as Margin | 2,37,053 | 48,329 |
| Total | 26,04,139 | 23,45,323 |
| Unsecured considered good | | |
| Current | | |
| Interest accrued on deposits with bank | 2,37,975 | 1,25,000 |
| others | - | 2,00,000 |
| Total | 2,37,975 | 3,25,000 |

Note 6. Other Assets (in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|----------------------|----------------------|
| Unsecured, considered good | | |
| Non Current | | |
| Capital Advance | 23,65,966 | 4,51,692 |
| Total | 23,65,966 | 4,51,692 |
| Unsecured, considered good | | |
| Current | | |
| Prepaid Expenses | 4,03,321 | 4,11,100 |
| Advance to suppliers | 35,33,973 | 18,38,359 |
| Balance with Government Authorities | 16,60,952 | 27,06,447 |
| Wages paid in advance | 38,13,095 | 1,11,989 |
| Others | 88,183 | 2,37,550 |
| Total | 94,99,524 | 53,05,446 |

Note 7. Inventories (valued at lower of cost and net realisable value) (in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------|----------------------|----------------------|
| Raw Materials | 65,21,776 | 89,39,903 |
| Work-in-Process | 34,43,375 | 1,20,72,333 |
| Finished Goods | 1,46,06,904 | 5,01,145 |
| Packing Material | 19,500 | 74,616 |
| Stores and Spares | 41,00,000 | 47,50,000 |
| Total | 2,86,91,555 | 2,63,37,997 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 8. Trade Receivables
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Trade receivables- Unsecured considered good | 3,04,32,00 | 3,18,47,374 |
| Total | 3,04,32,009 | 3,18,47,374 |

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Refer Note 30 for related party balances and terms and conditions relating to receivables.

The average credit period on sales of goods is 90 days. No interest is generally charged on trade receivables for the first 90 days from the date of the invoice. No interest is charged though over and above the agreed credit period.

The Company has 4 customers (previous year: 7 customers) who have accounted for more than 10% of the Company's revenue. Total amount of revenue from these customer is. 246,621,603 for the year ended March 31, 2019 and Rs. 260,185,603 for the year ended March 31, 2018.

For explanations on Company's credit risk management process, refer note 39.

Note 9. Cash and Cash Equivalents
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---------------------------------------|----------------------|----------------------|
| Cash on hand | 1,69,836 | 6,87,081 |
| Balances with bank in current account | 19,823 | 40,822 |
| Gold Coin | 57,491 | 57,860 |
| Total | 2,47,150 | 7,85,763 |

Note 10. Other Bank Balances
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Balance with Bank in fixed deposit account Deposits with original maturity for more than 3 months but less than 12 months | 17,31,674 | 10,31,674 |
| Total | 17,31,674 | 10,31,674 |

Note 11. Loans
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------|----------------------|----------------------|
| Loan to employees | 9,93,223 | 1,93,221 |
| Total | 9,93,223 | 1,93,221 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 12. Share Capital

(in Rs.)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|-------------|----------------------|-------------|
| | Number of Share | in Rs. | Number of Share | in Rs. |
| Authorised share capital Equity shares of Rs. 10 each | 50,00,000 | 5,00,00,000 | 50,00,000 | 5,00,00,000 |
| Issued, Subscribed & Fully Paid-Up Equity shares of Rs. 10 each subscribed | 44,40,568 | 4,44,05,680 | 44,40,568 | 4,44,05,680 |

b) Recocillation of the number of Share outstanding :

(in Rs.)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-------------|----------------------|-------------|
| | Number of Share | in Rs. | Number of Share | in Rs. |
| Opening and Closing balance of Equity | 44,40,568 | 4,44,05,680 | 44,40,568 | 4,44,05,680 |

c) Terms and Rights attached to each class of share:-

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

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of the 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.

d) Details of shareholders' holding more than 5% shares in the Company

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|----------------------|----------------------|-----------|----------------------|-----------|
| | Number of Share | Holding % | Number of Share | Holding % |
| Satish G. Thakur | 6,61,989 | 15% | 6,60,989 | 15% |
| Balvant V. Retarekar | 5,98,158 | 13% | 5,84,954 | 13% |
| Maya Thakur | 3,97,029 | 9% | 3,97,029 | 9% |
| Neha Retarekar | 4,65,089 | 10% | 4,65,089 | 10% |

Note: As per records of the Company, including its register of share holders/members and other declarations received from the share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 13. Other Equity
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Securities Premium Account (refer Note below) | | |
| Balance as at the beginning of the year | 2,87,12,527 | 2,87,12,527 |
| Add: Transferred during the year | - | - |
| Less: Withdrawn during the year | - | - |
| Balance as at the end of the year | 2,87,12,527 | 2,87,12,527 |
| Retained Earnings | | |
| Balance as at the beginning of the year | 2,47,76,910 | 1,29,09,761 |
| Profit for the year | 65,81,380 | 1,13,48,115 |
| Other Comprehensive Income arising from fair valuation of Investments (net of taxes) | 6,479 | 7,534 |
| Other Comprehensive Income arising from fair valuation of defined benefit obligation (net of taxes) | (6,66,839) | 5,11,500 |
| Balance as at the end of the year | 3,06,97,930 | 2,47,76,910 |
| Total | 5,94,10,457 | 5,34,89,437 |
| Note: Securities Premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52(2) of the Companies Act, 2013. | | |

Note 14. Borrowings
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------------------------|----------------------|----------------------|
| <u>Non - current</u> | | |
| Secured Car loan | 12,51,626 | 15,51,562 |
| Secured Working Capital Term Loan | 1,58,09,559 | 1,82,95,954 |
| Unsecured, loan from directors | - | 26,37,899 |
| Total Non current Borrowings | 1,70,61,185 | 2,24,85,415 |
| <u>Current</u> | | |
| Cash credit account with Bank | 65,74,620 | 18,62,349 |
| Total Current Borrowings | 65,74,620 | 18,62,349 |

Note 15. Provisions

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| <u>Non - current</u> | | |
| Provision for Gratuity (refer note 31) | 3,65,158 | 3,79,873 |
| Total Non Current Provisions | 3,65,158 | 3,79,873 |

Note: Securities Premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52(2) of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| Note 16 Income tax asset (net) | As at | |
|-------------------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Advance payment of Income Tax (net) | 72,59,726 | 52,80,416 |

| Major components of income tax expense for the year | For the year ended on | |
|--|-----------------------|------------------|
| | March 31, 2019 | March 31, 2019 |
| (a) Profit & loss section | | |
| Current income tax | 18,79,795 | 27,55,900 |
| MAT credit recognised | (16,45,500) | (39,52,915) |
| Deferred tax relating to origination & reversal of temporary differences | 24,85,164 | 35,54,302 |
| Income tax expense reported in the statement of profit or loss | 27,19,459 | 23,57,287 |
| (b) Other comprehensive income section | | |
| Unrealised gain on FVTOCI equity securities | 812 | (10) |
| Net gain on reimeasurements of defined benefit plans | (2,34,295) | 1,94,528 |
| Income tax charged to OCI | (2,33,483) | 1,94,518 |

| (c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended | March 31, 2019 | March 31, 2018 |
|--|--------------------|--------------------|
| Accounting profit before income tax [A] | 93,00,839 | 1,37,05,402 |
| Statutory income tax rate | 26.00% | 27.5525% |
| Tax at statutory income tax rate of 34.608% | 24,18,218 | 37,76,181 |
| Tax effects of : | | |
| Adjustment for depreciation allowable in income tax computation | 74,430 | (1,25,396) |
| Non-deductible expenses | 1,70,165 | 26,962 |
| set-off brought forward business loss | (24,28,518) | (38,72,275) |
| other adjustments | - | - |
| MAT credit | - | (10,02,487) |
| Tax liability on actuarial loss on defined benefit plan | (2,34,295) | 1,94,528 |
| Total tax effect | (24,18,218) | (47,78,668) |
| Current tax | - | (10,02,487) |
| Incremental deferred tax liability on account of tangible and intangible assets | (6,71,519) | (11,60,732) |
| Incremental deferred tax asset on carry forward losses and unabsorbed depreciation | 31,25,052 | 47,22,131 |
| Incremental deferred tax liability on account of financial assets | 32,443 | (7,107) |
| Income tax expense reported in statement of Profit & loss | 24,85,976 | 25,51,805 |

Deferred tax liabilities (net)

Deferred tax relates to the following

(in Rs.)

| | Balance Sheet | | Statement of Profit & loss | |
|--|----------------------|--------------------|----------------------------|------------------|
| | March 31, 2019 | March 31, 2018 | FY 2018-19 | FY 2017-18 |
| (Liability) on Accelerated depreciation for tax purpose | (1,01,21,215) | (1,07,92,734) | (6,17,519) | (11,60,732) |
| Assets on carry forward losses and unabsorbed depreciation | - | 31,25,052 | 31,25,052 | 47,22,131 |
| Allowance for expected credit loss | 1,23,991 | 1,55,622 | 31,631 | (7,097) |
| (Liability) on equity investment at fair Value through OCI | (20,035) | (19,223) | 812 | (10) |
| Deferred tax assets (Income) | | | | |
| Net deferred tax assets (liabilities (net)) : | (1,00,17,259) | (75,31,283) | 24,85,976 | 35,51,292 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Reconciliation of deferred tax liabilities (net):

(in Rs.)

| | FY 2018-19 | FY 2017-18 |
|---|----------------------|--------------------|
| Opening Balance | (75,31,283) | (3,976,991) |
| Tax Income/(expense) during the period recognised in P&L | (24,85,164) | (35,54,302) |
| Tax income /(expense) during the period recognised in OCI | (812) | 10 |
| Closing balance | (1,00,17,259) | (75,31,283) |

Note: The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 17. Trade Payables

(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Dues of Micro, Small and Medium enterprises (refer (iv) below) | 42,65,724, | 26,04,072 |
| Due of other parties | 2,94,48,742 | 3,11,01,969 |
| Total | 3,37,14,466 | 3,37,06,041 |

Note:

- (i) Trade payables are non-interest bearing and are normally settled on 90 - 120 days terms.
- (ii) Refer Note 30 for related party balances and terms and conditions with related parties.
- (iii) For explanation on Company's credit risk management process, refer note 39.
- (iv) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| (i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year; | 42,65,724 | 26,04,072 |
| (ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (iii) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| (v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - |

On the basis of information and records available with the Company, the above disclosures are made in respect of amount due to the Micro, Small and Medium enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 18. Other Financial Liabilities

(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Current | | |
| Financial liabilities at amortized cost | | |
| Current maturity of non-current borrowings | 27,66,693 | 27,66,693 |
| Creditors for capital goods | 27,38,999 | 26,91,118 |
| Others | 50,00 | 46,000 |
| Total | 55,55,692 | 55,03,811 |

Note 19. Other Liabilities

(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|----------------------|----------------------|
| Current | | |
| Statutory dues | 29,05,547 | 5,52,018 |
| Advance from customers | 18,863 | 20,00,00 |
| Total | 29,24,410 | 25,52,018 |

Note 20. Revenue from operations

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Sale of products (including excise duty) | | |
| Export Sales | 11,75,940 | 3,05,93 |
| Domestic Sales | 24,38,24,755 | 23,93,38,634 |
| Total | 24,50,00,695 | 23,96,44,427 |

Note 21. Other Income

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Sales commission | 8,18,000 | - |
| Interest Income on: | | |
| Bank Deposits | 8,919 | - |
| Others | 1,09,000 | 31,751 |
| Reversal of provision for doubtful debt | 87,932 | - |
| Dividend | 43,766 | 2,174 |
| Rent | 1,39,300 | 1,84,000 |
| Net gain on sale of property, plant and equipment | 42,495 | 32,044 |
| Net gain on foreign currency transaction and translation | 4,64,074 | 12,016 |
| Miscellaneous income | 2,15,221 | 4,32,874 |
| Total | 19,28,707 | 6,94,859 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 22. Cost of material consumed

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|--|---|---|
| Inventory at the beginning of the year | 90,14,519 | 54,32,615 |
| Add: Purchases | 11,62,74,781 | 8,18,76,077 |
| | 12,52,89,300 | 8,73,08,692 |
| Less: Inventory at the end of the year | 65,41,276 | 90,14,519 |
| Total | 11,87,48,025 | 7,82,94,172 |

Note 23. Changes in inventories of finished goods and work-in-progress

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|--|---|---|
| Inventories at the end of the year | | |
| Finished Goods | 1,46,06,904 | 5,01,145 |
| Work-in-Process | 34,43,375 | 1,20,72,333 |
| (A) | 1,80,50,279 | 1,25,73,478 |
| Less : | | |
| Inventories at the beginning of the year | | |
| Finished Goods | 5,01,145 | 1,45,51,192 |
| Work-in-Process | 1,20,72,333 | 1,86,94,897 |
| (B) | 1,25,73,478 | 3,32,46,089 |
| Increase / (decrease) in stocks (A)-(B) | (54,76,801) | 2,06,72,611 |

Note 24. Employee benefit expense

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|---|---|---|
| Salaries, Wages and Bonus | 4,48,92,004 | 4,12,72,532 |
| Contribution to Provident and Other Funds | 20,74,730 | 74,65,160 |
| Staff Welfare Expenses | 2,19,938 | 2,40,234 |
| Total | 4,71,86,672 | 4,89,77,926 |

Note 25. Finance costs

(in Rs.)

| Particulars | for the year ended on March 31, 2019 | for the year ended on March 31, 2018 |
|-----------------------|---|---|
| Interest expense on: | | |
| Cash credit account | 3,81,240 | 13,97,276 |
| Term loan from banks | 21,30,520 | 18,73,721 |
| Others | 5,62,184 | 24,53,974 |
| Other borrowing costs | 7,81,497 | 4,30,745 |
| Total | 38,55,442 | 61,55,715 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 26. Other Expenses
(in Rs.)

| Particulars | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| Power and Fuel | 2,05,00,316 | 2,05,79,256 |
| Stores and spares consumed | 1,10,18,873 | 70,08,288 |
| Effluent treatment charges | 24,86,238 | 28,65,844 |
| Factory expenses | 12,12,187 | 12,02,506 |
| Other Manufacturing Expenses | 56,99,490 | 47,69,902 |
| Repairs & Maintenance: | | |
| Building | 65,000 | 26,810 |
| Plant & Machinery | 73,93,805 | 65,76,648 |
| Others | 79,190 | 1,66,104 |
| Rent, Rates and Taxes | 7,68,633 | 7,56,386 |
| Insurance | 12,59,412 | 9,59,581 |
| Directors' Sitting Fees | 90,000 | 90,000 |
| Conveyance and Travelling Expenses | 11,93,248 | 15,47,754 |
| Communication Expenses | 2,51,098 | 2,21,882 |
| Printing and Stationery | 2,34,570 | 1,98,330 |
| Legal and Professional Charges | 19,30,420 | 17,33,064 |
| Auditors' Remuneration [Refer Note below] | 2,75,000 | 2,60,000 |
| Advertisement | 1,29,482 | 85,960 |
| Donations | 2,07,000 | 38,500 |
| Loss on Sale of Property, Plant & Equipment | - | - |
| Bad debts written-off | 39,57,060 | 14,37,692 |
| Provision for doubtful debts | - | 84,155 |
| Sales Commission | - | 10,97,250 |
| Transport and Other Charges | 33,77,659 | 34,36,535 |
| Miscellaneous Expenses | 22,37,842 | 44,74,938 |
| Total | 6,43,66,523 | 5,96,17,384 |

Note: Payment to Auditors

| Particulars | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|------------------------|--------------------------------------|--------------------------------------|
| Audit Fees | 2,75,000 | 2,60,000 |
| Out of Pocket expenses | - | - |
| Total | 2,75,000 | 2,60,000 |

Note 27. Capital Commitments
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Estimated value of contracts pending execution on the Capital Account and not provided for (net of allowances) | NIL | NIL |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 28. Contingent Liabilities

| Claims against the Company not acknowledged as debts (excluding interest and penalty) | (in Rs.) | |
|--|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| i. Value added tax | 1,32,34,000 | 1,32,34,000 |
| ii. Central sales tax | 46,86,000 | 46,86,000 |

| Nature of liability | Forum where pending | Status |
|-----------------------------|---|---|
| Value added tax (2008-09) | Dy. Commissioner (Appeals, Vadodara) | Company has submitted all details required by the Department and is awaiting final Order. |
| Central sales tax (2008-09) | | |

In respect of the above matters, future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

Note 29. Earning Per Share

| Particulars | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|---|---|---|
| Profit attributable to equity shareholders (in Rs.) | 65,81,380 | 1,13,48,115 |
| Weighted average number of equity shares outstanding (Nos.) | 44,40,568 | 44,40,568 |
| Basic and Diluted Earnings per share (in Rs.) | 1.48 | 2.56 |
| Face value per Equity Share (in Rs.) | 10.00 | 10.00 |

Note 30. Related Party Disclosures

Related party disclosures, in accordance with the Indian Accounting Standard 24 "Related Party Disclosures" are given below:

(i) Related parties with whom transactions have taken place during the year:

Key Managerial Personnel(KMP) and their relatives:

| | |
|-----------------------------------|---|
| Mr. S G Thakur, Managing Director | Mr. Rishikesh Thakur |
| Mr. B V Retarekar, Director | Mr. Mayank Retarekar |
| Mr. S B Dhattrak, Director | Mr. Ravindra Bedekar, Chief Financial Officer |
| Mr. Devang Shah, Director | Mr. Bhushan Joshi, Company Secretary |
| Mr. sayali Sohoni, Director | |

**Entities over which KMP
have significant influence:**

Pharma Inter Chemie
Crystal Chemicals

Chloro Chem of India

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(ii) Aggregate of transactions for the year with these parties have been given below :

(in Rs.)

| Name of Party | Nature of transaction | Volume of Transaction for the year ended March 31, 2019 | Amount outstanding As on March 31, 2019 | Volume of Transaction for the year ended March 31, 2018 | Amount outstanding As on March 31, 2018 |
|---|-------------------------------|---|---|---|---|
| KMP | Remuneration | 84,00,000 | 4,82,000 | 78,00,000 | 4,36,000 |
| | Loans (Liability) received | - | | 30,00,000 | |
| | Loans (Liability) repaid | 28,55,666 | | 1,11,50,000 | |
| | Interest on Loan | 2,17,767 | | 9,81,371 | (26,37,899) |
| | Sitting Fees | 90,000 | - | 90,000 | - |
| Relatives of KMP Entities over which KMP have Significant influence | Remuneration | 37,16,621 | (3,64,240) | 24,91,434 | (1,34,945) |
| | Sale of Finished Goods | 9,93,56,556 | | 8,52,04,540 | |
| | Purchase of Packing | 4,99,140 | 2,09,90,685 | 33,512 | 2,19,76,993 |
| | Material Reimbursable towards | 39,69,846 | 6,29,668 | 14,707 | 6,69,668 |
| | payments | 6,48,000 | (4,13,432) | 6,00,000 | (1,97,932) |

(Figures in bracket represent liability of the company.)

Terms and conditions of transactions with related parties:

(1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018:Nil). This assessment is undertaken each financial year through examining the financial position of there lated party and the market in which the related party operates.

Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Nil)

Note 31. Disclosures for Employee Benefits
a. Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity pay out per the Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy for future payout of gratuity of the employees Each year-end, the management reviews the level of funding in the gratuity fund. Such review includes the asset-liability matching strategy. The management decides its contributions base don the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The following table sets out the components of net benefit expense recognised in Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(in Rs.)

| Particulars | | For the year ended on March 31, 2019 | For the year ended on March 31, 2018 |
|-------------|---|---|---|
| i | Expense recognized in Statement of Profit & Loss for the year (included in Note 23 Employee Benefits Expense) | | |
| | Current service cost | 5,02,551 | 5,33,844 |
| | Net interest cost | (5,589) | 2,67,118 |
| | Total Expense charged to Statement of Profit & loss | 4,96,962 | 8,00,962 |
| ii | Expense recognized in Statement of Profit & Loss for the year | | |
| | Components of actuarial losses / (gains) on obligations | | |
| | Due to changes in experience adjustments | 9,01,134 | (7,06,028) |
| | Total Expense recognised in Other Comprehensive Income | 9,01,134 | (7,06,028) |
| ii | Reconciliation of defined benefit obligation | | |
| | Opening Balance of defined benefit obligation | 87,04,478 | 83,97,344 |
| | Current service cost | 5,02,551 | 5,33,844 |
| | Interest cost | 6,96,358 | 6,71,788 |
| | Actuarial loss / (gain) due to changes in experience adjustments | 9,01,134 | (7,06,028) |
| | Past service cost | - | - |
| | Benefits paid | (5,58,646) | (1,92,470) |
| | Closing Balance of defined benefit obligation | 1,02,45,875 | 87,24,478 |
| iii | Reconciliation of fair value of plan assets | | |
| | Opening balance of plan assets | 83,24,605 | 36,10,515 |
| | Interest income | 7,01,947 | 4,04,670 |
| | Contribution of employer | 14,12,811 | 45,01,890 |
| | Benefits paid | (5,58,646) | (1,92,470) |
| | Closing Balance of plan assets | 98,80,717 | 83,24,605 |
| iv | Funded status as at March 31 | | |
| | Defined benefit obligation as at March 31 | 1,02,45,875 | 87,04,478 |
| | Fair value of plan assets as at March 31 | 98,80,717 | 83,24,605 |
| | Deficit / (Surplus) of plan assets over obligation as at March 31 | 3,65,158 | 3,79,873 |
| v | Category of plan assets | | |
| | Insurance fund with Life Insurance Corporation of India (LIC) | 100% | 100% |
| | (Note: As the fund is managed by LIC, details of fund invested by insurer are not available with the | | |
| vi | The principal assumptions used in determining above defined benefit obligations for the Company's plan are as under: | | |
| | Discount Rate | 7.50% | 8.00% |
| | Expected rate of increase in salary | 7.00% | 7.00% |

b. Defined Contribution Plans

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The Company has recognised provident fund contribution of Rs. 1,391,554 (March 31, 2018 Rs. 1,720,213) as expense in Note 24 under the head 'Contributions to Provident and Other Funds'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
Note 32. Segment Information

The Company has one production unit engaged in the manufacturing and job work of organic intermediates. Accordingly, the Chief Operating Decision Maker monitors the operating results of both manufacturing and job work for the purpose of making decision about resource allocation and performance assessment. Thus there are no separate reportable segments in terms of the requirements of IndAS108 "Operating Segments" as notified under section 133 of the Companies Act, 2013.

Geographical segment analysis:

(i) Analysis of revenue of the Company attributable to country of domicile and to all foreign countries is presented in Note 20. Revenues from customers attributed to an individual foreign country are not material to the revenues from all foreign countries taken together.

(ii) The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax, income tax assets and financial assets, analysed by the geographical area in which the assets are located:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Carrying amount of segment assets | | |
| India | 3,04,32,009 | 3,15,69,166 |
| Outside | - | 2,78,208 |

Note 33. Details of hedged and unhedged exposure in foreign currency denominated monetary items Derivatives not designated as hedging instruments

The Company does not use derivatives for hedging its foreign currency exposure as the exposure is insignificant to over all operations of the Company.

Exposure in foreign currency - Unhedged

| Particulars | Currency | As at March 31, 2019 | | As at March 31, 2018 | |
|--------------------------------|----------|----------------------|---------------|----------------------|---------------|
| | | Amount in FC | Amount in Rs. | Amount in FC | Amount in Rs. |
| Receivable for export of goods | USD | - | - | 4,560 | 2,78,208 |

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company determines the capital management requirements on the basis of Annual Budget and other strategic investment plans as approved by the Board of Directors. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to share holders, return capital to share holders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company has no outstanding debts as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Secured Car Loan | 12,51,626 | 15,51,562 |
| Secured Working Capital Term Loan | 1,58,09,559 | 1,82,95,954 |
| Unsecured, loan from directors | - | 26,37,899 |
| Cash credit account with Bank | 65,74,620 | 18,62,349 |
| Current maturity of non-current borrowings | 27,66,693 | 27,66,693 |
| Total debt | 2,64,02,498 | 2,71,14,457 |
| Cash and cash equivalents | 2,47,150 | 7,85,763 |
| Other bank balance (including interest accrued) | 22,06,702 | 12,05,003 |
| Net debt | 2,39,48,646 | 2,51,23,691 |
| Share capital | 4,44,05,680 | 4,44,05,680 |
| Other equity | 5,94,10,457 | 5,34,89,437 |
| Total capital | 10,38,16,137 | 9,78,95,117 |
| Gearing ratio | 18.74% | 20.42% |

Note 35. Financial instruments – Fair values and risk management

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the Financial Statements.

A. Category-wise classification of financial instruments

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(in Rs.)

| Particulars | Carrying amount | | | | Fair value | | | |
|--------------------------------------|-----------------|-----------------|--------------------|--------------------|--|---|---|-----------------|
| | FVTPL | FVTOCI | Amotised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 2,47,150 | 2,47,150 | - | - | - | - |
| Other bank balances | - | - | 17,31,674 | 17,31,674 | - | - | - | - |
| Current loans | - | - | 9,93,223 | 9,93,223 | - | - | - | - |
| Non-current investments | - | 2,88,179 | 15,000 | 3,03,179 | - | - | 2,88,179 | 2,88,179 |
| Trade receivables | - | - | 3,04,32,009 | 3,04,32,009 | - | - | - | - |
| Other Non-current financial asset* | - | - | 26,04,139 | 26,04,139 | - | - | - | - |
| Other Current financial asset* | - | - | 2,37,975 | 2,37,975 | - | - | - | - |
| | - | 2,88,179 | 3,62,61,170 | 3,65,49,349 | - | - | 2,88,179 | 2,88,179 |
| Financial liabilities | | | | | | | | |
| Non-current borrowings | - | - | 1,70,61,185 | 1,70,61,185 | - | - | - | - |
| Current borrowings | - | - | 65,74,620 | 65,74,620 | - | - | - | - |
| Trade payables* | - | - | 3,37,14,466 | 3,37,14,466 | - | - | - | - |
| Other current financial liabilities* | - | - | 55,55,692 | 55,55,692 | - | - | - | - |
| | - | - | 3,92,70,158 | 3,92,70,158 | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

| Particulars | Carrying amount | | | | Fair value | | | |
|--------------------------------------|-----------------|-----------------|--------------------|--------------------|--|---|---|-----------------|
| | FVTPL | FVTOCI | Amotised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 7,85,763 | 7,85,763 | - | - | - | - |
| Other bank balances | - | - | 10,31,674 | 10,31,674 | - | - | - | - |
| Current loans | - | - | 1,93,221 | 1,93,221 | - | - | - | - |
| Non-current investments | - | 2,80,888 | 15,000 | 2,95,888 | - | - | 2,80,888 | 2,80,888 |
| Trade receivables | - | - | 3,18,47,374 | 3,18,47,374 | - | - | - | - |
| Other Non-current financial asset* | - | - | 23,45,323 | 23,45,323 | - | - | - | - |
| Other Current financial asset* | - | - | 3,25,000 | 3,25,000 | - | - | - | - |
| | - | 2,80,888 | 3,65,43,355 | 3,68,24,243 | - | - | 2,80,888 | 2,80,888 |
| Financial liabilities | | | | | | | | |
| Non-current borrowings | - | - | 2,24,85,415 | 2,24,85,415 | - | - | - | - |
| Current borrowings | - | - | 18,62,349 | 18,62,349 | - | - | - | - |
| Trade payables* | - | - | 3,37,06,041 | 3,37,06,041 | - | - | - | - |
| Other current financial liabilities* | - | - | 55,03,811 | 55,03,811 | - | - | - | - |
| | - | - | 6,35,87,616 | 6,35,75,616 | - | - | - | - |

* carrying value approximates to the fair value

Note 35. Financial instruments – Fair values and risk management (contd.)
B. Measurement of fair values & Sensitivity Analysis
i) Valuation techniques and significant unobservable inputs
Fair value hierarchy

The Company uses the following hierarchy for determining and / or disclosing the fair value of financial instruments by valuation techniques:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Instruments measured at fair value

| Financial assets / financial liabilities | Fair Value (in Rs.) as at | | Fair Value hierarchy | Significant Observable input (s) |
|---|---------------------------|----------------------|----------------------|--|
| | As at March 31, 2019 | As at March 31, 2018 | | |
| Investments in equity instruments at FVTOCI (quoted) (see note 4) | 83,899 | 76,608 | Level 1 | NAV statement provided by the fund manager |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | Valuation technique(s) and key input(s) | Fair Value (in Rs.) as at | | Fair Value hierarchy | Significant Unobservable input (s) |
|---|---|---------------------------|----------------------|----------------------|--|
| | | As at March 31, 2019 | As at March 31, 2018 | | |
| Investments in equity instruments at FVTOCI (unquoted) (see note 4) | Cost Approach - the amount that would be required currently to replace the investments. | 2,04,280 | 2,04,280 | Level 3 | Discount factor, sales volume, trading margins |

Note: The Company has invested in the equity instruments of various companies. However, the percentage of share holding of the Company in such investee companies is very low and hence, it has not been provided with financial statements, future projections including projected profit and loss account by those investee companies. Hence, the Company has estimated fair value based on available historical transaction details of such companies and other information as available in the public domain. Since the future projections are not available, discounted cash flow approach for fair value determination has not been followed. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iii) Reconciliation of Level 1 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 1 fair values.

(in Rs.)

| Particulars | Equity securities | |
|---------------------------------------|-------------------|---------------|
| | FY 2018-19 | FY 2017-18 |
| Opening Balance on April 1 | 76,608 | 69,084 |
| Net change in fair value (unrealised) | 7,291 | 7,524 |
| Purchases | - | - |
| Sales | - | - |
| Closing Balance on March 31 | 83,899 | 76,608 |

Transfer out of Level 2

There was no movement in level 3 in either directions during the year 2018-19 and 2017-18.

Note 36. Financial risk Management
Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprises of trade and other payables, and financial liabilities. Company uses short term bank facilities which is not outstanding as at the balance sheet date. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

The Company has an effective risk management framework which helps the Board to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures and execution off set hedges to contain the zinc metal price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**Note 36. Financial risk Management****Risk Management Framework**

The Company's principal financial liabilities, other than derivatives, comprises of trade and other payables, and financial liabilities. Company uses short term bank facilities which is not outstanding as at the balance sheet date. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

The Company has an effective risk management framework which helps the Board to monitor the risks controls in key business processes. In order to minimise any adverse effects on the bottom line, the Company takes various mitigation measures such as credit control, foreign exchange forward contracts to hedge foreign currency risk exposures and execution off set hedges to contain the zinc metal price risks. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

I. Credit risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables and from financing activities primarily realting to parking of surplus funds with various schemes of Mutual Funds and as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk, on an ongoing basis throughtout the reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occuring on the asset as at the reporting date with the risk of default as at the date of initial recognition. This assessment is based on available information and the business environment.

a) Trade and other receivables :

The Company has a Credit Policy and extends credit to its customers based on customer's credit worthiness, ability to repay, and past track record. The extension of credit is constantly monitored through are view mechanism. The company also covers its domestic as well as export receivables through a credit insurance policy.

impairment of trade receivables :

The impairment provisions for trade receivables are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period i.e. a practical expedient. The Company calculates expected credit loss allowance based on the ageing of the days the receivables are due.

The Company has a Credit Policy and extends credit to its customers based on customer's credit worthiness, ability to repay, and past track record. The extension of credit is constantly monitored through a review mechanism. The company also covers its domestic as well as export receivables through a credit insurance policy.

Based on the assessment as at each reporting date, the expected credit loss allowance is as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(in Rs.)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 5,64,819 | 4,80,664 |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | -87,932 | 84,155 |
| | 4,76,887 | 5,64,819 |

b) Financial Instruments and Cash Deposits

The credit risk from balances/deposits with Banks, current investments and other financial assets are managed in accordance with

ii. Liquidity risk

Liquidity risk is the risk that the company may encounter difficulty in meeting its obligations. The company prepares a detailed Annual Operating Plan (AOP) to assess both short term as well as long term fund requirements. Detailed month-wise cash flow forecast is also carried out to determine the working capital and other long term fund requirements. The company funds both these requirements through internal accruals and is debt free. The company also has working capital credit lines approved from its bank consortium members, which besides non fund based, remains largely unutilized and provides healthy liquidity. These working capital credit lines carry a very high quality rating from a reputed credit rating agency.

(in Rs.)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Unsecured cash credit, reviewed annually | | |
| - amount used | 65,74,620 | 18,62,349 |
| - amount unused | 42,25,380 | 89,37,651 |

Note 36. Financial risk management (contd.)
Exposure to liquidity risk

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment and realisation periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and realise.

| March 31, 2019 | Contractual cash flows | | | | | |
|---|------------------------|-------------|-------------|-----------|-------------|-------------------|
| | Carrying amount | Total | 0-12 months | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Non-current borrowings | 1,70,61,185 | 1,70,61,185 | 27,66,693 | 30,57,864 | 1,12,36,628 | - |
| Current borrowings | 65,74,620 | 65,74,620 | 65,74,620 | - | - | - |
| Trade payables | 3,37,14,466 | 3,37,14,466 | 3,37,14,466 | - | - | - |
| Other current financial liabilities | 55,55,692 | 55,55,692 | 55,55,692 | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

| March 31, 2018 | Contractual cash flows | | | | | |
|---|------------------------|-------------|-------------|-----------|-------------|-------------------|
| | Carrying amount | Total | 0-12 months | 1-2 years | 2-5 years | More than 5 years |
| Non-derivative financial liabilities | | | | | | |
| Non-current borrowings | 2,24,85,415 | 2,24,85,415 | 30,55,405 | 34,01,201 | 1,23,17,211 | 37,11,598 |
| Current borrowings | 18,62,349 | 18,62,349 | 18,62,349 | - | - | - |
| Trade payables | 3,37,06,041 | 3,37,06,041 | 3,37,06,041 | - | - | - |
| Other current financial liabilities | 55,03,811 | 55,03,811 | 55,03,811 | - | - | - |

iii. Market risk

Market Risk is the risk that the fair value of the future cash flow will fluctuate because of changes in the market prices such as currency risk, interest rate risk and commodity price risk.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in the Market interest rates.

Besides the impact of interest rate risk on the provision for retirement benefits, the company is not exposed to significant interest rate risk at the respective reporting date as it does not have any borrowings.

iii. Market risk

Market Risk is the risk that the fair value of the future cash flow will fluctuate because of changes in the market prices such as currency risk, interest rate risk and commodity price risk.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in the Market interest rates.

Besides the impact of interest rate risk on the provision for retirement benefits, the company is not exposed to significant interest rate risk at the respective reporting date as it does not have any borrowings.

a. Exposure to interest rate risk

The Company does not have any significant exposure to short and long term fixed deposits invested at fixed rate of interest, its interest income and related cash inflows are not affected by changes in the market interest rates.

b. Equity price risk

Price risk is the risk arising from investments held by the company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through Profit & Loss Account. The company's investments are current in nature and primarily in Liquid Plan of Mutual Funds which are not exposed to significant price risk.

(in Rs.)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Investment in Mutual Funds at FVTPL (unquoted) | 83,899 | 76,608 |

If prices had been 100 basis points higher/lower, profit before tax for the year ended March 31, 2019 would increase/decrease by 664 (for the year ended 31 March, 2018: 664) as a result of the changes in fair value of these investments which have been designated as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**C. Foreign currency risk**

The Company operates to a small extent in the global market and is, there fore, exposed to insignificant foreign exchange risk arising from foreign currency transactions i.e. exports and imports, primarily with respect to USD. As these transactions are recorded in currency other than functional currencies (INR), the company is exposed to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities. As the company is exposed to insignificant risk from change in foreign exchange rates, hedging of foreign currency risk is not performed by the management.

Note 37

The Financial Statements were approved for issue by the Board of Directors on May 30, 2019.

**For and on behalf of the Board of Directors of Link Pharma Chem Limited
(CIN: L24230GJ1984PLC007540)**

Place : Vadodara
Date : May 30, 2019

B V Retarekar
Chairman

S. G. Thakur
Managing Director

Ravindra Bedekar
Chief Financial Officer

Bhushan Joshi
Company Secretary

LINK PHARMA CHEM LIMITED
 Regd. Office: 162, GIDC Estate, Nandesari - 391 340 Dist. Vadodara. Phone: +91 0265-2840448, Fax: 0265-2841351
 E-mail: linkpharmacs@gmail.com CIN: L24230GJ1984PLC007540
 Form No. MGT-11
PROXY FORM

| | |
|-----------------------------|--|
| Name of Shareholder(s) | |
| Registered Address | |
| Email Id | |
| Folio No./ DP ID/ Client ID | |

I/We, being the member(s) of shares of the Company, hereby appoint:

| | |
|-----------------|------------------|
| 1. Name: | Address: |
| Email Id: | Signature: |
| 2. Name: | Address: |
| Email Id: | Signature: |
| 3. Name: | Address: |
| Email Id: | Signature: |

as my/our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 34th Annual General Meeting of the Company to be held on Friday, 27th September, 2019 at 11:00 A.M. at NIA Hall, Plot No. 134/1, GIDC Estate, Opp. Shopping Centre, Nandesari - 391 340, Dist. Vadodara and at any adjournment thereof in respect of resolutions as are indicated below:

| Reso. Nos. | Description | For | Against |
|------------|--|-----|---------|
| 01. | Adoption of Audited Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon. | | |
| 02. | To appoint Mr. S G Thakur who retires by rotation and being eligible offers himself for reappointment. | | |
| 03. | To reappoint Mr. Suresh B Dhatrak as an Independent Director. | | |
| 04. | To reappoint Mr. Devang U Shah as an Independent Director. | | |
| 05. | To approve material related party transactions. | | |

Signed this on ____ day of _____, 2019

Affix
 Revenue
 Stamp

Signature of Shareholder: Signature of Proxy holder(s):

Note: This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

LINK PHARMA CHEM LIMITED
 Regd. Office: 162, GIDC Estate, Nandesari - 391 340 Dist. Vadodara. Phone: +91 0265-2840448, Fax: 0265-2841351
 E-mail: linkpharmacs@gmail.com CIN: L24230GJ1984PLC007540

ATTENDANCE SLIP

| | |
|---|--|
| Name and address of the Shareholders(s) | |
| Regd. Folio No. | |
| DP ID* | |
| Client ID* | |
| Number of Shares held | |

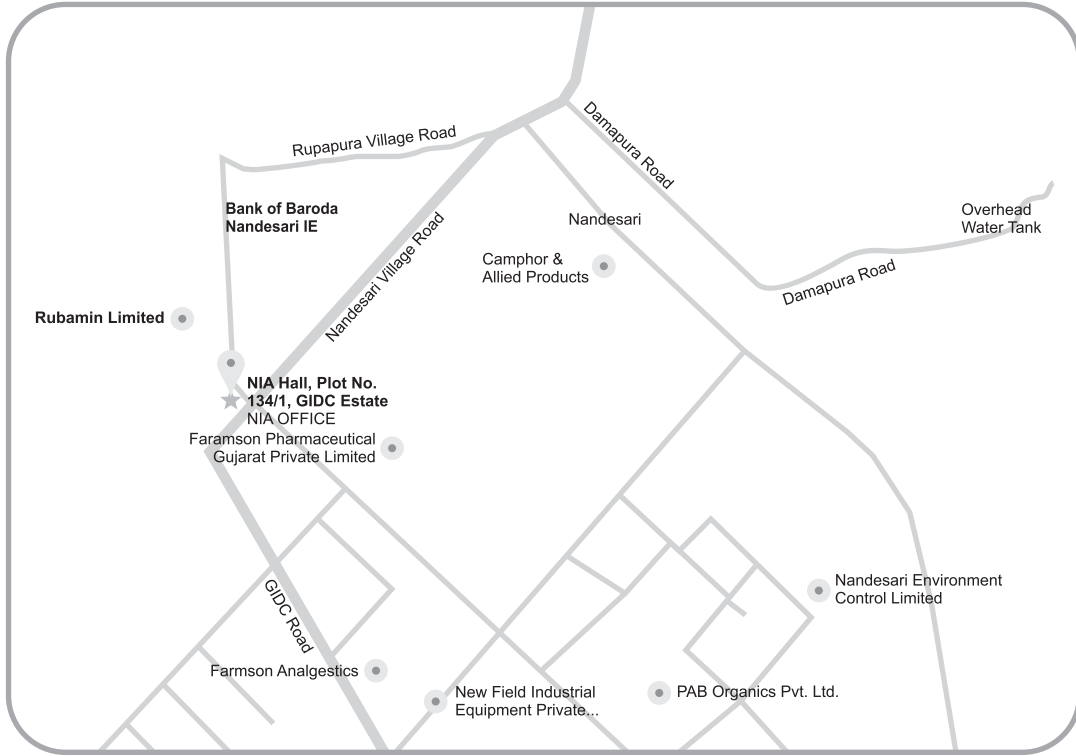
* Applicable only for Investors holding shares in Electronic Form.

I / We hereby record my / our presence at the 34th Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 at 11.00 A.M. at NIA Hall, Plot No. 134/1, GIDC Estate, Opp. Shopping Centre, Nandesari - 391 340, Dist. Vadodara.

Signature of Shareholder/Proxy

NOTE: PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Route Map of venue of AGM



To,

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Admn. Off. 503-504 Center Point
R. C. Dutt Road,
Alkapuri, Vadodara - 390 007.

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