gokhale & sathe (regd.)
chartered accountants
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PINNACLE LIFE SCIENCE PRIVATE LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial statements of Pinnacle Life Science Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 independence requirements that are relevant to our audit of the Ind AS Financial statements under the provisions of the Act and the Rules made thereunder, 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 audit opinion on the Ind AS Financial statements.

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Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS 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 Ind AS Financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows 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 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 Ind AS Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS Financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial 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 Ind AS 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 Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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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 2”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would have material impact on its financial position as at 31.3.2020.

ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN:- 20123215AAAAAT5482
Place: Mumbai
Date: 13th May 2020

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pinnacle Life Science Private Limited of even date)

i. In respect of the Company's fixed assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   b) The Company has phased programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years and no material discrepancies were noted on such physical verification. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets.
   c) According to the information and explanations given to us and on the basis of examination of the records of the Company, title deeds of immovable properties are held in the name of the Company.

ii. The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however, the same have been dealt with the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted loans to any parties /entities covered in the register maintained under section 189 of the Companies Act,2013.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, to the extent applicable.

v. The Company has not accepted any deposits from public during the year.

vi. The Company has maintained cost records as required under sub section 1 of section 148 of the Companies Act, 2013. We have not, however, carried out a detailed examination of such records.

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company is regular in depositing undisputed statutory dues including the Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs Duty, Cess and any other statutory dues applicable, to appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
b) There were no arrears in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 on account of any dispute.

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank or debenture holders.

ix. In our opinion and according to the information and explanation given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN:- 20123215AAAAAT5482
Place: Mumbai
Date: 13th May 2020

gokhale & sathe (regd.)
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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pinnacle Life Science Private Limited of even date)

We have audited the internal financial controls over financial reporting of Pinnacle Life Science Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

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Opinion

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

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN:- 20123215AAAAAT5482
Place: Mumbai
Date: 13th May 2020

M/s PINNACLE LIFE SCIENCE PVT LTD

Balance Sheet as at 31st Mar 2020

(Amount in lacs)

Particulars	Note No.	As on 31 Mar 20	As on 31 Mar 19
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	3,203.54	3,910.88
(b) Capital work-in-progress	2	124.47	37.99
(c) 'Other Intangible assets	1	20.68	8.85
Financial Assets			
(i) Investments	3	0.50	0.50
Other non-current assets	4	77.02	65.11
Total non-current assets	**A**	**3,426.20**	**4,023.32**
(2) Current assets			
(a) Inventories	5	1,840.42	1,900.83
(b) Financial Assets			
(i) Trade receivables	6	2,612.99	4,036.37
(ii) Cash and cash equivalents	7	11.67	9.74
(iii) Bank balances other than (ii) above	8	314.53	60.93
(iv) Loans & Advances	9	155.57	116.38
(c) Other current assets	10	2,644.82	872.75
(d) Non Current Asset held for sale		455.00	-
Total current assets	**B**	**8,034.99**	**6,997.00**
Total Assets	**A+B**	**11,461.19**	**11,020.33**
EQUITY AND LIABILITIES			
(1) EQUITY			
(i) Equity Share capital	11	778.28	778.28
(ii) Other Equity	12	2,988.94	2,367.58
Total equity	**A**	**3,767.22**	**3,145.86**
LIABILITIES			
(2) Non-current liabilities			
Financial Liabilities			
(i) Borrowings	13	403.40	1,294.32
Other financial liabilities	14	23.05	27.09
Deferred tax liabilities (Net)		212.44	132.44
Total non-current liabilities	**B**	**638.89**	**1,453.85**
(3) Current liabilities			
Financial Liabilities			
(i) Borrowings	15	311.78	1,866.27
(ii) Trade payables	16		
Dues of micro enterprises and small enterprises		361.20	382.29
Dues of creditors other than micro enterprises & small enterprises		1,131.62	2,909.71
(iii)Other financial liabilities	17	338.25	685.00
Other current liabilities	18	4,384.13	326.80
Provisions	19	528.09	250.55
Total current liabilities	**C**	**7,055.08**	**6,420.62**
Total Equity and Liabilities	**A+B+C**	**11,461.19**	**11,020.33**
Notes to the Financial Statements	26 to 46		

AS PER OUR REPORT OF EVEN DATE.
For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

(Tejas Parikh)
Partner
Membership No: 123215
PLACE : Mumbai
DATE: 13-05-2020

For and on Behalf of the Board of Directors of
Pinnacle Life Science Private Limited

(Vishwa H Savla)	**(Harit P Shah)**
Managing Director	**Chairman**
DIN: 03619810	**DIN: 00005501**

CS Rushikesh Deole
(Company Secretary & Compliance officer)
PLACE : Mumbai
DATE: 13-05-2020

M/s PINNACLE LIFE SCIENCE PVT LTD

Statement of Profit and Loss for the Year ended 31st March 2020 (Audited)

	Particulars	Note No.	For the year ended Mar-20	For the year ended Mar-19
			Yearly Financials (Amount in lacs)	
I	Revenue From Operations		20,844.51	14,980.88
II	Other Income	20	28.26	1.96
III	Total Income (I+II)		**20,872.77**	**14,982.84**
IV	EXPENSES			
	Cost of materials consumed	21	9,977.64	10,807.57
	Purchases of Stock-in-Trade		4,778.98	1,533.41
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		265.87	(222.69)
	Employee benefits expense	22	925.77	778.58
	Finance costs	23	161.74	252.12
	Depreciation and amortization expense	24	208.43	216.89
	Other expenses	25	3,082.94	1,266.68
	Total expenses (IV)		19,401.37	14,632.56
V	Profit/(loss) before exceptional items and tax (I- IV)		1,471.40	350.28
VI	Exceptional Items (Refer Note No 46)		391.04	-
VII	**Profit/(loss) before tax (V-VI) (PBT)**		**1,080.36**	**350.28**
VIII	Income Tax expense:		459.00	90.62
	(1) Current tax		379.00	72.11
	(2) Deferred tax		80.00	26.11
	(3) Mat Credit Entitlement		-	(7.61)
IX	**Profit (Loss) for the period from continuing operations (VII-VIII) (PAT)**		**621.36**	**259.66**
X	Other Comprehensive income		-	-
XI	**Total Comprehensive income for the year**		**621.36**	**259.66**
XII	**Earnings per Equity Shares (EPS) (In Rs.) (Face value Rs. 10 each)**			
	Basic/Diluted earning per share (in Rupees)	36	7.98	3.34
	Notes to the Financial Statements	26 to 46		

AS PER OUR REPORT OF EVEN DATE.
For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

(Tejas Parikh)
Partner
Membership No: 123215
PLACE : Mumbai
DATE: 13-05-2020

For and on Behalf of the Board of Directors of
Pinnacle Life Science Private Limited

(Vishwa H Savla)
Managing Director
DIN: 03619810

(Harit P Shah)
Chairman
DIN: 00005501

CS Rushikesh Deole
(Company Secretary & Compliance officer)
PLACE : Mumbai
DATE: 13-05-2020

M/s Pinnacle Life Science Private Limited

Statement of changes in Equity for the year ended 31st Mar,2020

(Amount in lacs)

A. EQUITY SHARE CAPITAL

Particulars	Amt(Rs.)
As at 31st March,2019	778.28
Changes in equity share capital during the year 2019-20	-
As at 31st Mar,2020	778.28

B. OTHER EQUITY

Particulars	Other Equity			Other Comprehensive Income	Total Equity
	Reserve and Surplus				
	Revaluation Reserve	General Reserve	Retained Earnings		
As at 1st April'2019	**849.83**	**-**	**1,258.08**	**-**	**2,107.92**
Profit for the Period	-	-	259.66	-	259.66
Dividend Paid	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
other adjustments	-	-	-	-	-
Balance as at 31st March,2019	**849.83**	**-**	**1,517.75**	**-**	**2,367.58**
Profit for the Period	-	-	621.36	-	621.36
Dividend Paid	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
other adjustments	-	-	-	-	-
Balance as at 31st Mar,2020	**849.83**	**-**	**2,139.11**	**-**	**2,988.94**

M/s PINNACLE LIFE SCIENCE PVT LTD

CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2020

(Amount in lacs)

S.No	Particulars		FOR THE YEAR ENDED 31st Mar 2020	FOR THE YEAR ENDED 31st Mar 2019
1	**Cash Flow from Operating Activities:**			
	Net Profit before Tax and Extraordinary items (PBT)		1,080.36	350.28
	ADJUSTMENT FOR:			
	Depreciation & Amortisation		208.43	216.89
	Provision for Bad & doubt ful Debts		7.50	-
	Extraordinery Items (Provision for loss on assets held for sale)		391.04	-
	Interest Paid		161.74	252.12
	Interest Received		(28.13)	(1.88)
	Operating Profit before Working Capital Changes		1,820.94	817.41
	(Increase)/Decrease in Trade & Other Receivables		(395.37)	(1,744.54)
	(Increase)/Decrease in Inventories		60.42	521.92
	Increase/(Decrease) in Trade Payables & Other Current Liabilities		2,548.45	90.73
	Cash generated from operation		4,034.44	(314.47)
	Less: Direct Taxes Paid		(356.00)	(73.49)
	Net Cash Flow from Operating Activities	**A**	**5,478.44**	**(387.96)**
2	**Cash Flow from Investing Activities:**			
	(Increase)/Decrease in CWIP- Baddi (Block 3 & 4)		(75.96)	7.45
	Sale/(Purchase) of Fixed Asset		(406.53)	(256.29)
	Subsidy received against Plant & Machinery		37.06	-
	(Increase)/Decrease in Loans Advances (Inc in capital advances)		(51.70)	0.58
	Interest Received		28.13	1.88
	Net Cash Flow from Investing Activities	**B**	**(469.00)**	**(246.38)**
3	**Cash Flow from Financing Activities:**			
	Proceeds/(Repayment) of Long Term Borrowings (Term loans)		(1,138.00)	(4.84)
	Procceds/(Repayment) of Short Term Borrowings (CC & PC)		(1,654.16)	925.80
	Interest Paid		(161.74)	(252.12)
	Net Cash Flow from Financing Activities	**C**	**(2,953.91)**	**668.84**
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	D	255.53	34.50
	Add: Opening Cash and Cash Equivalents	E	70.67	36.17
	Closing Cash and Cash Equivalents (D+E)		**326.20**	**70.67**

Note : (i) Figures in brackets indicate outflows
(ii) Cash and cash equivalent is cash and bank balance as per balance sheet
(iii) Fixed Deposits with bank under lien are considered as cash and cash equivalents.

AS PER OUR REPORT OF EVEN DATE.
For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

(Tejas Parikh)
Partner
Membership No: 123215
PLACE : Mumbai
DATE: 13-05-2020

For and on Behalf of the Board of Directors of Pinnacle Life Science Private Limited

(Vishwa H Savla)	**(Harit P Shah)**
Managing Director	**Chairman**
DIN: 03619810	**DIN: 00005501**

CS Rushikesh Deole
(Company Secretary & Compliance officer)
PLACE : Mumbai
DATE: 13-05-2020

PINNACLE LIFE SCIENCE PRIVATE LIMITED

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

Corporate Information:

Pinnacle Life Science Private Limited ("the Company") is a private limited company incorporated and domiciled in India. It's wholly owned subsidiary of Aarti Drugs Limited. The registered office of Company is located at near telephone exchange, Manpura, Baddi, Himachal Pradesh – 173205 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involved in manufacturing of Tablets, Capsules, Syrups, Ointments & Creams.

Note: 26 Significant Accounting Policies and Accounting Estimates and Judgements

1) Basis of preparation:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

These financial statements were authorized for issue by the Company's Board of Directors on May 13, 2020

Classification of Assets and Liabilities:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

The Statement of Cash flows have been prepared under Indirect Method.

The financial statements are presented in Indian Rupees which is the functional currency of the company and all values are rounded to the nearest lakhs, except when otherwise indicated.

Use of estimates and Judgments':

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, Judgements & Assumptions. These estimates, judgements & assumption affect the application of accounting policies and the reported amounts of assets & liabilities, the disclosures of contingent assets & liability at the date of the financial statement & reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(2) Revenue recognition:

Ind AS 115 is effective from 1st April 2018 and it replaces Ind AS 18. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

(i) **Sale of goods:** Revenue from sale of goods is recognized on dispatch in respect of exports on the date of the bill of landing or airway bill which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns, where applicable and recognized based on the terms of the agreements entered into with the customers.

(ii) **Interest Income:** Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) **Dividend income:** Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) **Export benefits:** Incentives and Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3) Property, plant and equipment (PPE):

All items of property, plant and equipment other than Leasehold Land are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes cenvat / value added tax / Goods and Services Tax (GST) eligible forcredit / setoff. Estimated cost of dismantling and removing the item and restoring in the site on which it is located.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work–in–Progress.

Property, plant and equipment are eliminated from financial statements, on disposal Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life. The company will recognize such losses whenever they arise.

Intangible Assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Research and Development:

Revenue expenditure on Research and Development is recognized as expense in the year in which it is incurred.

Capital expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

Depreciation:

Depreciable amount of all items of property, plant and equipment other than Leasehold Land is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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.

Non-current assets and disposal group held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of the Management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs. Non-current assets and the disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and the disposal group was classified as "Held for Sale" adjusted for any depreciation / amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for Sale" criteria. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

4) Financial Instrument: -

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.

a) Financial Assets:-

Classification:

The Company classifies as financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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 asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For the purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL /FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognized in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of write down for impairment, if any):
Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value Through Other Comprehensive Income (“FVTOCI”):
Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value Through Profit or Loss (“FVTPL”):
Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

Investment in Equity Instruments:
Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:
A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

b) Financial liabilities

(i) Financial liabilities at amortised cost:
Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

(ii) Financial liabilities at FVTPL:
Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

5) Inventories:

Raw materials and packing materials are valued at lower of cost and the net realisable value. The cost of raw materials and packing materials includes all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to its present location and condition includes customs duty. Finished products including traded goods and work-in-progress are valued at lower of cost and net realizable value. Cost is arrived on moving stock on FIFO basis.

The cost of finished goods & work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other relatedcost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

6) Retirement and other employee benefits:

Provident fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity Obligations:

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries.
Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Other Benefit Plan:

Leave Encashment Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

7) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. The exchange differences arising on settlement/translation are dealt with in the Statement of Profit and Loss.

8) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

Deferred tax:

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Net deferred tax liabilities present in the Balance sheet are calculated on the differences in depreciable assets.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

9) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of the asset. All other borrowing costs are expensed in the period in which they occur.

10) Provisions and Contingent Liabilities:

Provisions:

Provisions for legal claims, chargebacks and sales returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingencies:

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

11) Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to a fixed asset, it is reduced from the carrying cost of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. A repayment of government grant is accounted for as a change in accounting estimate. Repayment of grant is recognised by reducing the deferred income balance, if any and the rest of the amount is charged to statement of profit and loss.

12) 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.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

NOTE NO. 1- PROPERTY, PLANT & EQUIPMENT **(Amount in lacs)**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening as on 01.04.19	Total Addition in Year	Deduction of GB	Closing as on 31.03.20	Opening as on 01.04.19	Total Current Year Dep	Deduction of Acc Dep	Closing as on 31.03.20	As at 31.03.20	As at 31.03.19
TANGIBLES ASSETS										
LAND	543.65	23.47	324.83	242.29	-	-	-	-	242.29	543.65
BUILDING	1,730.45	33.53	256.67	1,507.32	290.96	54.81	21.45	324.33	1,182.99	1,439.49
PLANT & MACHINERY	1,803.32	251.99	216.98	1,838.33	406.91	80.54	24.93	462.52	1,375.82	1,396.42
ELECTRICAL INSTALLATION	205.42	25.40	68.06	162.76	76.69	14.32	15.97	75.04	87.73	128.73
FURNITURE	55.49	29.40	0.32	84.58	16.99	5.32	0.08	22.22	62.36	38.51
GENERATOR SET	55.40	-	7.93	47.47	24.08	3.61	1.47	26.22	21.25	31.31
COMPUTERS	31.10	17.43	-	48.53	24.76	5.01	-	29.77	18.76	6.34
LAB EQUIPMENT	79.60	3.62	5.73	77.49	25.98	7.04	1.46	31.56	45.94	53.63
AIR HANDLING UNIT	417.20	2.26	105.00	314.46	145.78	30.05	26.54	149.29	165.16	271.42
FIRE FIGHTING EQUIPMENTS	3.43	-	-	3.43	2.48	0.07	-	2.55	0.88	0.95
MISCELLANEOUS ASSETS	0.10	-	-	0.10	0.10	-	-	0.10	-	-
VEHICLES	0.58	-	-	0.58	0.15	0.07	-	0.22	0.37	0.44
TOTAL	4,925.76	387.12	985.53	4,327.35	1,014.88	200.83	91.90	1,123.81	3,203.54	3,910.88
INTANGIBLES ASSETS										
COMPUTER SOFTWARE	22.32	19.42	-	41.74	13.47	7.60	-	21.06	20.68	8.85
TOTAL (Current year)	**4,948.08**	**406.54**	**985.53**	**4,369.09**	**1,028.35**	**208.43**	**91.90**	**1,144.88**	**3,224.22**	**3,919.73**
TOTAL (Previous year)	**4,691.79**	**260.04**	**3.75**	**4,948.08**	**811.46**	**216.89**	**-**	**1,028.35**	**3,919.73**	

M/s Pinnacle Life Science Private Limited
NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2020

(Amount in lacs)

NOTE NO 2 CAPITAL WORK IN PROCESS

Particulars	As at 31st Mar, 2020	As at 31st Mar, 2019
Capital WIP	124.47	37.99
TOTAL	124.47	37.99

NOTE NO 3 INVESTMENT

Investment in Shares	0.50	0.50
TOTAL	0.50	0.50

NOTE NO 4 OTHER NON CURRENT ASSETS

Unsecured - consider good		
Capital Advances	69.41	17.71
Mat Credit Entitlement	7.61	7.61
Advance Tax and TDS(Net of provisions)	-	39.79
TOTAL	77.02	65.11

NOTE NO 5 INVENTORIES

Packing Materials	277.26	330.12
Raw Materials	926.33	668.02
Finished Goods	259.96	340.45
Work in process	376.87	562.25
Total Stock	1,840.42	1,900.83
Less Provision for Obsolete & Non moving Stock	-	-
TOTAL	1,840.42	1,900.83

NOTE NO 6 TRADE RECEIVABLES

Unsecured, considered good		
Trade Receivable O/s exceeding 6 months	287.52	134.52
Others	2,332.97	3,901.84
	2,620.49	4,036.37
Less: Provision for Doubtful Debts	7.50	-
TOTAL	2,612.99	4,036.37

NOTE NO 7 CASH & CASH EQUIVALENTS

Cash on Hand	9.67	9.74
Cheques on Hand	2.00	-
TOTAL	11.67	9.74

NOTE NO 8 BANK BALANCES

Particulars	As at 31st Mar, 2020	As at 31st Mar, 2019
Balances with Scheduled Banks :		
- Current Accounts	239.72	20.37
- Deposit Accounts	74.81	40.56
TOTAL	314.53	60.93

NOTE NO 9 LOANS & ADVANCES

Unsecured , Consider good		
Loans and advances - staff & employees	8.73	6.99
Advances recoverable in cash or kind or for the value to be recd	146.84	109.39
TOTAL	155.57	116.38

NOTE NO 10 OTHER CURRENT ASSETS		
Deposits	1.93	12.65
Advances against RM purchase to Holding Company (Refer Note No 33)	1,820.40	-
Duties & Taxes	822.49	860.10
TOTAL	2,644.82	872.75

NOTE NO 11 EQUITY SHARE CAPITAL		
AUTHORISED :		
1,00,00,000 Equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED & PAID-UP :		
7782750 'Equity Shares of Rs. 10/- each Issued ,subscribed and fully paid up	**778.28**	**778.28**

The Company has only one class of equity shares with voting rights having a par value of Rs 10/- per share.

Reconciliation	Numbers	Value
Opening outstanding shares	77,82,750	778.28
Add Issued During the Year	-	-
Closing outstanding shares	77,82,750	778.28

Disclosures of shares held by each shareholders more than 5% shares				
	Mar' 2020	**Mar' 2019**	**Mar ' 2020**	**Mar' 2019**
Name of holder	**No of Shares**		**% of Holding**	
Aarti Drugs Limited	7782750	7782750	100%	100%

NOTE NO 12 OTHER EQUITY		
PROFIT & LOSS APPROPRIATION A/C	1,517.75	1,258.08
Addition During the year	621.36	259.66
Clos. balance of P&L a/c	2,139.11	1,517.75
Op balance of Revaluation Reserve	849.83	849.83
Less: transferred to P&L	-	-
Clos. balance of Revaluation Reserve	849.83	849.83
TOTAL	**2,988.94**	**2,367.58**

NOTE NO 13 NON CURRENT BORROWINGS		
Term loans		
Secured borrowings		
From Scheduled Banks	403.40	1,294.32
TOTAL	403.40	1,294.32

NOTE NO 14 OTHER FINANCIAL LIABILITIES (NON CURRENT)		
Capital creditors	23.05	27.09
TOTAL	23.05	27.09

NOTE NO 15 CURRENT BORROWINGS		
Particulars	**As at 31st Mar, 2020**	**As at 31st Mar, 2019**
Loans repayable on demand		
From Banks		
Secured Borrowings	311.78	1,690.58
Unsecured Borrowings	-	-
Unsecured Loan- Related party		
From Directors	-	-
From Others	-	175.69
TOTAL	311.78	1,866.27

NOTE NO 16 TRADE PAYABLE		
Trade payables of Goods,Services & Expenses		
Due to micro enterprises and small enterprises (MSME)	361.20	382.29
Due to others	1,131.62	2,909.71
TOTAL	1,492.82	3,292.00

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006
Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

a) Principal Amount Due To Suppliers Registered Under MSMED Act And Remaining Unpaid As At The Year End	361.20	382.29
b) Interest Due Thereon	-	-
c) Interest Paid By The Company In Term Of Section 16	-	-
d) Interest Due And Payable For The Period Of Delay In Payment	-	-
e) Interest Accrued And Remaining Unpaid	-	-
f) Interest Remaining Due And Payable Even In Succeeding Years	-	-

As at March 31, 2019 & March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises.
There is no interest due or outstanding on the same.

NOTE NO 17 OTHER FINANCIAL LIABILITIES (CURRENT)		
Current maturities of Long Term debts (payable within 12 months)	338.25	685.00
TOTAL	338.25	685.00

NOTE NO 18 OTHER CURRENT LIABILITIES		
Advances received from customers	4,045.13	321.33
Other Advances (against sale of Sikkim Plant)	335.00	-
Other Payable - Direct taxes (TDS & TCS)	4.00	5.47
TOTAL	4,384.13	326.80

NOTE NO 19 PROVISIONS		
Provision for Employee Liability	94.02	72.96
Income Tax provision (Net of Advance Tax & TDS)	8.85	-
Other Short Term Provisions	425.23	177.58
TOTAL	528.09	250.55

M/s Pinnacle Life Science Private Limited
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st March 2020

(Amount in lacs)	For the Year Ended	
	Mar-20	Mar-19
Note No 20 - Other Income		
Dividend Income	0.13	0.08
Interest on deposits and L&A	26.06	1.88
Interest on income tax refund	2.07	-
Total	**28.26**	**1.96**
Note No 21 - Cost of materials consumed		
Raw Material Consumption	8,547.48	9,267.34
Packing Materials	1,418.19	1,533.53
Freight Inward	11.97	6.70
Total	**9,977.64**	**10,807.57**
Note No 22 - Employee benefits expense		
Salaries,Wages and Bonus (Mfg)	643.92	568.53
Salaries and Bonus (Admin)	213.16	150.03
Staff Welfare Expenses	12.92	14.03
Directors' Remuneration	55.77	45.99
Total	**925.77**	**778.58**
Note No 23 - Finance Cost		
Interest on Term Loans	119.68	170.21
Interest on Working Capital	32.65	66.67
Interest on Unsecured loan	9.41	15.24
Total	**161.74**	**252.12**
Note No 24 - Depreciation and Amortisation		
Depreciation	208.43	216.89
Total	**208.43**	**216.89**
Note No 25- Other expenses		
Manufacturing Expenses		
Processing fees	124.97	266.57
Testing Charges	63.91	59.71
Labour Charges	241.20	148.17
Insurance Expenses	16.68	12.68
Power & Fuel	273.92	222.30
Stores & Spares	66.53	47.72
Repairs & Maintenance - Building	10.94	7.34
- Plant & Machinery	25.84	9.67
Other Factory Expenses	96.73	82.08
SubTotal (a)	**920.72**	**856.25**

	For the Year Ended	
	Mar-20	Mar-19
Office & Administration Expenses		
Auditors' Remuneration	2.01	1.75
Conveyance Expenses	11.38	13.72
Legal & Professional Charges	125.69	57.04
Membership & Subscriptions	0.10	3.78
Postage,Telegram & Telephone	1.63	0.91
Office Electricity Charges	4.81	2.62
Miscellaneous Expenses	30.85	12.61
Travelling & lodging Expenses - Directors	5.28	9.51
Travelling & lodging Expenses - Others	55.96	27.42
Sub Total (b)	**237.72**	**129.36**
Selling & Distribution		
Advertisement & Sales Promotion	85.10	50.02
Freight & Forwarding	489.10	54.34
Commission & Export Consultancy Expenses	1,217.28	150.92
Provision for Bad & Doubtful Debts	7.50	-
Bad Debts & other written off	109.47	-
Sub Total (c)	**1,908.45**	**255.28**
Bank Charges & BG Commission	16.01	10.19
SubTotal (d)	**16.01**	**10.19**
Non Operative Expenses		
CSR Expenses	-	15.53
Donations	0.05	0.07
SubTotal (e)	**0.05**	**15.60**
Total (a+b+c+d+e)	**3,082.94**	**1,266.68**

PINNACLE LIFE SCIENCE PRIVATE LIMITED

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

Corporate Information:-

Pinnacle Life Science Private Limited ("the Company") is a private limited company incorporated and domiciled in India. Its wholly owned subsidiary of Aarti Drugs Limited. The registered office of Company is located at near telephone exchange, Manpura, Baddi, Himachal Pradesh – 173205 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involvedin manufacturing of Tablets, Capsules, Syrups, Ointments & Creams.

27) FAIR VALUE MEASUREMENTS:

Financial Instrument by Category

Particulars	**As at 31st March 2020**			**As at 31st March 2019**		
	Carrying Amount	**Level 1**	**Level 2**	**Carrying Amount**	**Level 1**	**Level 2**
<u>Financial Asset</u>						
At Amortised Cost						
Investment	0.50	-	-	0.50	-	-
Trade Receivables	2,612.99	-	-	4,036.36	-	-
Cash and Bank Balances	326.20	-	-	70.67	-	-
Loans & advances	155.57	-	-	116.38	-	-
<u>Financial Liabilities</u>						
At Amortised Cost						
Borrowings (Current)	311.78	-	-	1,866.27	-	-
Borrowings (Non - Current)	403.40			1,294.32		
Trade Payables	1,492.82	-	-	3,292.00	-	-
Other Non-Current Financial Liabilities	23.05	-	-	27.09	-	-
Other Current Financial Liabilities	338.25	-	-	685.00	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements are described below:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and
Level 2: Inputs other than the quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly

28) CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net Debt is calculated as loans and borrowings less cash & marketable securities

Particulars	As at 31st March 2020	As at 31st March 2019
Gross Debts	1,053.43	3,845.59
Less: Cash and bank balances	326.20	70.67
Net Debt (A)	727.23	3,774.92
Total Equity (Including Revaluation Reserves) (B)	3,767.22	3,145.86
Net Gearing Ratio (A/B) (in times)	0.19	1.20

29) FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

I. Credit Risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables) and Credit risk is the risk that a customer to pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in outstanding receivables from customers. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit, Bank Guarantees and advance payments.

Credit risk management.

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy. Thus, the requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated.

II. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

Liquidity Risk Management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31st March, 2020

Maturities of non-derivative financial liabilities (Rs.in lakhs)

Particulars	Up to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	1492.82	-	-	1492.82
Other financial liabilities	338.25	-	-	338.25
Total	1831.07	-	-	1831.07

As at 31st March, 2019

Maturities of non-derivative financial liabilities (Rs.in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	3292.00	-	-	3292.00
Other financial liabilities	685.00	-	-	685.00
Total	3977.00	-	-	3977.00

III. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices– will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars.

30) Contingent Liabilities and Commitments:

	Particulars	As at 31st March 2020	As at 31st March 2019
(i)	**Contingent Liabilities**		
	In respect of bank guarantees issued and L/C opened by the Company's bankers	138.84	229.74
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	85.74	43.21

31) Securities for loans taken from Banks:

a) **(Amount in Rs Lakhs)**

Bank Name	As at 31-March-2020	As at 31-March-2019	Installment Due for	
			F.Y.2020-21	Subsequent Years
Saraswat Bank- Corporate Loan	0.00	240.00	0.00	-
Saraswat Bank-Term Loan	604.66	840.00	240.00	364.66
Saraswat Bank-Term Loan-Bldg-Sikkim	0.00	472.88	0.00	0.00
Saraswat Bank-Term Loan-P&M-Sikkim	0.00	176.46	0.00	0.00
Saraswat Term Loan Baddi - L&B-861	54.61	54.20	30.60	24.01
Saraswat Term Loan Baddi - P&M-860	82.38	81.70	67.65	14.73
Saraswat WCDL Loan - SLPUB/822	0.00	99.63	0.00	0.00
	741.65	1,964.87	338.25	403.40

Note:

1) Above term loans are secured by way of hypothecation of new Plant and Machinery situated at (a) Village Manpura Tehsil Baddi Distt. Solan, State: Himachal Pradesh

2) Above Corporate Loans are secured by way of Hypothecation of existing plant and machinery & Equitable/Legal mortgage of factory land and building at Village Manpura Tehsil Baddi Distt. Solan, State: Himachal Pradesh.

b) Cash Credit from Scheduled Banks of Rs.311.78 lacs (F.Y 18-19 Rs. 1690.58 lacs) payable on demand are secured by hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts up to 90 days and including goods in transit governed by documents of title less creditors.

c) Common security for Long Term Loans and working capital loans as collateral security;

i) Hypothecation of existing plant and machinery

ii) Equitable/legal mortgage of factory land and building at Baddi – Nalagarh (NH21A) at Village Manpura, Baddi Dist. Solan Himachal Pradesh 174101

32) Segment Reporting IND AS 108

Ind AS 108 establishes standards for the way that company reports information about operating segment and related disclosure about products and geographical areas.

I. BASIS FOR SEGMENTATION

The operations of the Company are limited to one segment i.e manufacturing of pharmaceuticals products. The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

(Amount Rs.in Lakhs)

II.	**GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS**	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
	Segment Revenue		
a)	Out of India (Exports)	**7250.60**	**1784.67**
b)	India	**13593.91**	**13196.21**
	Total	**20,844.51**	**14980.88**

33) RELATED PARTY DISCLOSURE UNDER IND AS 24

A. Name and Relationship of the Related Parties:

(1) Holding Company
Aarti Drugs Limited

(2) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

- Individuals

Mr. Chandrakant V. Gogri	Chairman Emeritus (Holding Company)
Mr. Rajendra V. Gogri	Non-Executive Director (Holding Company)
Mr. Prakash M. Patil	Chairman (Holding Company)
Mr. Rashesh C. Gogri	Managing Director (Holding Company)
Mr. Uday M. Patil	Whole-time Director (Holding Company)

- Relatives of Individuals

Mrs. Jaya C. Gogri	Mr. Mirik R Gogri
Ms. Arati T. Sankhe	Mr. Renil R. Gogri
Mrs. Aarti R. Gogri	Mrs. HetalGogri Gala
Mrs. Manisha R. Gogri	Dr. Vikas M. Patil
Mrs. Priti P. Patil	Mr. Arun M. Patil

(3) Key Management personnel along with their relatives have significant influence.

- Key Management Personnel

Mr. Harshit M. Savla	Director
Mr. Harit. P. Shah	Chairman
Mr. Adhish P. Patil	Director
Mr.Vishwa H. Savla	Managing Director
Mr. Rushikesh Deole (w.e.f 23rd April, 2019)	Company Secretary

Relatives of Key Management Personnel

Mrs. Jayashree H. Shah	Mrs. Seema H. Savla
Mr. Sameer P. Shah	Ms. Bhoomi H. Savla
Ms. Richie Gandhi	

(4) Enterprise/firms over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Aarti Life Science LLP (formerly Rupal Drugs LLP)
- Alchemie Gases & Chemicals Pvt Ltd
- Alchemie Financial Services Ltd
- Alchemie Laboratories
- Safechem Enterprises Private Limited
- Gogri Finserv Private Limited
- Dilesh Roadlines Private Limited
- Anushakti Enterprise Pvt Ltd
- Alchemie Finserv Pvt Ltd

B. Transactions with the related parties during the year:

Note: Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31st March, 2020

(Amount Rs.in Lakhs)

Transaction with Related Parties	**Holding Company** **(Aarti Drugs Limited)**		**Enterprise/firms over which controlling individuals have significant influence** **(Aarti Life Science LLP)**	
	C.Y.	P.Y.	**C.Y.**	P.Y.
Sales & Income from Operations	**-**	**370.28**	**415.83**	**630.51**
Manufacturing Expenses	**3854.21**	**3684.30**	**702.35**	**-**
Borrowing costs	**9.41**	**15.24**	**-**	**-**
Outstanding Payable (Cr)	**203.27**	**1286.21**	**-**	**-**
Outstanding Receivable (Dr)	**1820.0***	**-**	**213.91**	**288.04**
Outstanding Loans & advances (Dr)	**-**	**-**	**58.76 ****	**-0.90**

*Advances given against supply of Raw materials to Aarti Drugs Limited.
** Expenses paid on behalf of Aarti LLP to be recoverable from LLP.

(Amount Rs.in Lakhs)

Transaction with Related Parties	Enterprise/firms over which controlling individuals have significant influence (Aarti Industries)		Enterprise/firms over which controlling individuals have significant influence (Fish Talent Technologies Pvt. Ltd.)	
	C.Y.	P.Y.	**C.Y.**	P.Y.
Sales & Income from Operations	**1.00**			
Manufacturing Expenses	**0.19**	**3.81**	**-**	**-**
Other Expenses	**-**	**-**	**-**	**0.52**
Outstanding Payable	**0.04**	**2.41**	**-**	**-**
Outstanding Loans & advances (Dr)	**-**	**-**	**-**	**-**

Transaction with Related Parties	Individuals		Relatives of Individuals		Key Management Personnel		Relative of Key Management Personnel	
	C.Y.	P.Y.	**C.Y.**	P.Y.	**C.Y.**	P.Y.	**C.Y.**	P.Y.
Employee Benefits & Office &Administration Expenses	**-**	**-**	**-**	**-**	**31.44**	**33.74**	**9.64**	**-**
Special Allowances to Directors	**-**	**-**	**-**	**-**	**24.33**	**12.25**	**-**	**-**

34) Directors Remuneration:

(Amount in Rs In Lakhs)

Particulars	**Current Year**	Previous Year
Salary to Managing Directors and whole time Directors	**25.95**	**25.95**
Bonus/Leave Travel Allowance/House Rent Allowance/ Medical/Leave Salary	**5.49**	**7.79**
Special Allowances to Directors	**24.33**	**12.25**
Total Remuneration	**55.77**	**45.99**

35) Auditors' remuneration includes (Amount in Rs in Lakhs)

Particulars	**Current Year**	Previous Year
Statutory Audit	**2.01**	**1.75**
Other Audit Services	**0.00**	**0.00**
Certification	**0.04**	**0.14**
Total	**2.05**	**1.89**

36) Earnings Per Share: (Amount in Rs in Lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	**621.36**	**259.66**
Weighted Number of Equity Shares (Nos.)	**7782750**	**7782750**
Basic & Diluted EPS (after extraordinary items) (Rs.)	**7.98**	**3.34**
Nominal value per share (Rs.)	**10.00**	**10.00**

37) Disclosure Regarding Scientific Research & Development Expenditure

(Rs Lakhs)

YEAR	REVENUE EXPENDITURE	CAPITAL EXPENDITURE
2019-2020	25.40	107.29
2018-2019	0	24.90

38) Additional information pursuant to the provisions of the Companies Act, 2013 (Figures in bracket relate to 31st March 2019)

Licensed capacity installed capacity and production (as certified by the Management and not verified by the Auditors, it's being a technical matter.)

a) At Baddi(Qty in lacs)

Class of Goods	Units	Licensed*	Installed	Production	Captive	Net Production
TABLETS/CAPSULES	Nos	---	37800.00 (37800.00)	16687.46 (12730.00)	NIL	16687.46 (12730.00)
TUBES/OINTMENT	Nos	---	300.00 (300.00)	6.39 (14.82)	NIL	6.39 (14.82)
LIQUID	Bottles	---	300.00 (300.00)	2.43 (11.56)	NIL	2.43 (11.56)
LOTIONS	Bottles	---	80.00 (80.00)	---	NIL	---

* As license is not required Licensed Capacity not given.

b)

Purchase of trading items(Net):	Current Year	Previous Year
Number of Strips (in lakhs)	229.74	206.66
Number of Vials/Nos/Units (in lakhs)	89.38	0.07
Number of Bottles (in lakhs)	2.72	0.00
Amounts (Rs.in Lakhs)	4,778.98	1,533.41

c)

Value of Raw materials and spares consumed	Current Year	Previous Year
Raw Material:		
Indigenous		
Percentage %	95.67	97.98
Amount (Rs. In Lakhs)	8177.76	9080.30
Imported		
Percentage %	4.33	2.02
Amount (Rs. In Lakhs)	369.71	187.04
Stores and spares		
Indigenous		
Percentage %	100	100
Amount (Rs. In Lakhs)	66.53	47.72

d)

	(Amount Rs.in Lakhs)	
C.I.F Value of Imports	**Current Year**	**Previous Year**
Raw Material	369.71	172.69
Capital Goods	0	0

e)

Expenditure in Foreign Currency	**Current Year**	**Previous Year**
Export Commission & Consultancy	896.32	18.30
Travelling Expenses	9.51	1.53
Product /Drug Registration charges	66.32	57.79

f)

Earnings in Foreign Exchange	**Current Year**	**Previous Year**
F.O.B. Value of Exports	7092.54	1715.87

39) As per Sec 135 of the Companies Act 2013, CSR provisions were not applicable for current year therefore no amount to be spent on Corporate Social Responsibility. Gross amount to be spent on the CSR activity during the year is **Rs Nil**. During the previous year company spent on CSR Rs 15.53 Lakhs.

40) Investments in equity instruments (unquoted)

(Amount in Lacs)

Particulars	**Current Year**		**Previous Year**	
	No of units	**Amount**	**No of units**	**Amount**
Equity shares in Shivalik solid waste management Pvt. Ltd. (Equity shares of Rs. 10/- each)	2500	0.25	2500	0.25
Equity shares in Saraswat Bank Ltd. (Equity shares of Rs. 10/- each)	2500	0.25	2500	0.25
Total		0.50		0.50

41) Deferred Tax

Deferred tax assets/(liabilities) as at March 31, 2019 in relation to;

(Amount in Lacs)

Particulars	As at April 1, 2018	Recognised in P&L	Recognised in Other Comprehensive Income	As at March 31, 2019
Property, plant and equipment	106.33	26.11	-	132.44
Total	**106.33**	**26.11**	**-**	**132.44**

Deferred tax assets/(liabilities) as at March 31, 2020 in relation to;

(Amount in Lacs)

Particulars	As at April 1, 2019	Recognised in P&L	Recognised in Other Comprehensive Income	As at March 31, 2020
Property, plant and equipment	132.44	80.00	-	212.44
Total	**132.44**	**80.00**	**-**	**212.44**

42) Employee Benefits:

(a) Defined Benefit Plan

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation

	Current Pd.	**Previous Pd.**
Type of Benefit	Gratuity	Gratuity
Reporting Currency	INR	INR
Funding Status	Unfunded	Unfunded
Starting Period	01-Apr-2019	01-Apr-2018
Date of Reporting	31-Mar-2020	31-Mar-2019
Period of Reporting	12 Months	12 Months

Assumptions	Current Pd.	Previous Pd.
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.82%	7.47%
Rate of Salary Increase	6.00%	5.00%
Rate of Employee Turnover	8.00%	8.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	
Mortality Rate After Employment	N.A.	

Change in the Present Value of Projected Benefit Obligation (Figures in lacs)	Current Pd.	Previous Pd.
Present Value of Benefit Obligation at the Beginning of the Period	20.47	13.45
Interest Cost	1.53	1.02
Current Service Cost	10.31	8.28
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3.84	0.16
Actuarial (Gains)/Losses on Obligations - Due to Experience	(7.82)	(2.44)
Present Value of Benefit Obligation at the End of the Period	28.33	20.47

Change in the Fair Value of Plan Assets	Current Pd.	Previous Pd.
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

Amount Recognized in the Balance Sheet	Current Pd.	Previous Pd.
(Present Value of Benefit Obligation at the end of the Period)	(28.33)	(20.47)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(28.33)	(20.47)
Net (Liability)/Asset Recognized in the Balance Sheet *	(28.33)	(20.47)

Net Interest Cost	Current Pd.	Previous Pd.
Present Value of Benefit Obligation at the Beginning of the Period	20.47	13.46
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	20.47	13.46
Interest Cost	1.53	1.02
Net Interest Cost for Current Period	1.53	1.02

Expenses Recognized in the Statement of Profit or Loss for Current Period	Current Pd.	Previous Pd.
Current Service Cost	10.31	8.28
Net Interest Cost	1.53	1.02
Expenses Recognized	11.84	9.30

The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary

(b) Leave Encashment :
No Leave Encashment liability (previous year also Nil) has been provided in the Accounts as no leave encashment expected in next one year.

43) Sales /Income from Operation include export benefits amounting to **Rs. 146.44 Lakhs** (Year ending 31st March 2019 Rs. 75.75 Lakhs)

44) In the opinion of Board, except as otherwise stated, the current assets have a value on realization at least equal to amounts at which they are stated in the balance sheet.

45) Figures of the previous year have been regrouped and rearranged wherever necessary.

46) Disclosure on non current asset held for sale

a) Company owned a Plant in Sikkim including lease land, building and plant & machinery. At present, the Company was not carrying out any production activities

b) Taking into consideration of current scenario & feasibility of operational costs in Sikkim, management decided to dispose of the assets related to Sikkim Unit. A Memorandum of sale for the same has been already entered with the Buyer and it is expected that disposal shall be completed within nine months from the closure of the Financial Year (i.e. by 31-12-2020).

c) The total consideration for the Sikkim plant has been fixed at Rs. 455 Lacs. Further a provision of loss is created in P&L account of Rs. 391.04 Lacs.

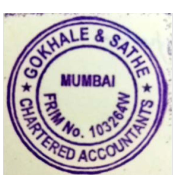
d) The assets related to Sikkim Plant has been classified as “Non Current asset held for sale” as on 31.3.2020 pending completion of transaction.

AS PER OUR REPORT OF EVEN DATE

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

(CA TEJAS PARIKH)
PARTNER
M No: 123215
Firm Registration No: 103264W

Place: Mumbai
Date : 13th May, 2020



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

HARIT P. SHAH
(Chairman)
DIN: 00005501

VISHWA H. SAVLA
(Managing Director)
DIN: 03619810

CS RUSHIKESH DEOLE
(Company Secretary & Compliance Officer)

Place: Mumbai
Date: 13-05-2020