

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AMI ORGANICS LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **AMI ORGANICS LIMITED (CIN- U24100GJ2007PLC051093)** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income) and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, 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 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there aren't key audit matters to be communicated in our report.



| The key audit matters  | How our audit addressed the key audit matter  |
|--|---|
| <b>Capitalisation of Assets</b>  |   |
| <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, and their respective depreciation profiles. These include: – the decision to capitalise or expense costs; – the annual asset life review including the impact of changes in the strategy; and – the timeliness of the transfer from assets in the course of construction. Refer Note 3.09- of the standalone financial statements “Property, plant and equipment”.</p>                                    | <p>We tested controls in place over the property, plant and equipment cycle, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the course of construction and the application of the asset life. In performing these substantive procedures, we assessed the judgements made by management including: – the nature of underlying costs capitalised; – the appropriateness of asset lives applied in the calculation of depreciation.. Assessed the appropriateness of work in progress on balance sheet date by evaluating the underlying documentation to identify possible delays.</p>       |
| <b>Inventories</b>   |   |
| <p>At 31 March 2019, Inventory of Finished Goods is disclosed in in note 8 – Inventories.</p> <p>In order to carry inventory at the lower of cost and net realisable value, management has identified overheads cost and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions. These judgments include bifurcation of overhead cost on the Finish good, using factors existing at the reporting date. i.e. overheads is charged to the Finished goods.</p> | <p>Our procedures included the following to assess inventory cost:</p> <p>Assessing the reasonableness of the methodologies applied by management for consistency with prior years and our knowledge of industry practice.</p> <ul style="list-style-type: none"> <li>• Evaluating the assumptions and estimates applied to the methodologies</li> <li>– testing the identification of such inventories;</li> <li>– testing the accuracy of historical information and data trends;</li> <li>• Sample Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.</li> <li>• Recalculating the arithmetical accuracy of the computations.</li> </ul> |





## Trade Receivables

Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note No 9 & 39 to the standalone financial statements, The most significant portion of the trade receivables over 90 days comprises large customers who are within their historic payment patterns. The Company has not recognised any loss allowance as the Company expects that there is no credit loss on trade receivables. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.

We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts owing. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures including:

- Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance;
- Consideration of the creditworthiness of significant trade receivables over 90 days utilising external ratings agencies wherever possible;
- Consideration and concurrence of the agreed payment terms;
- Verification of receipts from trade receivables subsequent to year-end;
- Inspection of credit insurance policies; and
- Considered the completeness and accuracy of the disclosures.

To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the trade receivables are fairly valued and disclosures related to trade receivable in the standalone financial statements are appropriate



## **Information other than the Standalone Financial Statements and Auditor's Report thereon**

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

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

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

## **Responsibility 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 Companies Act, 2013 ("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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 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 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 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 the economic decisions of a reasonably knowledgeable user 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 results 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 report 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 purpose 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, the cash flow statement and 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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**"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, 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. Refer Note 33 to the standalone financial statements.





- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any; and
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Maheshwari & Co.  
Chartered Accountants  
FRN: 105834W

  
Pawan Gattani  
Partner  
Membership No. 144734



UDIN: 19144734AAAABR3703

Place: Mumbai  
Date: 27<sup>th</sup> August, 2019

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **AMI ORGANICS LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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





## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to explanation given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 Maheshwari & Co.  
Chartered Accountants  
FRN: 105834W

  
Pawan Gattani  
Partner  
Membership No. 144734



Place: Mumbai  
Date: 27<sup>th</sup> August, 2019

## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
c) According to information and explanations given to us and on the basis of our examination of the records of the company, title deeds of immovable properties included in Fixed Assets are held in the name of the Company.
2. According to information and explanations given to us, The inventory has been physically verified by the management at reasonable intervals during the period. In our opinion, the frequency of verification is reasonable. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. According to information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder during the year. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, , the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials; Labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.





7. a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited on account of any dispute with the relevant authorities. Details of dues of Income-tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

| Name of Statute          | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount Involved (Rs in. Million ) |
|--------------------------|----------------|--------------------------------|------------------------------------|-----------------------------------|
| The Income tax Act, 1961 | Income Tax     | Commissioner                   | 2007-08                            | 0.77                              |

8. According to the records of the company examined by us and the information and explanations given to us, the company has not raised any money via debentures. The company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date, However instances of delay has been observed in repayment during the period.
9. According to the information and explanations given to us, The Company has not raised any moneys by way of initial public offer or further Public offer during the period and hence the Provisions of para 3(ix) of the order are not applicable to the company. In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the period for the purposes for which they were raised.
10. During the Course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.
11. 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 V to the Companies Act, 2013.



12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is no required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Maheshwari & Co.**  
**Chartered Accountants**  
**FRN: 105834W**

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**



**Place: Mumbai**  
**Date: 27<sup>th</sup> August, 2019**



AMI ORGANICS LIMITED  
(Formerly Known as Ami Organics Private Limited)  
CIN- U24100GJ2007PLC051093

Standalone Balance sheet as at 31 March 2019

| Particulars  | Note No. | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|----------|---------------------------------|---------------------------------|
| <b>I. ASSETS</b>   |          |                                 |                                 |
| <b>Non-current assets</b>  |          |                                 |                                 |
| Property, Plant and Equipment  | 4a       | 576,664,352                     | 148,974,986                     |
| Capital Work-In-Progress   | 4b       | 23,477,775                      | 303,241,084                     |
| Financial Assets   |          |                                 |                                 |
| (i) Investments  | 5        | 280,024,462                     | 211,701,465                     |
| (ii) Other Financial Assets  | 6        | 27,036,522                      | 20,405,850                      |
| Deferred Tax Asset (Net)   | 18       | -                               | 323,702                         |
| Other Non-Current Assets   | 7        | 10,577,025                      | -                               |
| <b>Total Non-Current Assets</b>  |          | <b>917,780,136</b>              | <b>684,647,087</b>              |
| <b>Current Assets</b>  |          |                                 |                                 |
| Inventories  | 8        | 386,685,594                     | 273,889,632                     |
| Financial Assets   |          |                                 |                                 |
| (i) Trade Receivables  | 9        | 728,610,520                     | 512,332,096                     |
| (ii) Cash and Cash Equivalents   | 10(a)    | 3,156,905                       | 3,926,287                       |
| (iii) Bank Balances Other Than (ii) Above  | 10(b)    | -                               | 2,622,776                       |
| (iv) Loans   | 11       | 1,789,692                       | 519,367                         |
| Other Current Assets   | 12       | 86,677,055                      | 93,733,493                      |
| <b>Total Current Assets</b>  |          | <b>1,206,919,766</b>            | <b>887,023,651</b>              |
| <b>Total Assets</b>  |          | <b>2,124,699,902</b>            | <b>1,571,670,738</b>            |
| <b>II. EQUITY AND LIABILITIES</b>  |          |                                 |                                 |
| <b>Equity</b>  |          |                                 |                                 |
| a) Equity Share Capital  | 13       | 105,000,000                     | 15,000,000                      |
| b) Other Equity  | 14       | 706,077,632                     | 564,963,833                     |
| <b>Total Equity</b>  |          | <b>811,077,632</b>              | <b>579,963,833</b>              |
| <b>Non-current liabilities</b>   |          |                                 |                                 |
| Financial Liabilities  |          |                                 |                                 |
| (i) Borrowings   | 15       | 220,996,424                     | 227,201,391                     |
| Provisions   | 17       | 12,512,095                      | 9,811,412                       |
| Deferred Tax Liabilities (Net)   | 18       | 22,966,173                      | -                               |
| <b>Total Non-Current Liabilities</b>   |          | <b>256,474,692</b>              | <b>237,012,803</b>              |
| <b>Current Liabilities</b>   |          |                                 |                                 |
| Financial Liabilities  |          |                                 |                                 |
| (i) Borrowings   | 18       | 261,446,500                     | 180,517,764                     |
| (ii) Trade Payables  | 19       | 685,433,081                     | 462,392,137                     |
| Other Current Liabilities  | 20       | 105,184,767                     | 69,214,965                      |
| Provisions   | 21       | 4,193,276                       | 944,693                         |
| Current Tax Liability (Net)  | 22       | 889,954                         | 41,624,543                      |
| <b>Total Current Liabilities</b>   |          | <b>1,057,147,578</b>            | <b>754,694,102</b>              |
| <b>Total Liabilities</b>   |          | <b>1,313,622,270</b>            | <b>991,706,905</b>              |
| <b>Total Equity and Liabilities</b>  |          | <b>2,124,699,902</b>            | <b>1,571,670,738</b>            |
| Significant Accounting Policies  | 2-3      |                                 |                                 |
| The accompanying notes form an integral part of the standalone Ind AS financial statements |          |                                 |                                 |

As per our report of even date attached

For Maheshwari & Co.

Chartered Accountants  
FRN 105834W

Pawan Gattani  
Partner  
Membership No.: 144734

Place: Mumbai  
Date: 27 August, 2019

For and on behalf of the Board of Directors of  
Ami Organics Limited

Birish L. Chovatia  
Chairman  
(DIN-00907321)

Place: Surat  
Date: 27 August, 2019

Naresh Patel  
Managing Director  
(DIN-00906232)

Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)



AMI ORGANICS LIMITED  
(Formerly Known as Ami Organics Private Limited)  
CIN- U24100GJ2007PLC051093

Standalone Statement of Profit and Loss for the Period ended 31 March 2019

| Particulars  | Note No. | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------|----------------------------------|-----------------------------------|
| Revenue from operations  | 23       | 2,355,893,951                    | 1,882,212,026                     |
| Other income   | 24       | 11,549,119                       | 28,674,325                        |
| <b>Total Revenue (A)</b>   |          | <b>2,367,443,070</b>             | <b>1,910,886,351</b>              |
| <b>Expenses</b>  |          |                                  |                                   |
| Cost of raw materials consumed   | 25       | 1,525,803,160                    | 1,181,266,331                     |
| Changes in inventories of finished goods/traded goods and                                  | 26       | (36,212,997)                     | (17,741,434)                      |
| Employee benefits expense  | 27       | 114,293,032                      | 99,056,379                        |
| Finance costs  | 28       | 47,531,116                       | 32,252,685                        |
| Depreciation and amortisation expense  | 4        | 25,999,728                       | 19,043,135                        |
| Other expenses   | 29       | 323,951,634                      | 314,221,935                       |
| <b>Total expenses (B)</b>  |          | <b>2,001,365,673</b>             | <b>1,628,099,031</b>              |
| <b>Profit before tax</b>   |          | <b>366,077,397</b>               | <b>282,787,320</b>                |
| Tax expense:   |          |                                  |                                   |
| - Current tax  |          | 78,811,444                       | 98,597,320                        |
| - Deferred tax   |          | 29,985,885                       | (136,506)                         |
| - Prior year tax adjustments (net)   |          | 18,108,625                       | -                                 |
| - MAT credit entitlement   |          | (7,142,121)                      | -                                 |
|  |          | <b>119,763,833</b>               | <b>98,460,814</b>                 |
| <b>Profit for the year</b>   |          | <b>246,313,564</b>               | <b>184,326,506</b>                |
| <b>Other Comprehensive Income/(Loss)</b>   |          |                                  |                                   |
| Items that will not be reclassified to statement of profit and loss                        |          |                                  |                                   |
| Remeasurement of defined employee benefit plans  |          | 1,531,973                        | 650,123                           |
| Fair value changes on Equity Instruments carried at fair value through OCI                 |          | -                                | -                                 |
| Tax impact of items that will not be reclassified to statement of profit and loss          |          | (446,111)                        | (227,153)                         |
| <b>Total comprehensive income for the year</b>   |          | <b>247,399,426</b>               | <b>184,749,476</b>                |
| <b>Earnings per equity share</b>   |          |                                  |                                   |
| (1) Basic  |          | 23.46                            | 17.55                             |
| (2) Diluted  |          | 23.46                            | 17.55                             |
| Nominal value of equity shares   |          | 10.00                            | 10                                |
| Significant Accounting Policies  | 2-3      |                                  |                                   |
| The accompanying notes form an integral part of the standalone Ind AS financial statements |          |                                  |                                   |

As per our report of even date attached

For Maheshwari & Co.  
Chartered Accountants  
FRN 105834W

Pawan Gattani  
Partner  
Membership No.: 144734

Place: Mumbai  
Date: 27 August, 2019

For and on behalf of the Board of Directors of  
Ami Organics Limited

Girish L. Chovatia  
Chairman  
(DIN-00907321)

Place: Surat  
Date: 27 August, 2019

Naresh Patel  
Managing Director  
(DIN-00906232)

Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)





AMI ORGANICS LIMITED  
(Formerly Known as Ami Organics Private Limited)  
CIN- U24100GJ2007PLC051093

Standalone Statement of Cash Flow for the period ended 31 March 2019

| Particulars   |                | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------|----------------------------------|-----------------------------------|
| <b>Cash flow from/(used in) operating activities</b>  |                |                                  |                                   |
| Profit before tax   |                | 366,077,397                      | 282,787,320                       |
| <b>Adjustment for:</b>  |                |                                  |                                   |
| Interest expense  |                | 44,494,235                       | 30,876,377                        |
| Interest income   |                | (678,402)                        | (2,066,744)                       |
| Depreciation and amortization   |                | 25,999,728                       | 19,043,135                        |
| Unrealised exchange difference (net)  |                | (9,702,127)                      | (5,694,582)                       |
| Prior year errors   |                | -                                | 232,105                           |
| IPO Expense   |                | (16,285,627)                     | -                                 |
| Remeasurement of defined employee benefit plans   |                | 1,531,973                        | 650,123                           |
| <b>Operating Profit Before Working Capital Changes</b>  |                | <b>411,437,177</b>               | <b>325,827,734</b>                |
| <b>Movement in working capital:</b>   |                |                                  |                                   |
| (Increase)/decrease in trade receivables  |                | (211,963,722)                    | (139,335,098)                     |
| (Increase)/decrease in inventories  |                | (112,795,962)                    | (76,660,194)                      |
| (Increase)/decrease in loans  |                | (1,270,325)                      | 2,264,333                         |
| (Increase)/decrease in other financial Assets   |                | (6,630,672)                      | (6,035,714)                       |
| (Increase)/decrease in other Current Assets   |                | 7,614,874                        | (21,551,786)                      |
| Increase/(decrease) in trade payables   |                | 228,414,524                      | 72,997,591                        |
| Increase/(decrease) in other current liability  |                | 34,489,382                       | (4,471,611)                       |
| Increase/(decrease) in provision  |                | 5,949,266                        | 3,275,556                         |
| <b>Cash generated/(used) in operations</b>  |                | <b>355,244,542</b>               | <b>156,310,811</b>                |
| Income taxes paid   |                | (137,654,658)                    | (77,721,044)                      |
| <b>Net Cash flow from operating activities</b>  | <b>(A)</b>     | <b>217,589,884</b>               | <b>78,589,767</b>                 |
| <b>Cash flow from/(used) investing activities</b>   |                |                                  |                                   |
| Payments Property, plant and equipment, (Including Capital WIP & Intangible Assets)             |                | (173,003,801)                    | (191,533,781)                     |
| Interest received   |                | 678,402                          | 2,066,744                         |
| Proceeds from sale of Property, plant and equipment (Including Capital WIP & Intangible Assets) |                | -                                | 385,000                           |
| (Increase)/decrease in fixed deposit with bank  |                | 2,622,776                        | 1,833,720                         |
| Payment for Investment in Joint Venture   |                | (10,577,025)                     | -                                 |
| (Increase)/decrease in Investment   |                | (68,322,997)                     | (57,674,647)                      |
| <b>Cash generated/(used) in investing activities</b>  | <b>(B)</b>     | <b>(248,602,645)</b>             | <b>(244,922,964)</b>              |
| <b>Cash flow from/(used in) financing activities</b>  |                |                                  |                                   |
| Proceed/(repayment) of borrowings (net)   |                | 74,723,769                       | 173,338,240                       |
| Interest paid   |                | (44,494,235)                     | (30,876,376)                      |
| <b>Cash generated/(used) in financing activities</b>  | <b>(C)</b>     | <b>30,229,534</b>                | <b>142,461,864</b>                |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                     | <b>(A+B+C)</b> | <b>(783,227)</b>                 | <b>(23,871,333)</b>               |
| Cash and cash equivalent at beginning of year   |                | 3,922,579                        | 27,820,370                        |
| Unrealised exchange difference  |                | 3,708                            | (26,458)                          |
| Total Cash and cash equivalent at beginning of year   |                | 3,926,287                        | 27,793,912                        |
| Cash and cash equivalent at end of year   |                | 3,156,905                        | 3,926,287                         |
| Unrealised exchange difference at year end  |                | (13,845)                         | (3,708)                           |
| Total Cash and cash equivalent at end of year   |                | 3,143,060                        | 3,922,579                         |
| <b>Net increase/(decrease) as disclosed above</b>   |                | <b>(783,227)</b>                 | <b>(23,871,333)</b>               |

For Maheshwari & Co.  
Chartered Accountants  
FRN 105834W

Pawan Gattani  
Partner  
Membership No.: 144734

Place: Mumbai  
Date: 27 August, 2019



For and on behalf of the Board of directors of  
Ami organics Limited

Girish L. Chovatia  
Chairman  
(DIN-00907321)

Place: Surat  
Date: 27 August, 2019

Naresh Patel  
Managing Director  
(DIN-00906232)

Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)



Standalone Statement of Changes in Equity for the period ended 31 March 2019

A Equity Share Capital

| Particulars                                     | Amount<br>(Rs.) |
|---|-----------------|
| Balance as at 31 March 2017                     | 15,000,000      |
| Changes in Equity Share Capital during the year | -               |
| Balance as at 31 March 2018                     | 15,000,000      |
| Changes in Equity Share Capital during the year | 90,000,000      |
| Balance as at 31 March 2019                     | 105,000,000     |

B Other Equity

| Particulars  | Reserves and Surplus           |                             |                               | Items of Other Comprehensive Income         |   |              | Total<br>(Rs.) |
|--|--------------------------------|-----------------------------|-------------------------------|---|---|--------------|----------------|
|  | Securities<br>Premium<br>(Rs.) | General<br>Reserve<br>(Rs.) | Retained<br>Earnings<br>(Rs.) | Equity<br>instrument fair<br>value<br>(Rs.) | Actuarial<br>gains and<br>losses<br>(Rs.) |              |                |
| Balance at 31 March 2017   | -                              | -                           | 383,236,509                   | -   | (3,254,257)                               | 379,982,252  |                |
| Profit for the year  | -                              | -                           | 184,326,506                   | -   | -   | 184,326,506  |                |
| Other Comprehensive Income for the year                            | -                              | -                           | -                             | -   | 650,123                                   | 650,123      |                |
| Impact of Prior year errors  | -                              | -                           | 232,105.00                    | -   | -   | 232,105      |                |
| Prior year tax adjustment  | -                              | -                           | -                             | -   | -   | -            |                |
| Transfer from OCI to retained earnings                             | -                              | -                           | -                             | -   | -   | -            |                |
| Tax impact of items not classified to statement of profit and loss | -                              | -                           | -                             | -   | (227,153)                                 | (227,153)    |                |
| Balance at 31 March 2018   | -                              | -                           | 567,795,120                   | -   | (2,831,287)                               | 564,963,833  |                |
| Profit for the year  | -                              | -                           | 246,313,564                   | -   | -   | 246,313,564  |                |
| Issue of Bonus Shares  | -                              | -                           | (90,000,000)                  | -   | -   | (90,000,000) |                |
| Expense Incurred for IPO   | -                              | -                           | (16,285,627)                  | -   | -   | (16,285,627) |                |
| Other Comprehensive Income for the year                            | -                              | -                           | -                             | -   | 1,531,973                                 | 1,531,973    |                |
| Impact of Prior year errors  | -                              | -                           | -                             | -   | -   | -            |                |
| Prior year tax adjustment  | -                              | -                           | -                             | -   | -   | -            |                |
| Transfer from OCI to retained earnings                             | -                              | -                           | -                             | -   | -   | -            |                |
| Tax impact of items not classified to statement of profit and loss | -                              | -                           | -                             | -   | (446,111)                                 | (446,111)    |                |
| Balance at 31 March 2019   | -                              | -                           | 707,823,057                   | -   | (1,745,425)                               | 706,077,632  |                |

The accompanying notes form an integral part of the standalone Ind AS financial statements

As per our report of even date attached

For Maheshwari & Co.  
Chartered Accountants  
FRN 105834W



Pawan Gattani  
Partner  
Membership No.: 144734

Place: Mumbai  
Date: 27 August, 2019

For and on behalf of the Board of directors of  
Ami organics Limited

Girish L. Chovatia  
Chairman  
(DIN-00907321)

Naresh Patel  
Managing Director  
(DIN-00906232)

Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)

Place: Surat  
Date: 27 August, 2019





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

**1 Corporate information**

Ami Organics Limited ("the Company") was originally formed as a partnership firm under the Partnership Act, 1932 in the name of "Ami Organics" pursuant to a deed of partnership dated January 3, 2004 with Promoters, among others, as partners. "Ami Organics" was then converted into private limited company under part IX of the Companies Act, 1956 under the name of "Ami Organics Private Limited" vide certificate of incorporation dated June 12, 2007 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to a resolution passed by our shareholders on April 5, 2018, Company was converted into a public limited company, following which Company's name was changed to "Ami Organics Limited", and a fresh certificate of incorporation was issued on April 18, 2018 having its registered office at Plot no. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat GJ 394230. The Company is engaged in business of drugs intermediate chemicals and related activities.

**2 Basis of preparation of financial statements**

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2019, together with the comparative period data as at and for the year ended 31st March 2018.

The Special Purpose Interim Standalone Financial Statements have been prepared by the Company for the purpose of preparation of the restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Interim Standalone Financial Statements may not be suitable for any other purpose.

**3.01 Functional and presentation currency**

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

**3.02 Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments  
Valuation of derivative financial instruments  
Useful life of property, plant and equipment  
Useful life of investment property  
Provisions  
Recoverability of trade receivables

**Summary of significant accounting policies**

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



### 3.04 Fair value measurement

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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (note 37)

Financial instruments (including those carried at amortised cost) (note 38)

### 3.05 Revenue recognition

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial Statements.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### Revenue from sale of goods

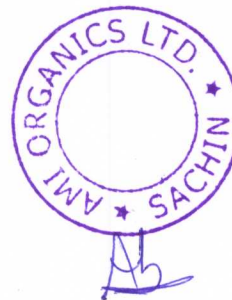
Revenue from export sales is recognised when delivery of goods is physically given to Customs authorities. Revenue from domestic sales is recognised when goods are delivered to the customer and the title of goods passes to the customers.

#### Interest and dividend income

The interest and dividends are recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.06 Inventories:

- i) Raw materials - is valued at the lower of cost or net realisable value. The cost is determined on FIFO /specific identification basis.
- ii) Finished goods - valued at the lower of cost or net realisable value. The cost of material is determined on FIFO/specific identification basis.
- iii) Work-in-progress is valued at material cost including appropriate production overhead.
- iv) Stores and spares are valued at the lower of cost or net realisable value. Cost is determined on FIFO basis.





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

3.07 Foreign currency transactions and translation

- i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated in functional currency at closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items recognised in statement of profit and loss.
- iii) As the Company enters into business transactions based on the prevailing exchange rate, forward premium and other related factors, the gain/(loss) on this account is considered to be an integral part of the operations of the Company in accordance with industry practice and to avoid distortion of operating performance.

3.08 Taxes

**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 Company determines the tax as per the provisions of Income Tax Act 1961 and other rules specified thereunder.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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 provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.09 a) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**Subsequent Cost**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

**b) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration.



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

**Depreciation and amortisation**

The depreciation on tangible assets is calculated on SLM method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 as follows:

| Asset class             | Useful life as per management |
|-------------------------|-------------------------------|
| Plant and machinery:    | 15 years                      |
| Office equipment        | 5 years                       |
| Computers               | 3 years                       |
| Vehicles                | 8 years                       |
| Furniture and fixtures  | 10 years                      |
| Electrical installation | 10 years                      |
| Office premises         | 60 years                      |
| Residential premises    | 60 years                      |
| Factory Building        | 30 years                      |

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.

**Derecognition of assets**

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

**3.10 Investment property**

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

Investment properties other than land are depreciated using WDV method over the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013 i.e. 60 years for office premises. Investment properties include:

- (i) Land
- (ii) Office premises.

**3.11 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**3.12 Contingent liabilities**

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 beyond the control of the company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

**3.13 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 Company's 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.

**3.14 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 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.





### 3.15 Financial instruments

#### Initial recognition

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

#### Subsequent measurement

##### (A) Non derivative financial instruments

##### (i) Financial Assets at amortised cost

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

- The 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 (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

##### (ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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

##### (iii) Financial liabilities

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

##### (a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

##### (b) Trade & other payables

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### (B) Derivative financial instruments

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

#### The company have derivative financial assets/financial liabilities which are not designated as hedges;

Derivatives not designated are initially recognised at the fair value and attributable transaction cost are recognised in statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss. Asset/Liabilities in this category are presented as current asset/current liabilities.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 3.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits 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, as they are considered an integral part of the Company's cash management.



**3.17 Employee Benefits**

**i) Defined contribution plans (Provident Fund)**

In accordance with Indian Law, eligible employees receive benefits from Provident Fund, which is defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the Government authorities, each equal to the specific percentage of employee's basic salary. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

**ii) Defined benefit plans (Gratuity)**

In accordance with applicable Indian Law, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of plan assets are deducted. The discount rate is yield at reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Company recognises all Remeasurement of net defined benefit liability/asset directly in other comprehensive income and presented within equity.

**iii) Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.18 Lease**

**Operating lease:**

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments / revenue under operating leases are recognised as an expense / income on accrual basis in accordance with the respective lease agreements.

**3.19 Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

3.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

a) Ind AS 116 :

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company has not entered into any lease contracts and hence this standard is not applicable to the entity.

b) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the 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 does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

c) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

f) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company will apply the pronouncement to long-term interests in an associate or joint venture.

g) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

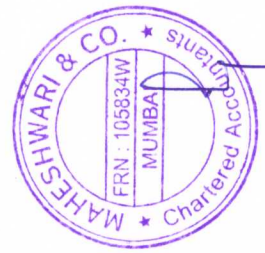
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

4 a) Property, Plant and Equipment

| Particulars                                  | Land       | Buildings<br>(Rs.) | Plant and<br>equipment<br>(Rs.) | Office equipment<br>(Rs.) | Furniture and<br>fixtures<br>(Rs.) | Vehicles<br>(Rs.) | Computers<br>(Rs.) | Total<br>(Rs.) |
|--|------------|--------------------|---------------------------------|---------------------------|------------------------------------|-------------------|--------------------|----------------|
| Gross Block (At cost)<br>As at 31 March 2017 | 37,366,221 | 71,182,551         | 91,765,533                      | 6,760,807                 | 7,537,181                          | 3,881,259         | 3,459,682          | 221,953,234    |
| Additions                                    | -          | 9,719,310          | 9,724,065                       | 538,121                   | -                                  | -                 | 3,387,665          | 23,369,161     |
| Deductions/Adjustments                       | -          | -                  | 385,000                         | -                         | -                                  | -                 | -                  | 385,000        |
| As at 31 March 2018                          | 37,366,221 | 80,901,861         | 101,104,598                     | 7,298,928                 | 7,537,181                          | 3,881,259         | 6,847,347          | 244,937,395    |
| Additions                                    | 3,000,000  | 100,291,626        | 340,421,861                     | 4,907,272                 | 535,548                            | 2,985,097         | 1,547,690          | 453,689,094    |
| Deductions/Adjustments                       | -          | -                  | -                               | -                         | -                                  | -                 | -                  | -              |
| As at 31 March 2019                          | 40,366,221 | 181,193,487        | 441,526,458                     | 12,206,200                | 8,072,729                          | 6,866,356         | 8,395,037          | 698,626,489    |
| Up to 31 March 2017                          | -          | 10,717,815         | 53,475,488                      | 3,985,030                 | 3,422,781                          | 2,401,743         | 2,916,416          | 76,919,274     |
| For the year                                 | -          | 6,287,124          | 8,208,923                       | 1,447,387                 | 1,072,197                          | 479,451           | 1,548,053          | 19,043,135     |
| Deductions/Adjustments                       | -          | -                  | -                               | -                         | -                                  | -                 | -                  | -              |
| Up to 31 March 2018                          | -          | 17,004,939         | 61,684,411                      | 5,432,417                 | 4,494,978                          | 2,881,194         | 4,464,469          | 95,962,409     |
| For the year                                 | -          | 4,619,015          | 18,440,791                      | 1,173,317                 | 388,698                            | 424,803           | 953,104            | 25,999,728     |
| Deductions/Adjustments                       | -          | -                  | -                               | -                         | -                                  | -                 | -                  | -              |
| At 31 March 2019                             | -          | 21,623,954         | 80,125,202                      | 6,605,734                 | 4,883,676                          | 3,305,997         | 5,417,573          | 121,962,137    |
| Net Block                                    |            |                    |                                 |                           |                                    |                   |                    |                |
| At 31 March 2017                             | 37,366,221 | 60,464,736         | 38,290,045                      | 2,775,777                 | 4,114,400                          | 1,479,516         | 543,266            | 145,033,961    |
| At 31 March 2018                             | 37,366,221 | 63,896,922         | 39,420,187                      | 1,866,511                 | 3,042,203                          | 1,000,065         | 2,382,878          | 148,974,986    |
| At 31 March 2019                             | 40,366,221 | 159,569,533        | 361,401,256                     | 5,600,466                 | 3,189,053                          | 3,560,359         | 2,977,464          | 576,664,352    |

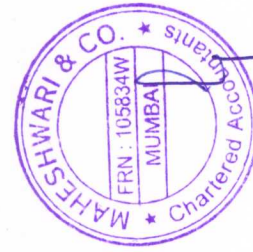
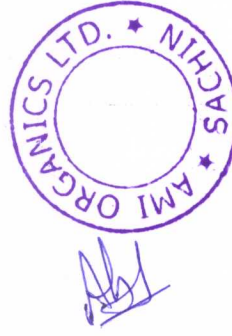




Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

4 b) Capital Work-in-Progress

| Particulars                                  | Factory Building | Plant & Machinery | Furniture & Fixtures | Office Equipment's | Patent & Trademark | Total       |
|--|------------------|-------------------|----------------------|--------------------|--------------------|-------------|
|  | (Rs.)            | (Rs.)             | (Rs.)                | (Rs.)              | (Rs.)              | (Rs.)       |
| Gross Block (At cost)<br>As at 31 March 2017 | 32,997,551       | 81,199,040        | -                    | -                  | -                  | 114,196,591 |
| Additions<br>Transfers                       | 24,689,400       | 137,756,964       | 24,133,285           | 1,769,844          | 695,000            | 189,044,493 |
| As at 31 March 2018                          | 57,686,951       | 218,956,004       | 24,133,285           | 1,769,844          | 695,000            | 303,241,084 |
| Additions<br>Transfers                       | 15,676,166       | -                 | 2,179,635            | -                  | 4,926,974          | 22,782,775  |
| As at 31 March 2019                          | 57,686,951       | 218,956,004       | 24,133,285           | 1,769,844          | -                  | 302,546,084 |
|  | 15,676,166       | -                 | 2,179,635            | -                  | 5,621,974          | 23,477,775  |



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

5 Non Current Investments:

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>A. Investments in Equity Instruments</b>  |                                 |                                 |
| <b>Trade, unquoted investments:</b>  |                                 |                                 |
| <b>Other Investment - Unquoted - measured at Fair Value through through Other Comprehensive Income At Cost</b> |                                 |                                 |
| 42,730 (as at 31.03.2018: 42730) Equity shares of Rs.10 each of Globe Enviro Care Limited                      | 427,300                         | 427,300                         |
| 31,441 (as at 31.03.2018: 32,441) Equity shares of Rs.19.07 each of Globe Enviro Care Limited                  | 618,650                         | 618,650                         |
| 3,000 (as at 31.03.2018: 3,000) Equity shares of Rs.10 each of Sachin Indl. Co.Op. Soc. Share                  | 30,000                          | 30,000                          |
| <b>Total</b>   | <b>1,075,950</b>                | <b>1,075,950</b>                |
| <b>Investment in Joint Ventures:</b>   |                                 |                                 |
| Ami Oncotheranostics LLC   | 265,741,861                     | 197,418,864                     |
| <b>Total</b>   | <b>265,741,861</b>              | <b>197,418,864</b>              |
| <b>Investment In limited liability Partnership:</b>  |                                 |                                 |
| Prodigy Bio LLP  | 13,206,651                      | 13,206,651                      |
| <b>Total</b>   | <b>13,206,651</b>               | <b>13,206,651</b>               |
| <b>Total</b>   | <b>280,024,462</b>              | <b>211,701,465</b>              |

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| Aggregate amount of Quoted Investments                     | -                               | -                               |
| Aggregate amount of Unquoted Investments                   | 280,024,462                     | 211,701,465                     |
| Market value of Quoted Investments                         | -                               | -                               |
| Aggregate provision for diminution in Value of Investments | -                               | -                               |





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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

6 Other Financial Assets

| Particulars                     | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---------------------------------|---------------------------------|---------------------------------|
| Security Deposits               | 10,750,499                      | 7,598,273                       |
| Fair Value of Plan Assets       | 2,797,999                       | 1,144,597                       |
| Investment in Bank              | 627,812                         | -                               |
| Investment in Key Man Insurance | 12,860,212                      | 11,662,980                      |
| <b>Total</b>                    | <b>27,036,522</b>               | <b>20,405,850</b>               |

*Note: Investment in Key an Insurance is Measured at Surrender value to the extent details are available, in cases where details are not available regarding Surrender value or Fund NAV, same has been taken at cost of Premium.*

7 Other Non Current Assets

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| Application Money Paid for Investment in Joint Venture | 10,577,025                      | -                               |
| <b>Total</b>   | <b>10,577,025</b>               | <b>-</b>                        |



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

8 Inventories

| Particulars                          | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--------------------------------------|---------------------------------|---------------------------------|
| Raw Materials                        | 249,978,905                     | 170,398,472                     |
| Finished Goods / Traded Goods:       | 94,820,257                      | 82,475,339                      |
| Work-in-Progress<br>Goods in Process | 39,257,497                      | 15,389,418                      |
| Packing (Drums)                      | 1,056,343                       | 2,052,331                       |
| Consumables Stores & Spares          | 1,572,592                       | 3,574,072                       |
| <b>Total</b>                         | <b>386,685,594</b>              | <b>273,889,632</b>              |

9 Trade Receivables

| Particulars                  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|------------------------------|---------------------------------|---------------------------------|
| (Unsecured, considered good) |                                 |                                 |
| Trade Receivables            | 728,610,520                     | 512,332,096                     |
| <b>Total</b>                 | <b>728,610,520</b>              | <b>512,332,096</b>              |

10 a) Cash and Cash Equivalents

| Particulars                             | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| Balances with banks-in Current Accounts | 2,499,997                       | 3,326,244                       |
| Cash on Hand                            | 656,908                         | 600,043                         |
| <b>Total</b>                            | <b>3,156,905</b>                | <b>3,926,287</b>                |

10 b) Bank Balances other than (a) above

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>In Fixed Deposits</b>   |                                 |                                 |
| Deposits with original maturity of more than three months but less than twelve months  | -                               | 2,311,146                       |
| Interest accrued on above fixed deposit (under lien against borrowing, overdraft facility, bank guarantee and with government authorities) | -                               | 311,630                         |
| <b>Total</b>   | <b>-</b>                        | <b>2,622,776</b>                |





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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

11 Loans

| Particulars   | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| Unsecured, Considered good<br>Others<br>Loans and Advances to Employees | 1,789,692                       | 519,367                         |
| <b>Total</b>  | <b>1,789,692</b>                | <b>519,367</b>                  |

12 Other Current Assets

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| Unsecured, Considered Good   |                                 |                                 |
| Prepaid Expenses   | 3,199,118                       | 1,290,731                       |
| Balances with Government Authorities                                   | 64,371,577                      | 84,639,032                      |
| Capital advances   | 1,026,655                       | 468,219                         |
| Advances to suppliers  | 17,908,401                      | 7,047,336                       |
| Advances Recoverable in Cash or in Kind or for Value to<br>be Received | 171,304                         | 288,175                         |
| <b>Total</b>   | <b>86,677,055</b>               | <b>93,733,493</b>               |



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

13 Equity Share Capital

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>Authorised:</b>   |                                 |                                 |
| 15,000,000 (as at 31 March 2018 1,500,000 ) Equity shares of Rs.10 each (refer note (d))   | 150,000,000                     | 15,000,000                      |
|  | 150,000,000                     | 15,000,000                      |
| <b>Issued, subscribed and paid up:</b>   |                                 |                                 |
| 105,00,000 ( as at 31 March 2018: 15,00,000.) Equity shares of Rs.10 each (as at 31 March 2018: Rs.10 each) fully paid up (refer note (d)) | 105,000,000                     | 15,000,000                      |
| Add: Forfeited shares (amount originally paid-up)  | -                               | -                               |
| <b>Total Equity</b>  | <b>105,000,000</b>              | <b>15,000,000</b>               |

a) Details of Reconciliation of the Number of Shares Outstanding:

| Particulars  | As at<br>31 March 2019 |                    | As at<br>31 March 2018 |                   |
|--|------------------------|--------------------|------------------------|-------------------|
|  | No. of shares          | Rs.                | No. of shares          | Rs.               |
| <b>Equity Shares:</b>  |                        |                    |                        |                   |
| Shares outstanding at the beginning of the year (refer note (d) below) | 1,500,000              | 15,000,000         | 1,500,000              | 15,000,000        |
| Add: Shares issued during the year                                     | 9,000,000              | 90,000,000         | -                      | -                 |
| Less: Shares cancelled on consolidation                                | -                      | -                  | -                      | -                 |
| <b>Shares outstanding at the end of the year</b>                       | <b>10,500,000</b>      | <b>105,000,000</b> | <b>1,500,000</b>       | <b>15,000,000</b> |

b) Terms/ rights attached to Equity Shares

Company has increased authorised capital from Rs. 1,50,00,000/- (Rupees One Crore Fifty lacs only) divided into 15,00,000 ( Fifteen lacs) Equity shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lacs ) Equity shares of Rs. 10/- each vide resolution dated 5th April 2018 (after balancesheet date)

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any by the Board of Directors is subject to approval of the shareholders.

In the event of liquidation of the Company, the holders of the 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.

c) Details of shares in the company held by each shareholder holding more than 5%:

| Name of Shareholder              | As at 31 March 2019 |        | As at 31 March 2018 |        |
|----------------------------------|---------------------|--------|---------------------|--------|
|                                  | No. of shares       | %      | No. of shares       | %      |
| Chetanbhai Chhaganbhai Vaghasiya | 1,032,500           | 9.83%  | 187,500             | 12.50% |
| Girishbhai Limbubhai Chovatiya   | 1,365,000           | 13.00% | 375,000             | 25.00% |
| Kiranben Girishbhai Chovatiya    | 2,450,000           | 23.33% | 350,000             | 23.33% |
| Nareishbhai Ramjibhai Patel      | 1,032,500           | 9.83%  | 187,500             | 12.50% |
| Parulben Chetanbhai Vaghasiya    | 1,312,500           | 12.50% | 187,500             | 12.50% |
| Shitalben Nareishbhai Patel      | 1,312,500           | 12.50% | 187,500             | 12.50% |

d) The Company has allotted 90,00,000 Bonus Equity Shares of Rs.10 each, fully paid up, in the ratio of 1:6 on 20th April 2018

14 Other Equity

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>Equity instruments through other Comprehensive Income</b> |                                 |                                 |
| Balance as per last financial statement                      | -                               | -                               |
| Addition during the year (net of tax)                        | -                               | -                               |
| Transfer to retained earning realised (gain)/Loss            | -                               | -                               |
| <b>Closing Balances</b>                                      |                                 |                                 |
| <b>Retained Earnings</b>                                     |                                 |                                 |
| Balance as at beginning of the year                          | 564,963,833                     | 379,982,252                     |
| Less: Issue of Bonus Shares                                  | (90,000,000)                    | -                               |
| Less: Expense Incurred for IPO                               | (16,285,627)                    | -                               |
| Add : Profit for the year                                    | 246,313,564                     | 184,326,506                     |
| Rectification of prior period errors                         | -                               | 232,105                         |
| Prior year tax adjustment                                    | -                               | -                               |
| Transfer from Other Comprehensive income                     | -                               | -                               |
| Remeasurement of the defined benefit plans (net of tax)      | 1,085,862                       | 422,970                         |
|  | <b>706,077,632</b>              | <b>564,963,833</b>              |
| <b>Total</b>   | <b>706,077,632</b>              | <b>564,963,833</b>              |





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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

15 Borrowings  
Refer Note 18 (a)

| Particulars                                    | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>Financial Liabilities at Amortised Cost</b> |                                 |                                 |
| <b>Secured</b>                                 |                                 |                                 |
| Term Loans                                     |                                 |                                 |
| From Banks and Financial institution           | 115,996,424                     | 195,311,199                     |
|  | 115,996,424                     | 195,311,199                     |
| <b>Unsecured</b>                               |                                 |                                 |
| From Banks and Financial institution           | -                               | 390,192                         |
| From Related Parties                           | 105,000,000                     | 31,500,000                      |
| <b>Total</b>                                   | <b>220,996,424</b>              | <b>227,201,391</b>              |

16 Provisions

| Particulars                             | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| <b>Provision for Employee Benefits.</b> |                                 |                                 |
| Gratuity                                | 12,512,095                      | 9,811,412                       |
| <b>Total</b>                            | <b>12,512,095</b>               | <b>9,811,412</b>                |

17 Deferred Tax Assets/ (liabilities)- Net

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| <b>Deferred Tax Liabilities</b>  |                                 |                                 |
| Fixed assets :   |                                 |                                 |
| Impact of difference between tax depreciation and charged in financial statement | (32,662,918)                    | 1,171,425                       |
|  | (32,662,918)                    | 1,171,425                       |
| <b>Deferred Tax Assets</b>   |                                 |                                 |
| Provision for gratuity   | 1,505,608                       | -                               |
| DTA on Items Classified to OCI   | 1,049,016                       | 1,495,127                       |
|  | 2,554,624                       | 1,495,127                       |
| Mat Credit Entitlement   | 7,142,121                       | -                               |
| <b>Total</b>   | <b>(22,966,173)</b>             | <b>323,702</b>                  |



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18 Borrowings  
(Refer Note 18a)

| Particulars   | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| Financial Liabilities at amortised cost<br><u>Secured</u> |                                 |                                 |
| Cash Credit   | 222,740,273                     | 141,070,425                     |
| Bill Discounting  | 38,706,227                      | 39,447,339                      |
| <b>Total</b>  | <b>261,446,500</b>              | <b>180,517,764</b>              |

19 Trade Payables

| Particulars   | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| Financial Liabilities at Amortised Cost<br>Trade Payables (Refer Note 32) | 685,433,081                     | 462,392,137                     |
| <b>Total</b>  | <b>685,433,081</b>              | <b>462,392,137</b>              |

20 Other Current Liabilities

| Particulars                           | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---------------------------------------|---------------------------------|---------------------------------|
| Current Maturities of Long Term Debts | 56,598,638                      | 25,668,175                      |
| Statutory Dues Payable                | 3,326,427                       | 4,502,530                       |
| Payables for Fixed assets             | 24,191,464                      | 22,711,044                      |
| Advances from customers               | 13,149,286                      | 12,863,401                      |
| Employees Dues                        | 7,918,952                       | 3,469,815                       |
| <b>Total</b>                          | <b>105,184,767</b>              | <b>69,214,965</b>               |

21 Provisions

| Particulars                                  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| Provision for employee benefits:<br>Gratuity | 136,505                         | 138,941                         |
| Other<br>Provision for Expenses              | 4,056,771                       | 805,752                         |
| <b>Total</b>                                 | <b>4,193,276</b>                | <b>944,693</b>                  |

22 Current Tax Liability (Net)

| Particulars                    | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--------------------------------|---------------------------------|---------------------------------|
| Provision for income tax (net) | 889,954                         | 41,624,543                      |
| <b>Total</b>                   | <b>889,954</b>                  | <b>41,624,543</b>               |





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

18.a Terms of Borrowings  
(Refer Note 15 & Note 16)

| Note | Lender                             | Amount Sanctioned Rs. | Outstanding Amount 31 March 2019 | Outstanding Amount 31 March 2018 | Carrying Rate of Interest As at 31 March 2019 | Carrying Rate of Interest As at 31 March 2018 | Repayment/Modification of Terms   | Security/Principal Terms & Conditions   |
|------|------------------------------------|-----------------------|----------------------------------|----------------------------------|---|---|---|---|
| 1    | HDFC Bank Ltd. - A/c.              | 110,000,000           | 86,734,003                       | 55,355,726                       | 9.80%   | 9.35%   | The loan is repayable in 12 Months.   | Primary Security.   |
|      | Cash Credit Limit                  | 40,000,000            | -                                | -                                | 9.80%   | 9.35%   | The loan is repayable in 12 Months.   | For cash credit facility. Hypothecation by way of first and exclusive charge on all the present and future stocks and book debts.   |
|      | Bill Discount Limit                | 20,000,000            | 38,706,228                       | 39,447,339                       | 9.75%   | 9.35%   | The loan is repayable in 60 Months.   |   |
|      | Term Loan                          | -                     | -                                | -                                | -   | -   | The loan is repayable in 60 Months.   | For term loan facility. Hypothecation by way of first and exclusive charge on all present and future plant and machinery.   |
|      | FCTL                               | 80,000,000            | -                                | -                                | 9.75%   | 9.35%   | The loan is repayable in 60 Months.   | Security (Collateral)   |
|      | WC Term Loan                       | 40,000,000            | -                                | -                                | 9.75%   | 9.35%   | The loan is repayable in 60 Months.   |   |
|      | Letter of Credit                   | 10,000,000            | -                                | -                                | 1.00%   | 1.25%   | The loan is repayable in 12 Months.   | Industrial Property/ Plot no. 440/5, Sachin Industrial Estate, Road No. 82, Sachin, GIDC, Surat, inland bearing R.S. No. 559P + 560, Surat, 395015, Surat   |
|      | PSR                                | 7,000,000             | -                                | -                                | As per standard bank's norms                  | As per standard bank's norms                  | The loan is repayable in 12 Months.   |   |
|      | Corporate Credit card              | 1,200,000             | -                                | -                                | -   | -   | The loan is repayable in 12 Months.   | Industrial Property/ Plot no. 440/6 Sachin Industrial Estate Road No. 82, Sachin, GIDC, Surat, situated at land bearing R.S. No. 359P + 560, Surat, 395015, Surat   |
|      | BG Limit                           | 5,000,000             | -                                | -                                | 1%  | 1.80%   | The loan is repayable in 12 Months.   | Residential Property/ 148, Krishna Park, Sachin, Navsari Road Pardi Kande, Surat, Opp. Yogeshwar Park, Sachin   |
|      | DRUL Limit                         | 5,000,000             | -                                | -                                | 9.75%   | 9.35%   | The loan is repayable in 12 Months.   |   |
| 2    | Magna Fincorp Ltd                  | 7,500,000             | -                                | 365,636.00                       | 17.00%  | 17.00%  | The loan is repayable in 24 installments.   | Unsecured   |
| 3    | Religare Finvest Ltd.              | 5,000,000             | -                                | 2,697,869.00                     | 17.00%  | 17.00%  | The loan is repayable in 36 installments and the rate of interest will be charged on a pro-rata basis on the basis of 30 days period from the date between the disbursement and presentation of 1st EMI date. | Unsecured   |
| 4    | Aditya Birla Capital - 80001075    | 50,000,000            | 41,205,011                       | 49,035,132                       | 11.35%  | 10.00%  | The loan is repayable in 60 installments. Interest Rate is floating.  | Security: Exclusive charge by way of registered mortgage on industrial plot along with shed located at plot no. 478, 479, 494 and 495, road no. 82/C and 82/D, GIDC, Sachin, Surat, owned by GIDC and on leasehold rights to the Company.                             |
|      | Aditya Birla Capital - 80000517    | 20,000,000            | 11,842,230                       | 15,545,603                       | 11.35%  | 10.00%  | The loan is repayable in 60 installments. Interest Rate is floating.  |   |
|      | Aditya Birla Capital - 80000237    | 50,000,000            | 18,271,358                       | 28,769,565                       | 11.35%  | 10.00%  | The loan is repayable in 60 installments. Interest Rate is floating.  | Exclusive charge by way of registered mortgage on industrial property located at plot no. 440/4 Sachin Industrial Estate on land bearing R.S. No. 5559P + 560P of village Talangpur, Tal. Choryasi, Dist. Surat owned by GIDC and on leasehold rights to the Company. |
|      | Aditya Birla Finance               | 135,000,000           | 136,145,429                      | 85,714,899                       | 11.10%  | 10.00%  | Limit of Rs. 13.5 Crores is valid for 1 year from the date of sanction.   |   |
| 5    | Capital First                      | 7,500,000             | -                                | 364,002                          | 16.50%  | 16.50%  | The loan is repayable in 24 installments.   | Unsecured   |
| 6    | HDFC Light Commercial Vehicle Loan | 822,526               | -                                | 417,816                          | -   | -   | The loan is repayable in 36 installments.   | Hypothecation of the vehicle  |
| 7    | Yes Bank Limited - Vehicle Loan    | -                     | 1,605,122                        | -                                | 8.60%   | -   | The loan will be recovered in 37 monthly installments of ₹59,723/- equated.   | Hypothecation of the vehicle  |
| 8    | Yes Bank Limited - Vehicle Loan    | -                     | 590,397                          | -                                | 9.10%   | -   | The loan will be recovered in 37 monthly installments of ₹21,786/- equated.   | Hypothecation of the vehicle  |



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23 Revenue From Operations

| Particulars  | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------------------------------|-----------------------------------|
| <b>Sales of Raw Materials / Finished Goods / Traded Goods:</b> |                                  |                                   |
| Export Sales   | 1,159,310,643                    | 956,058,097                       |
| Domestic Sales   | 1,154,133,175                    | 879,621,539                       |
| <b>Other operating revenues</b>                                |                                  |                                   |
| Duty drawback and other export incentives                      | 42,450,133                       | 46,532,390                        |
| <b>Total</b>   | <b>2,355,893,951</b>             | <b>1,882,212,026</b>              |

24 Other Income

| Particulars                       | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|-----------------------------------|----------------------------------|-----------------------------------|
| <b>Interest income:</b>           |                                  |                                   |
| On Fixed Deposit with Banks       | 366,772                          | 2,138,182                         |
| <b>Others:</b>                    |                                  |                                   |
| Discount Received                 | 5,205,321                        | -                                 |
| Foreign Exchange Fluctuation Gain | 5,028,026                        | 24,622,669                        |
| Others                            | 949,000                          | 1,797,969                         |
| Insurance Gain                    | -                                | 115,505                           |
| <b>Total</b>                      | <b>11,549,119</b>                | <b>28,674,325</b>                 |





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25 Cost of Raw Materials Consumed

| Particulars                           | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---------------------------------------|----------------------------------|-----------------------------------|
| <b>Raw Materials Consumed / Sold:</b> |                                  |                                   |
| Opening stock                         |                                  |                                   |
| Raw Materials                         | 170,398,472                      | 115,622,547                       |
| Packing Materials                     | 2,052,331                        | 1,483,568                         |
|                                       | <b>172,450,803</b>               | <b>117,106,115</b>                |
| <b>Add : Purchases</b>                |                                  |                                   |
| Domestic                              | 1,049,829,780                    | 764,703,698                       |
| Import                                | 554,557,825                      | 471,907,321                       |
|                                       | <b>1,604,387,605</b>             | <b>1,236,611,019</b>              |
| <b>Less: Closing stock</b>            |                                  |                                   |
| Raw Materials                         | 249,978,905                      | 170,398,472                       |
| Packing Materials                     | 1,056,343                        | 2,052,331                         |
|                                       | <b>251,035,248</b>               | <b>172,450,803</b>                |
| <b>Total (a+b+c)</b>                  | <b>1,525,803,160</b>             | <b>1,181,266,331</b>              |

26 Changes In Inventories of Finished Goods/Traded Goods and Work-In-Progress

| Particulars   | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------------------------|-----------------------------------|
| <b>a) Changes in Inventories of Finished Goods / Traded Goods</b> |                                  |                                   |
| <b>Opening stock of finished goods / traded goods:</b>            |                                  |                                   |
| Finished goods  | 82,475,339                       | 11,377,750                        |
| <b>Less: Closing stock of finished goods / traded goods:</b>      |                                  |                                   |
| Finished goods  | 94,820,257                       | 82,475,339                        |
|   | <b>(12,344,918)</b>              | <b>(71,097,589)</b>               |
| <b>b) Changes in work in progress</b>                             |                                  |                                   |
| Opening stock   | 15,389,418                       | 68,745,573                        |
| Less: Closing stock   | 39,257,497                       | 15,389,418                        |
|   | <b>(23,868,079)</b>              | <b>53,356,155</b>                 |
| <b>Total</b>  | <b>(36,212,997)</b>              | <b>(17,741,434)</b>               |



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27 Employee Benefits Expense

| Particulars                                | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------------------------------|-----------------------------------|
| Salaries, Bonus, Commission and Allowances | 103,098,518                      | 90,493,875                        |
| Contribution to Provident and Other Funds  | 4,500,614                        | 3,079,016                         |
| Gratuity                                   | 3,076,818                        | 3,486,823                         |
| Staff Welfare Expenses                     | 3,617,082                        | 1,996,665                         |
| <b>Total</b>                               | <b>114,293,032</b>               | <b>99,056,379</b>                 |

28 Finance Costs

| Particulars                  | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|------------------------------|----------------------------------|-----------------------------------|
| Interest on Term Loan and CC | 43,308,501                       | 28,772,465                        |
| Interest on Unsecured Loan   | 1,185,734                        | 1,954,697                         |
| Interest on Statutory Dues   | 233,848                          | 149,214                           |
| Processing & Other Charges   | 961,987                          | 1,376,309                         |
| Interest on MSME Creditors   | 1,841,046                        | -                                 |
| <b>Total</b>                 | <b>47,531,116</b>                | <b>32,252,685</b>                 |





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29 Other Expenses

| Particulars                                  | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------------------------------|-----------------------------------|
| Stores, Spares and Tools Consumed            | 10,736,055                       | 3,713,575                         |
| Job work charges                             | 111,019,750                      | 144,389,286                       |
| Conversion & Other Manufacturing charges     | 43,165,422                       | 13,372,126                        |
| Power and Electricity                        | 41,418,676                       | 12,730,932                        |
| Communication Expenses                       | 329,584                          | 248,946                           |
| Printing and Stationery                      | 3,582,055                        | 1,819,340                         |
| Travelling and Conveyance Expenses           | 11,430,658                       | 12,583,518                        |
| Legal and Professional Fees                  | 13,347,488                       | 16,170,146                        |
| Rent on Car                                  | -                                | 7,300,000                         |
| Rates and Taxes                              | 3,535,348                        | 36,274,302                        |
| Repairs and Maintenance                      | 4,295,865                        | 6,608,679                         |
| Exchange difference (net)                    | -                                | -                                 |
| Insurance Charges                            | 6,748,400                        | 4,919,063                         |
| Auditor's Remuneration:                      |                                  |                                   |
| - for audit                                  | 700,000                          | 220,000                           |
| - for tax audit                              | -                                | 30,000                            |
| - for Others                                 | -                                | 292,794                           |
| Donations                                    | 7,500                            | 36,000                            |
| CSR Expenditure                              | 4,376,600                        | 2,852,500                         |
| Commission and brokerage on sales            | 14,425,436                       | 12,603,609                        |
| Advertisement expenses                       | 13,151,632                       | 7,836,614                         |
| Freight, clearing and forwarding charges     | 32,773,214                       | 19,426,021                        |
| Discount allowed                             | -                                | 3,455,444                         |
| Directors Sitting Fees                       | 560,000                          | -                                 |
| Membership & Subscription Expenses           | 210,175                          | 366,359                           |
| Security Expenses                            | 2,241,333                        | 2,163,428                         |
| Contribution For Scientific Research Expense | -                                | -                                 |
| Loss from Joint Venture                      | 62,852                           | -                                 |
| Miscellaneous and other expenses             | 5,833,591                        | 4,809,253                         |
| <b>Total</b>                                 | <b>323,951,634</b>               | <b>314,221,935</b>                |

30 Earnings in foreign exchange

| Particulars                             | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------------------------|-----------------------------------|
| Export of goods calculated on FOB basis | 1,114,333,436                    | 950,433,772                       |
| <b>Total</b>                            | <b>1,114,333,436</b>             | <b>950,433,772</b>                |



31 a) Value of imports calculated on CIF basis

| Particulars   | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---------------|----------------------------------|-----------------------------------|
| Raw Materials | 525,239,411                      | 453,041,212                       |
| Capital Goods | 2,651,455                        | 2,624,193                         |
| <b>Total</b>  | <b>527,890,866</b>               | <b>455,665,405</b>                |

31 b) Expenditure in Foreign Currency

| Particulars    | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|----------------|----------------------------------|-----------------------------------|
| Other Expenses | 12,234,626                       | 4,629,718                         |
| <b>Total</b>   | <b>12,234,626</b>                | <b>4,629,718</b>                  |

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act

| Particulars  | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 52,808,068                      | 38,581,352                      |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | 1,841,048                       | -                               |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                              | -                               | -                               |
| (iv) The amount of interest due and payable for the year   | 1,841,048                       | -                               |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | 1,841,048                       | -                               |
| (vi) 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 | 1,841,048                       | -                               |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been

33 Contingent Liabilities and Commitments (To The Extent Not Provided For)

| Particulars                     | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---------------------------------|---------------------------------|---------------------------------|
| <b>Contingent liabilities:</b>  |                                 |                                 |
| Disputed income tax liabilities | 768,261                         | -                               |
| TDS                             | 44,252                          | -                               |
| <b>Total</b>                    | <b>768,261</b>                  | <b>-</b>                        |





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

34 Employee benefit obligations

a. Defined Contribution Plans:

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

| Particulars                    | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--------------------------------|----------------------------------|-----------------------------------|
| Contribution to Provident Fund | 630,697                          | 2,569,129                         |
| Contribution to ESIC           | 3,864,103                        | 503,317                           |
| Contribution to LWF            | 5,814                            | 6,570                             |

ii. Defined Benefit Plan:

The Company has a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

| Particulars   | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------------------------|-----------------------------------|
| <b>Change in present value of obligations</b>   |                                  |                                   |
| PVO at beginning of period  | 9,950,353                        | 7,179,609                         |
| Interest cost   | 759,330                          | 530,267                           |
| Current Service Cost  | 2,420,592                        | 1,497,979                         |
| Past Service Cost- (non vested benefits)  | -                                | 239,827                           |
| Past Service Cost -(vested benefits)  | -                                | 1,271,689                         |
| Benefits Paid   | (100,694)                        | (104,731)                         |
| Contributions by plan participants  | -                                | -                                 |
| Business Combinations   | -                                | -                                 |
| Curtailments  | -                                | -                                 |
| Settlements   | -                                | -                                 |
| Actuarial (Gain)/Loss on obligation   | (1,525,578)                      | (664,287)                         |
| <b>PVO at end of period</b>   | <b>11,504,003</b>                | <b>9,950,353</b>                  |
| <b>Fair Value of Plan Assets</b>  |                                  |                                   |
| Opening Fair Value of Plan Asset  | 1,144,597                        | 317,269                           |
| Adjustment to Opening Fair Value of Plan Asset  | -                                | -                                 |
| Return on Plan Assets excl. interest income   | 6,395                            | (14,164)                          |
| Interest Income   | 103,104                          | 52,939                            |
| Contributions by Employer   | 500,000                          | 893,284                           |
| Benefits Paid   | (100,694)                        | (104,731)                         |
| <b>Fair Value of Plan Assets at end</b>   | <b>1,653,402</b>                 | <b>1,144,597</b>                  |
| <b>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b> |                                  |                                   |
| PVO at end of period  | 11,504,003                       | 9,950,353                         |
| Fair Value of Plan Assets at end of period  | 1,653,402                        | 1,144,597                         |
| Funded Status   | (9,850,601)                      | (8,805,756)                       |
| <b>Net Asset/(Liability) recognized in the balance sheet</b>                                    | <b>(9,850,601)</b>               | <b>(8,805,756)</b>                |
| <b>Other Comprehensive Income (OCI)</b>   |                                  |                                   |
| Actuarial (Gain)/Loss recognized for the period   | (1,525,578)                      | (664,287)                         |
| Asset limit effect  | -                                | -                                 |
| Return on Plan Assets excluding net interest  | -6,395                           | 14,164                            |
| Unrecognized Actuarial (Gain)/Loss from previous period   | -                                | -                                 |
| <b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>  | <b>(1,531,973)</b>               | <b>(650,123)</b>                  |
| <b>Expense recognized in the statement of P &amp; L A/C</b>                                     |                                  |                                   |
| Current Service Cost  | 2,420,592                        | 1,497,979                         |
| Net Interest  | 656,226                          | 477,328                           |
| Past Service Cost- (non vested benefits)  | -                                | 239,827                           |
| Past Service Cost -(vested benefits)  | -                                | 1,271,689                         |
| Curtailment Effect  | -                                | -                                 |
| Settlement Effect   | -                                | -                                 |
| <b>Expense recognized in the statement of P &amp; L A/C</b>                                     | <b>3,076,818</b>                 | <b>3,486,823</b>                  |
| <b>Movements in the Liability recognized in Balance Sheet</b>                                   |                                  |                                   |
| Opening Net Liability   | 8,805,756                        | 6,862,340                         |
| Expenses as above   | 3,076,818                        | 3,486,823                         |
| Contribution paid   | (500,000)                        | (893,284)                         |
| Other Comprehensive Income(OCI)   | (1,531,973)                      | (650,123)                         |
| <b>Closing Net Liability</b>  | <b>9,850,601</b>                 | <b>8,805,756</b>                  |



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

| Net liability is bifurcated as follows : | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|--|---------------------------------|---------------------------------|
| Current                                  | 136,505                         | 138,941                         |
| Non-current                              | 11,367,498                      | 9,811,412                       |
| <b>Net liability</b>                     | <b>11,504,003</b>               | <b>9,950,353</b>                |

| Assumptions as at                                   |                    |                    |
|---|--------------------|--------------------|
| Mortality   | IALM (2006-08) UR. | IALM (2006-08) UR. |
| Interest / Discount Rate                            | 7.67%              | 7.67%              |
| Rate of increase in compensation                    | 12.00%             | 12.00%             |
| Annual increase in healthcare costs                 |                    |                    |
| Future Changes in maximum state healthcare benefits |                    |                    |
| Expected average remaining service                  | 20                 | 20                 |
| Retirement Age                                      | 60 Year            | 60 Year            |
| Employee Attrition Rate                             | 2% For All Ages    | 2% For All Ages    |

A quantitative analysis for significant assumption is as shown below:  
Indian gratuity plan:

| Particulars   | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------------------------|-----------------------------------|
| <b>Assumptions -Discount rate</b>                             |                                  |                                   |
| Sensitivity Level (a hypothetical increase / (decrease) by)   | 1.00%                            | 1.00%                             |
| Impact on defined benefit obligation -increase of sensitivity | 9,752,830                        | 8,457,567                         |
| Impact on defined benefit obligation -decrease of sensitivity | 13,701,793                       | 11,809,158                        |
| <b>Assumptions -Future salary escalations rates</b>           |                                  |                                   |
| Sensitivity Level (a hypothetical increase / (decrease) by)   | 1.00%                            | 1.00%                             |
| Impact on defined benefit obligation -increase of sensitivity | 13,113,330                       | 11,328,305                        |
| Impact on defined benefit obligation -decrease of sensitivity | 10,051,022                       | 8,727,440                         |

| Particulars   | As at<br>31 March 2018<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---------------|---------------------------------|---------------------------------|
| Within 1 year | 13,505                          | 138,941                         |
| 1-2 year      | 154,807                         | 168,058                         |
| 2-3 year      | 178,870                         | 223,472                         |
| 3-4 year      | 227,112                         | 294,820                         |
| 4-5 year      | 239,888                         | 384,833                         |
| 5-10 year     | 3,173,865                       | 7,008,474                       |

### 35 Segmental Information

In accordance with IND AS 108 "Operating segment" - The Company used to present the segment information identified on the basis of internal report used by the Company to allocate resources to the segment and assess their performance. The Board of Directors of the Company is collectively the Chief Operating Decision Maker (CODM) of the Company.

The chief operating decision maker monitors the operating results of its segment separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated on the basis on profit and loss.

Summary of the segment information as follows:

| Particulars   | As at<br>31 March 2018<br>(Rs.) | As at<br>31 March 2018<br>(Rs.) |
|---|---------------------------------|---------------------------------|
| <b>Segment Revenue</b>  |                                 |                                 |
| Sales and income from operations  |                                 |                                 |
| Within India  | 1,154,133,175                   | 879,621,539                     |
| Outside India   | 1,159,310,643                   | 956,058,097                     |
|   | <b>2,313,443,818</b>            | <b>1,835,679,636</b>            |
| <b>Carrying amount of assets by geographical location of assets</b>                         |                                 |                                 |
| Segment Assets  |                                 |                                 |
| Within India  | 1,966,897,351                   | 1,347,344,760                   |
| Outside India   | 157,802,551                     | 224,002,276                     |
|   | <b>2,124,699,902</b>            | <b>1,571,347,036</b>            |
| <b>Additions to Fixed Assets (including intangible assets and capital work in progress)</b> |                                 |                                 |
| Within India  | 453,429,230                     | 23,369,161                      |
| Outside India   | 259,864                         | -                               |
|   | <b>453,689,094</b>              | <b>23,369,161</b>               |



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

36 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradicating hunger, poverty and malnutrition, promoting preventive health care, ensuring environmental sustainability education, promoting gender equality and empowering women and other activities. The amount has to be expended on the activities which are specified in Schedule VII of the Companies Act, 2013.

Details of CSR expenditure required to be spent and amount spent are as under:

| Particulars   | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|---|----------------------------------|-----------------------------------|
| Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII | 3,659,965                        | 2,832,648                         |
| Amount spent during the year  |                                  |                                   |
| (i) Construction/acquisition of any asset   |                                  | -                                 |
| (ii) On purposes other than (i) above   | 4,376,600                        | 2,852,500                         |
| Cumulative CSR Expenditure required to be spent   | 712,661                          | 1,429,296                         |

37 Financial Instruments

Financial Instrument by Category

The carrying value and fair value of financial instrument by categories as of 31 March 2019 were as follows

| Particulars                 | at amortised cost<br>(Rs.) | at fair value<br>through profit<br>and loss<br>(Rs.) | at fair value<br>through OCI<br>(Rs.) | Total Carrying<br>value<br>(Rs.) | Total fair value<br>(Rs.) |
|-----------------------------|----------------------------|--|---------------------------------------|----------------------------------|---------------------------|
| <b>Assets:</b>              |                            |  |                                       |                                  |                           |
| Cash and Cash Equivalents   | 3,156,905                  | -  | -                                     | 3,156,905                        | 3,156,905                 |
| Other Bank Balance          | -                          | -  | -                                     | -                                | -                         |
| Trade Receivables           | 728,610,520                | -  | -                                     | 728,610,520                      | 728,610,520               |
| Other Financial Assets      | 27,036,522                 | -  | -                                     | 27,036,522                       | 27,036,522                |
| Loans                       | 1,789,692                  | -  | -                                     | 1,789,692                        | 1,789,692                 |
| Investments                 | 278,948,512                | -  | 1,075,950                             | 280,024,462                      | 280,024,462               |
|                             | <b>1,039,542,151</b>       | <b>-</b>   | <b>1,075,950</b>                      | <b>1,040,618,101</b>             | <b>1,040,618,101</b>      |
| <b>Liabilities:</b>         |                            |  |                                       |                                  |                           |
| Borrowing                   | 482,442,924                | -  | -                                     | 482,442,924                      | 482,442,924               |
| Trade and other payables    | 685,433,081                | -  | -                                     | 685,433,081                      | 685,433,081               |
| Other financial liabilities | -                          | -  | -                                     | -                                | -                         |
|                             | <b>1,167,876,005</b>       | <b>-</b>   | <b>-</b>                              | <b>1,167,876,005</b>             | <b>1,167,876,005</b>      |

The carrying value and fair value of financial instrument by categories as of 31 March 2018 were as follows

| Particulars                 | at amortised cost<br>(Rs.) | at fair value<br>through profit<br>and loss<br>(Rs.) | at fair value<br>through OCI<br>(Rs.) | Total Carrying<br>value<br>(Rs.) | Total fair value<br>(Rs.) |
|-----------------------------|----------------------------|--|---------------------------------------|----------------------------------|---------------------------|
| <b>Assets:</b>              |                            |  |                                       |                                  |                           |
| Cash and Cash Equivalents   | 3,926,267                  | -  | -                                     | 3,926,267                        | 3,926,267                 |
| Other Bank Balance          | 2,622,776                  | -  | -                                     | 2,622,776                        | 2,622,776                 |
| Trade Receivables           | 512,332,096                | -  | -                                     | 512,332,096                      | 512,332,096               |
| Other Financial Assets      | 20,405,850                 | -  | -                                     | 20,405,850                       | 20,405,850                |
| Loans                       | 519,367                    | -  | -                                     | 519,367                          | 519,367                   |
| Investments                 | 210,625,515                | -  | 1,075,950                             | 211,701,465                      | 211,701,465               |
|                             | <b>750,431,891</b>         | <b>-</b>   | <b>1,075,950</b>                      | <b>751,507,841</b>               | <b>751,507,841</b>        |
| <b>Liabilities:</b>         |                            |  |                                       |                                  |                           |
| Borrowing                   | 407,719,155                | -  | -                                     | 407,719,155                      | 407,719,155               |
| Trade and other payables    | 462,392,137                | -  | -                                     | 462,392,137                      | 462,392,137               |
| Other financial liabilities | -                          | -  | -                                     | -                                | -                         |
|                             | <b>870,111,292</b>         | <b>-</b>   | <b>-</b>                              | <b>870,111,292</b>               | <b>870,111,292</b>        |

38 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

| Particulars                                       | As at<br>31 March 2019<br>(Rs.) | Fair value measurement at end of the reporting year using |               |               |
|---|---------------------------------|---|---------------|---------------|
|   |                                 | Level 1 (Rs.)   | Level 2 (Rs.) | Level 3 (Rs.) |
| <b>Assets /Liabilities measured at fair value</b> |                                 |   |               |               |
| <u>Financial Assets:</u>                          |                                 |   |               |               |
| Non current investments                           | 280,024,462                     | -   | -             | 280,024,462   |
| Other financial assets                            | 23,610,711                      | -   | -             | 23,610,711    |
| <u>Financial Liabilities:</u>                     |                                 |   |               |               |
| Borrowings  | 220,996,424                     | -   | -             | 220,996,424   |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

| Particulars                                       | As at<br>31 March 2018 | Fair value measurement at end of the reporting year using |               |               |
|---|------------------------|---|---------------|---------------|
|   |                        | Level 1 (Rs.)   | Level 2 (Rs.) | Level 3 (Rs.) |
| <b>Assets /Liabilities measured at fair value</b> |                        |   |               |               |
| <u>Financial Assets:</u>                          |                        |   |               |               |
| Non current investments                           | 211,701,465            | -   | -             | 211,701,465   |
| Other financial assets                            | 19,261,253             | -   | -             | 19,261,253    |
| <u>Financial Liabilities:</u>                     |                        |   |               |               |
| Borrowings  | 227,201,391            | -   | -             | 227,201,391   |

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The management assessed that cash and cash equivalents, Trade receivable and other financial assets, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

39 Financial Risk Management Objectives and Policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Carrying Amount of Financial Assets and Liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

| Particulars                    | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|--------------------------------|-------------------------------|-------------------------------|
| <b>Financial assets</b>        |                               |                               |
| Non current investment         | 280,024,462                   | 211,701,465                   |
| Cash and cash equivalent       | 3,156,905                     | 3,926,287                     |
| Bank balances other than above | -                             | 2,622,776                     |
| Trade receivables              | 728,610,520                   | 512,332,096                   |
| Loans                          | 1,789,692                     | 519,367                       |
| Other financial assets         | 27,036,522                    | 20,405,850                    |
| <b>At end of the year</b>      | <b>1,040,618,101</b>          | <b>751,507,841</b>            |
| <b>Financial liabilities</b>   |                               |                               |
| Borrowings                     | 482,442,924                   | 407,719,155                   |
| Trade payables                 | 685,433,081                   | 462,392,137                   |
| Other financial liabilities    | -                             | -                             |
| <b>At end of the year</b>      | <b>1,167,876,005</b>          | <b>870,111,292</b>            |

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

As disclosed in Note 19 (a), cash and cash equivalents balances generally represent short term deposits with a less than 90-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90-360 days. But some customers take a longer period to settle the amounts.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

| Particulars                    | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|--------------------------------|-------------------------------|-------------------------------|
| <b>Financial assets</b>        |                               |                               |
| Non current investment         | 280,024,462                   | 211,701,465                   |
| Cash and cash equivalent       | 3,156,905                     | 3,926,287                     |
| Bank balances other than above | -                             | 2,622,776                     |
| Trade receivables              | 728,610,520                   | 512,332,096                   |
| Loans                          | 1,789,692                     | 519,367                       |
| Other financial assets         | 27,036,522                    | 20,405,850                    |
| <b>At end of the year</b>      | <b>1,040,618,101</b>          | <b>751,507,841</b>            |

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

| Particulars               | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|---------------------------|-------------------------------|-------------------------------|
| <b>Trade receivables:</b> |                               |                               |
| Less than 90 days         | 605,896,257                   | 468,366,103                   |
| 90 to 180 days            | 104,393,381                   | 37,152,600                    |
| Over 180 days             | 18,320,882                    | 6,813,393                     |
|                           | <b>728,610,520</b>            | <b>512,332,096</b>            |

In the opinion of management, trade receivable, Financial assets, Cash and cash equivalent, Balance with Bank, Loans and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

The Company has not recognised any loss allowance as the Company expect that there is no credit loss on trade receivables.



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

**40 Foreign currency risk**

The Company operates internationally and the major portion of business is transacted in USD & EURO. The Company has Sales, Purchase, Borrowing (etc.) in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

Foreign exchange exposure is partially balanced by purchasing in goods, commodities and services in the respective currencies.

The company evaluate exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposures not specifically covered by forward exchange contracts as at year end are as follows:

| Currency       | As at 31 March 2019 |               | As at 31 March 2018 |               |
|----------------|---------------------|---------------|---------------------|---------------|
|                | Foreign Currency    | Indian Rupees | Foreign Currency    | Indian Rupees |
| USD            | 183,836             | 12,716,175    | 3,389,408           | 220,461,325   |
| EURO           | 1,755,480           | 136,405,009   | 3,363,084           | 271,098,888   |
| GBP            | -                   | -             | 2,765               | 255,167       |
| Other currency | 1,083               | 29,042        | 977                 | 28,859        |

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

| Currency       | As at 31 March 2019   |                       | As at 31 March 2018   |                       |
|----------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                | 1 % increase<br>(Rs.) | 1 % decrease<br>(Rs.) | 1 % increase<br>(Rs.) | 1 % decrease<br>(Rs.) |
| USD            | (127,162)             | 127,162               | (2,204,613)           | 2,204,613             |
| EURO           | (1,364,050)           | 1,364,050             | (2,710,989)           | 2,710,989             |
| GBP            | 0                     | -                     | (2,552)               | 2,552                 |
| Other currency | (290)                 | 290                   | (289)                 | 289                   |

**41 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 changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate are disclosed in the respective notes to the financial statements of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

| Particulars                            | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|--|---------------------------------|-------------------------------|
| <b>Financial assets</b>                |                                 |                               |
| Interest bearing - Fixed interest rate | -                               | 2,311,146                     |
| - Current fixed deposit                |                                 |                               |
| <b>Financial Liabilities</b>           |                                 |                               |
| Interest bearing                       |                                 |                               |
| Borrowings - Floating interest rate    |                                 |                               |
| - Working capital loan in rupee        | 222,740,273                     | 141,070,425                   |
| Borrowings - Fixed interest rate       |                                 |                               |
| - Banks & Financial institutions       | 172,595,062                     | 221,369,566                   |



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars                 | As at<br>31 March 2019<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|-----------------------------|---------------------------------|-------------------------------|
| Increase in 100 bps points  |                                 |                               |
| Effect on profit before tax | (2,227,403)                     | (1,410,704)                   |
| Decrease in 100 bps points  |                                 |                               |
| Effect on profit before tax | 2,227,403                       | 1,410,704                     |

**42 Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

| Particulars                       | On demand<br>(Rs.) | Less than 3<br>months<br>(Rs.) | 3 to 12<br>months<br>(Rs.) | 1 to 5 years<br>(Rs.) | > 5 years<br>(Rs.) | Total<br>(Rs.) |
|-----------------------------------|--------------------|--------------------------------|----------------------------|-----------------------|--------------------|----------------|
| <b>Period ended 31 March 2019</b> |                    |                                |                            |                       |                    |                |
| Borrowings                        | -                  | -                              | 318,045,138                | 220,996,424           | -                  | 539,041,562    |
| Other financial liabilities       | -                  | -                              | -                          | -                     | -                  | -              |
| Trade and other payables          | -                  | 548,458,857                    | 136,694,180                | 280,044               | -                  | 685,433,081    |
|                                   | -                  | 548,458,857                    | 454,739,318                | 221,276,468           | -                  | 1,224,474,643  |
| <b>Year ended 31 March 2018</b>   |                    |                                |                            |                       |                    |                |
| Borrowings                        | -                  | -                              | 206,185,939                | 227,201,391           | -                  | 433,387,330    |
| Other financial liabilities       | -                  | -                              | -                          | -                     | -                  | -              |
| Trade and other payables          | -                  | 411,568,907                    | 50,797,686                 | 25,544                | -                  | 462,392,137    |
|                                   | -                  | 411,568,907                    | 256,983,625                | 227,226,935           | -                  | 895,779,467    |

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

#### 43 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise 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 plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| Particulars                     | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|---------------------------------|-------------------------------|-------------------------------|
| Borrowings                      | 482,442,924                   | 407,719,155                   |
| Trade payables                  | 685,433,081                   | 462,392,137                   |
| Other financial liabilities     | -                             | -                             |
| Less: cash and cash equivalents | (3,156,905)                   | (3,926,287)                   |
| <b>Net debt</b>                 | <b>(a) 1,164,719,100</b>      | <b>866,185,005</b>            |
| Total equity                    |                               |                               |
| Total member's capital          | 811,077,632                   | 579,963,833                   |
| <b>Capital and net debt</b>     | <b>(b) 1,975,796,732</b>      | <b>1,446,148,838</b>          |
| <b>Gearing ratio (%)</b>        | <b>(a/b)*100</b>              | <b>58.95</b>                  |
|                                 |                               | <b>59.90</b>                  |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

#### 44 Income Tax

The major components of Income Tax Expense for the years are:

| Particulars   | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|---|-------------------------------|-------------------------------|
| <b>Current income tax:</b>  |                               |                               |
| Current income tax charge   | 78,811,444                    | 98,597,320                    |
| Adjustments in respect of previous year                               | 18,108,625                    | -                             |
| MAT credit entitlement  | (7,142,121)                   | -                             |
| <b>Deferred tax:</b>  |                               |                               |
| Relating to origination and reversal of temporary differences (Net)   | 37,128,006                    | (136,506)                     |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>126,905,954</b>            | <b>98,460,814</b>             |

A Reconciliation of income tax provision to the amount computed by applying the statutory income tax rate to the income before Income taxes is summarized as follows:

| Particulars   | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|---|-------------------------------|-------------------------------|
| <b>Profit before income tax</b>                                       | <b>366,077,397</b>            | <b>282,787,320</b>            |
| Rate of Income tax  | 29.12%                        | 34.61%                        |
| Computed expected tax expenses  | 106,601,738                   | 97,867,036                    |
| Additional allowances for tax purpose                                 | (10,961,643)                  | (14,768,065)                  |
| Expenses not allowed for tax purposes                                 | 7,503,381                     | 9,767,487                     |
| Provision for Gratuity not allowed for tax purpose                    | 750,369                       | 897,572                       |
| Depreciation As per Companies Act 2013                                | 7,571,121                     | 6,590,448                     |
| Depreciation As per Income Tax Act                                    | (39,795,643)                  | (5,418,249)                   |
| Interest on late payment of advance tax                               | -                             | 3,661,087                     |
| Additional Tax payable due to MAT provisions                          | 7,142,121                     | -                             |
| Prior year tax adjustments  | -                             | -                             |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>78,811,444</b>             | <b>98,597,320</b>             |

Applicable statutory tax rate for financial year 2018-19 is 29.12% (Previous year 2017-18 is 34.608%)

The Gross movement in the current income tax asset/(Liability) for the year ended March 31, 2019 and March 31, 2018 is as follows

| Particulars  | As at<br>31 March 19<br>(Rs.) | As at<br>31 March 18<br>(Rs.) |
|--|-------------------------------|-------------------------------|
| <b>Net current income tax asset/(liability)</b>            | <b>(41,624,543)</b>           | <b>(20,748,267)</b>           |
| Income tax paid  | 137,654,658                   | 77,721,044                    |
| Current tax expenses                                       | (78,811,444)                  | (98,597,320)                  |
| Prior Year Tax Adjustments                                 | (18,108,625)                  | -                             |
| <b>Net current income tax asset/(liability) at the end</b> | <b>(689,954)</b>              | <b>(41,624,543)</b>           |



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

**45 Estimates**

The estimates at 31 March 2019 and 31 March 2018 are consistent with those made for the same dates in accordance with Ind AS (after adjustments to reflect any differences in accounting policies).

**46 Balances in the accounts of Trade Receivables, Loans and Advances, Trade Payables and Other Current Liabilities are subject to confirmation / reconciliation, if any. The management does not expect any material adjustment in respect of the same effecting the financial statements on such reconciliation / adjustments.**

**47 There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)-36 Impairment of Assets.**

**48 Earnings per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars  | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------------------------------|-----------------------------------|
| Profit attributable to equity holders of the parent for basic earnings (Rs.)     | 246,313,564                      | 184,326,506                       |
| Weighted average number of equity shares for basic and diluted earning per share | 10,500,000                       | 10,500,000                        |
| Face value per share   | 10                               | 10                                |
| Basic earning per share  | 23.46                            | 17.55                             |
| Diluted earning per share  | 23.46                            | 17.55                             |

\*After considering the impact of issue of bonus shares in the ratio of 6 equity shares of Rs.10 each, for every 1 equity shares of Rs.10 each at the EGM held on April 5, 2018. 9,000,000 Bonus Equity Shares have been allotted on April 20, 2018 and equity share capital of the company has increased to 10,500,000.





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

49 RELATED PARTY DISCLOSURES

i) Related party relationships:

| Particulars   | Current Year<br>2018-19<br>(Rs.)  | Previous Year<br>2017-18<br>(Rs.)   |
|---|---|---|
| <b>Joint Venture</b>  |   |   |
| Enterprises in which key management personnel have significant influence                    | Ami Oncotheranostics LLC  | Ami Oncotheranostics LLC  |
| <b>Key managerial personnel</b>   | Chetanbhai C. Vaghasia<br>Girishbhai L. Chovatia<br>Nareshbhai R. Patel<br>Abhishek Patel (CFO)<br>Alpesh Makwana<br>Dr. Ajit Choubey<br>Mr. Virendranath Mishra  | Chetanbhai C. Vaghasia<br>Girishbhai L. Chovatia<br>Nareshbhai R. Patel<br>Virendra Nath Mishra (w.e.f.<br>9th May 2017 and upto 1st<br>March 2018)<br>Alpesh Makwana |
| <b>Independent Director</b>   | Mr. Adarsh Paul Singh (Independent Director)<br>Mr. Girikrishna S. Maniar (Independent Director)<br>Mis. Kamini Shah (Independent Director)   |   |
| <b>Relative of key management personnel</b>   | Kiranben G. Chovatia<br>Parulben C. Vaghasiya<br>Shitalben N. Patel   | Kiranben G. Chovatia<br>Parulben C. Vaghasiya<br>Shitalben N. Patel   |
| <b>Enterprises in which relative of key management personnel have significant influence</b> | Ami Drugs & Specialty<br>Chemicals Pvt Ltd.<br>Ami Lifesciences Pvt Ltd.<br>Ami Procure Private Limited<br>Ami Oncotheranostics Llc<br>Religen Inc<br>Ami Oncotheranostics Pvt<br>Ltd.<br>Shivay Enterprise | Ami Drugs & Specialty<br>Chemicals Pvt. Ltd.<br>Ami Lifesciences Pvt Ltd.<br>Ami Procure Private Limited<br>CNR Intermediates   |

Notes:

1 The related party relationships have been determined on the basis of the requirements of the Indian Accounting

Standard (Ind AS) -24 'Related Party Disclosures' and the same have been relied upon by the auditors.

2 The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the current year /previous year, except where control exists, in which case the relationships have been mentioned irrespective of transactions with the related party.



Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

ii. Transactions with related parties:

| Particulars  | Current Year<br>2018-19<br>(Rs.) | Previous Year<br>2017-18<br>(Rs.) |
|--|----------------------------------|-----------------------------------|
| <b>Investment in Joint Venture</b>   |                                  |                                   |
| Ami Oncotheranostics Llc   | 68,322,997                       | -                                 |
| <b>Total</b>   | <b>68,322,997</b>                |                                   |
| <b>Application Money Paid for Investment in Joint Venture</b>                                |                                  |                                   |
| Ami Oncotheranostics Llc   | 10,577,025                       | -                                 |
| <b>Total</b>   | <b>68,322,997</b>                |                                   |
| <b>Sale</b>  |                                  |                                   |
| Ami Drugs & Speciality Chemicals Pvt. Ltd.   | -                                | -                                 |
| Ami Life Sciences Pvt. Ltd.  | -                                | 257,760                           |
| <b>Total</b>   | <b>-</b>                         | <b>257,760</b>                    |
| <b>Purchases</b>   |                                  |                                   |
| CNR Intermediates  | -                                | 1,282,365                         |
| Ami Life Sciences Pvt. Ltd.  | -                                | -                                 |
| <b>Purchases of Land</b>   |                                  |                                   |
| Shivay Enterprise  | 3,000,000                        | -                                 |
| <b>Total</b>   | <b>3,000,000</b>                 | <b>1,282,365</b>                  |
| <b>Remuneration &amp; Allowance to KMP, Relatives of KMP &amp; Independent Directors</b>     |                                  |                                   |
| Girishbhai L. Chovatiya  | 10,897,600                       | 13,300,000                        |
| Kiranben G. Chovatiya  | 1,197,600                        | 1,200,000                         |
| Nareishbhai R. Patel   | 11,697,600                       | 17,175,400                        |
| Chetanbhai C. Vaghasiya  | 10,697,600                       | 13,300,000                        |
| Shitalben N. Patel   | 1,197,600                        | 1,200,000                         |
| Parulben C. Vaghasiya  | 1,197,600                        | 1,200,000                         |
| Virendra Nath Mishra   | 3,354,251                        | 1,610,997                         |
| Alpesh Makwana   | 546,690                          | 28,000                            |
| Mr. Adarsh Paul Singh  | 140,000                          | -                                 |
| Mr. Ginkrishna S. Maniar   | 244,780                          | -                                 |
| Mis. Kamini Shah   | 200,000                          | -                                 |
| Dr. Ajit Choubey   | 3,774,468                        | -                                 |
| Mr. Abhishek Patel (CFO)   | 1,833,648                        | -                                 |
| <b>Total</b>   | <b>46,979,437</b>                | <b>49,014,397</b>                 |
| <b>Hiring of Car</b>   |                                  |                                   |
| Chetanbhai C. Vaghasiya  | -                                | 1,069,500                         |
| Girishbhai Chovatiya   | -                                | 3,750,000                         |
| Nareishbhai Patel  | -                                | 2,852,000                         |
| <b>Total</b>   | <b>-</b>                         | <b>7,671,500</b>                  |
| <b>Subscription Expense &amp; Exhibition Expense</b>   |                                  |                                   |
| Ami Life Sciences Pvt. Ltd.  | 85,550                           | 2,351,393                         |
| <b>Total</b>   |                                  | <b>2,351,393</b>                  |
| <b>Loan Taken/(Given) &amp; Repayment thereof and balance outstanding as at the year end</b> |                                  |                                   |
| <b>Balance at the beginning of the year</b>  |                                  |                                   |
| Ami Procure Private Limited  | -                                | (638,370)                         |
| Chetanbhai C. Vaghasiya  | 10,500,000                       | -                                 |
| Girishbhai Chovatiya   | 10,500,000                       | -                                 |
| Nareishbhai Patel  | 10,500,000                       | -                                 |
| <b>Loan Taken/(Given)</b>  |                                  |                                   |
| Ami Procure Private Limited  | -                                | (500,000)                         |
| Chetanbhai C. Vaghasiya  | 25,000,000                       | 10,500,000                        |
| Girishbhai Chovatiya   | 25,000,000                       | 10,500,000                        |
| Nareishbhai Patel  | 25,000,000                       | 10,500,000                        |
| <b>Repaid during the year</b>  |                                  |                                   |
| Ami Procure Private Limited  | -                                | (1,138,370)                       |
| Chetanbhai C. Vaghasiya  | -                                | -                                 |
| Girishbhai Chovatiya   | -                                | -                                 |
| Nareishbhai Patel  | 1,500,000                        | -                                 |
| <b>Balance Outstanding at the year end</b>   |                                  |                                   |
| Ami Procure Private Limited  | -                                | -                                 |
| Chetanbhai C. Vaghasiya  | 35,500,000                       | 10,500,000                        |
| Girishbhai Chovatiya   | 35,500,000                       | 10,500,000                        |
| Nareishbhai Patel  | 34,000,000                       | 10,500,000                        |
| <b>Total</b>   | <b>105,000,000</b>               | <b>31,500,000</b>                 |



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Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

50 Research and Development Expense

| Particulars                                    | As at<br>31 March 2019 (Rs.) | As at<br>31 March 2018 (Rs.) |
|--|------------------------------|------------------------------|
| (a) Capital Expenditure                        |                              |                              |
| R & D Equipment                                | 5,529,514                    | 3,000,354                    |
| (b) Revenue Expenditure :                      |                              |                              |
| (i) Salary Expense                             | 12,469,029                   | 10,230,556                   |
| (ii) Consumable Stores R & D                   | 2,174,672                    | 2,510,884                    |
| (iii) Analysis Charges R & D                   | 259,549                      | 241,103                      |
| (iv) Power & Fuel                              | 1,527,109                    | 862,413                      |
| (vi) Raw Material Expense                      | 1,546,491                    | 9,822,802                    |
| (vii) Leave Encashment Expense                 | -                            | 256,339                      |
| (viii) Other Expenses                          | -                            | 578,483                      |
| (ix) Traveling Expenses-R&D                    | 3,860                        | -                            |
| (x) Traveling & Seminar Exp.-R&D               | 123,743                      | -                            |
| <b>Total</b>                                   | <b>18,104,453</b>            | <b>24,502,580</b>            |
| <b>Total Capital &amp; Revenue Expenditure</b> | <b>23,633,967</b>            | <b>27,502,934</b>            |





Notes to the standalone Ind AS Financial Statements for the period ended 31 March 2019

51 Events after the end of the reporting period

Company Secretary (ACS 46284) has resigned from the Post of Company Secretary & Compliance officer of Company on 14 May 2019, leading to a casual vacancy, therefore financial as on the date of signing there is no Company Secretary to sign the Financials

No subsequent event has been observed which may require an adjustment to the statement of financial position.

52 In the opinion of the Director, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business and are subject to confirmation.

53 Previous period/years figure have been regrouped/rearranged wherever necessary, to correspond with the current period / year classification / disclosures.

Signatures to Notes 1 to 53

As per our report of even date attached

For Maheshwari & Co.  
Chartered Accountants  
FRN 105834W

  
Pawan Gattani  
Partner  
Membership No.: 144734



Place: Mumbai  
Date: 27 August, 2019

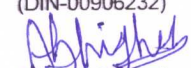
For and on behalf of the Board of directors of  
Ami organics Limited

  
Girish L. Chovatia  
Chairman  
(DIN-00907321)

Place: Surat  
Date: 27 August, 2019



  
Naresh Patel  
Managing Director  
(DIN-00906232)

  
Abhishek Patel  
Chief Financial Officer  
(Pan-AKNPP5102F)