

# PAR DRUGS AND CHEMICALS LIMITED

## ANNUAL REPORT

FY 2018-19



V Dhamsania & Associates

CHARTERED ACCOUNTANTS

**Head Office**

320, Imperial Arc, Opp. University Gate, Waghawadi Road, Bhavnagar-364001

**Branch Office**

Office No.-1, Tulsi Arcade, Opp. Gabani Hospital, Station Road, Surat-395003



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of,  
**PAR DRUGS AND CHEMICALS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of PAR DRUGS AND CHEMICALS LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, 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 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 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





### **Responsibility of Management for 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Report on Other Legal and Regulatory Requirements:**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) 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.
- (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

V DHAMSANIA & ASSOCIATES  
(Firm Regn No. – 132499W)  
CHARTERED ACCOUNTANTS



Date : 10/04/2019  
Place : BHAVNAGAR

VIPUL V DHAMSANIA (Partner)  
M.No.140836

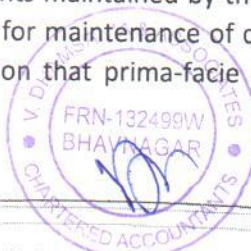


**ANNEXURE - A TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of PAR DRUGS AND CHEMICALS LIMITED, for the year ended 31<sup>st</sup> March, 2019.

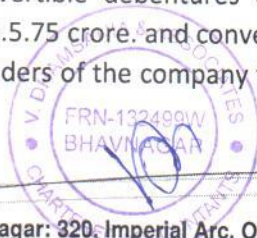
On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.  
(c) All immovable assets of company and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there are no material discrepancies were noticed.
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records u/s. 148 of the Companies Act, 2013 and are of opinion that prima-facie prescribed accounts have been made and maintained.





7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time and there is no dispute is pending on the part of company.
8. The company has not made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments).
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company, therefore, nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year except conversion of its preference shares of Rs.5.75 crore and conversion of its unsecured loan of Rs.6.00 crore of the existing shareholders of the company to the equity shares of the company during





the year under report as per the provision of the Companies Act, 2013. Since there is conversion of the existing funds of the company and no additional funds were raised, the question of its utilization for the purpose for which it was raised does not arise.

15. The company hasn't entered into any non-cash transactions as described in section 192 of the Companies Act with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

V DHAMSANIA & ASSOCIATES  
(Firm Regn No. – 132499W)  
CHARTERED ACCOUNTANTS



Date : 10/04/2019  
Place : BHAVNAGAR

VIPUL V DHAMSANIA (Partner)  
M.No.140836



**ANNEXURE - B TO THE AUDITORS' REPORT**

**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 PAR DRUGS AND CHEMICALS 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**

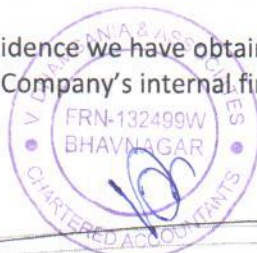
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

V DHAMSANIA & ASSOCIATES  
(Firm Regn No. – 132499W)  
CHARTERED ACCOUNTANTS



VIPUL V DHAMSANIA (Partner)  
M.No.140836

Date : 10/04/2019  
Place : BHAVNAGAR

**PAR DRUGS AND CHEMICALS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Notes #	AS AT	AS AT
		31.03.2019	31.03.2018
		Amount ₹	Amount ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	4,48,03,180	8,45,00,180
(b) Reserves and surplus	3	24,54,86,286	12,51,40,471
(c) Money received against share warrants		0	0
<b>Sub-total (1)</b>		<b>29,02,89,466</b>	<b>20,96,40,651</b>
<b>2 Share application money pending allotment</b>		0	0
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	4	6,03,14,136	12,59,45,670
(b) Deferred tax liabilities (Net)	5	3,42,43,156	3,32,16,908
(c) Other Long term liabilities		0	0
(d) Long-term provisions	6	32,69,407	0
<b>Sub-total (3)</b>		<b>9,78,26,699</b>	<b>15,91,62,577</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	4,31,91,443	5,08,25,557
(b) Trade payables	8	4,93,18,077	5,26,13,326
(c) Other current liabilities	9	2,33,15,348	6,12,96,265
(d) Short-term provisions	10	87,31,785	53,00,668
<b>Sub-total (4)</b>		<b>12,45,56,652</b>	<b>17,00,35,816</b>
<b>TOTAL</b>		<b>51,26,72,818</b>	<b>53,88,39,045</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	11	36,34,10,054	39,03,50,100
(ii) Intangible assets		0	0
(iii) Capital work-in-progress	12	0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments	13	5,64,850	5,64,850
(c) Deferred tax assets (net)		0	0
(d) Long-term loans and advances	14	68,57,631	69,57,581
(e) Other non-current assets		0	0
<b>Sub-total (1)</b>		<b>37,08,32,535</b>	<b>39,78,72,531</b>
<b>2 Current assets</b>			
(a) Current investments		0	0
(b) Inventories	15	4,29,40,949	4,06,75,352
(c) Trade receivables	16	8,51,97,045	8,72,45,774
(d) Cash and cash equivalents	17	3,05,887	6,37,656
(e) Short-term loans and advances	18	61,04,583	68,84,477
(f) Other current assets	19	72,91,819	55,23,255
<b>Sub-total (2)</b>		<b>14,18,40,283</b>	<b>14,09,66,513</b>
<b>TOTAL</b>		<b>51,26,72,818</b>	<b>53,88,39,045</b>
Significant Accounting Policies	1		
Notes forming part of the financial statements	2-31		

As per our report of even dated:

For, V Dhamsania & Associates

Firm Regn. No.132499W

Chartered Accountants

Vipul V. Dhamsania (Partner)

M.No.140836

Bhavnagar, 10th April, 2019

UDIN - 19140836AAAABK4781

For and on behalf of Board of Directors

Falgun V Savani (Managing Director)  
(DIN - 00198236)

Jigneshbhai V Savani (CEO)  
(DIN - 00198203)

Chintan P Chauhan (CFO)

Sanket B Trivedi (Company Secretary)  
(M.No.- 51758)

Bhavnagar, 10th April, 2019



**PAR DRUGS AND CHEMICALS LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED  
31ST MARCH, 2019**

Particulars		Notes #	2018-2019 Amount ₹	2017-2018 Amount ₹
I.	Revenue from operations	20	46,32,33,307	42,37,64,373
II.	Other income	21	8,87,016	4,00,168
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>46,41,20,323</b>	<b>42,41,64,541</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	22	19,22,03,517	17,94,15,598
	Purchases of Stock-in-Trade		0	0
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	11,319	-1,48,639
	Employee benefits expense	24	3,63,91,214	3,45,82,991
	Finance costs	25	1,96,29,877	2,33,23,376
	Depreciation and amortization expense	26	3,03,69,939	3,13,58,454
	Other expenses	27	15,25,97,765	12,96,57,777
	<b>Total expenses (IV)</b>		<b>43,12,03,632</b>	<b>39,81,89,557</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,29,16,692</b>	<b>2,59,74,984</b>
VI.	Exceptional items		0	0
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>3,29,16,692</b>	<b>2,59,74,984</b>
VIII.	Extraordinary Items		0	0
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>3,29,16,692</b>	<b>2,59,74,984</b>
X	Tax expense:			
	(1) Current tax		67,80,000	53,00,000
	(2) Deferred tax		10,26,248	54,40,666
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>2,51,10,444</b>	<b>1,52,34,319</b>
XII	Profit/(loss) from discontinuing operations		0	0
XIII	Tax expense of discontinuing operations		0	0
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>0</b>	<b>0</b>
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>2,51,10,444</b>	<b>1,52,34,319</b>
XVI	Earnings per equity share:	28		
	(1) Basic.		5.60	5.64
	(2) Diluted.		5.60	5.64
	Significant Accounting Policies	1		
	Notes forming part of the financial statements	2-31		

As per our report of even dated.

For, V Dhamsania & Associates

Firm Regn. No.132499W

Chartered Accountants

Vipul V. Dhamsania (Partner)

M.No.140836

Bhavnagar, 10th April, 2019

UDIN - 19140836AAAABK4781

For and on behalf of Board of Directors

*Falgun*

Falgun V Savani (Managing Director)  
(DIN - 00198236)

*Singh*

Jigneshbhai V Savani (CEO)  
(DIN - 00198203)

*Chintan P Chauhan*

Chintan P Chauhan (CFO)

*Sanket B Trivedi*

Sanket B Trivedi (Company Secretary)  
(M.No.- 51758)

Bhavnagar, 10th April, 2019



**PAR DRUGS AND CHEMICALS LIMITED**  
**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET**  
**FOR THE PERIOD FROM APRIL 2017- MARCH 2019**

Amt in Rs.

PARTICULARS	2018-2019	2018-2019	2017-2018	2017-2018
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net profit before tax as per P & L Statement.		3,29,16,692		2,59,74,984
<b>Adjusted for:</b>				
Depreciation	3,03,69,939		3,13,58,454	
Income-tax/Prior Year Adjustment	-44,61,428		-5,79,659	
Interest Expense	55,15,755		1,99,11,965	
Rent, Interest & Dividend Income	-8,87,016		-4,00,168	
Profit/Loss on sale of assets	0		0	
<b>Operating Profit before working capital changes</b>		3,05,37,250		5,02,90,592
<b>Adjusted for:</b>				
Long Term Loans & Advances	99,950		11,26,975	
Inventories	-22,65,597		-7,86,641	
Trade Receivables.	20,48,729		-61,21,051	
Short Term Loans & Advances	7,79,894		-7,50,314	
Long-term provisions	32,69,407		0	
Other Current Assets	33,840		8,48,742	
Trade Payables	-3,93,24,382		-2,02,98,396	
<b>Cash Generated from Operations</b>		-3,53,58,159		-2,59,80,685
		<b>2,80,95,783</b>		<b>5,02,84,891</b>
Less: Income-Tax paid.		-71,02,404		-37,93,966
<b>Net Cash from Operating Activities:</b>		<b>2,09,93,378</b>		<b>4,64,90,925</b>
<b>B: CASH FLOW FROM INVESTMENT ACTIVITIES:</b>				
Purchase of Fixed Assets	-34,29,893		-63,88,542	
Sales of Fixed Assets	0		0	
Rent, Interest & Dividend Income	8,87,016		4,00,168	
<b>Net Cash Used in Investment Activities:</b>		-25,42,876		-59,88,374
		<b>-25,42,876</b>		<b>-59,88,374</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Share Capital Issued.	5,99,99,800		0	
Proceeds from Long Term Borrowings	0		-1,48,99,541	
Repayment of Long Term Borrowings	-6,56,31,534		0	
Repayment of Short Term Borrowings	-76,34,114		-52,36,973	
Dividend Paid.	-575		-575	
Dividend Tax paid.	-93		-93	
Interest paid.	-55,15,755		-1,99,11,965	
<b>Net Cash Used in Financing Activities:</b>		-1,87,82,271		-4,00,49,147
		<b>-1,87,82,271</b>		<b>-4,00,49,147</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-3,31,769</b>		<b>4,53,405</b>



**PAR DRUGS AND CHEMICALS LIMITED**  
**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET**  
**FOR THE PERIOD FROM APRIL 2017- MARCH 2019**

PARTICULARS	2018-2019	2018-2019	2017-2018	Amt in Rs. 2017-2018
Opening Balance of Cash and Cash Equivalents		6,37,656		1,84,251
Closing Balance of Cash and Cash Equivalents		3,05,887		6,37,656
<b>Total:</b>		<b>-3,31,769</b>		<b>4,53,405</b>

1. Purchase of fixed assets are stated inclusive of movement of Capital Work in Progress and advance for capital goods between the commencement and end of the year and are considered as part of investing activity.

2. The cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

Notes forming part of the financial statements 2-31

As per our report of even dated.

For and on behalf of Board of Directors

For, V Dhamsania & Associates  
 Firm Regn. No.132499W  
 Chartered Accounts

*V Dhamsania*



Vipul V. Dhamsania (Partner)  
 M.No.140836

Bhavnagar, 10th April, 2019

UDIN - 19140836AAAABK4781

*Falgun*

Falgun V Savani (Managing Director)  
 (DIN - 00198236)

*Sanket*

Jigneshbhai V Savani (CEO)  
 (DIN - 00198203)

*Chintan*

Chintan P Chauhan (CFO)

*Sanket B Trivedi*

Sanket B Trivedi (Company Secretary)  
 (M.No.- 51758)

Bhavnagar, 10th April, 2019



# PAR DRUGS AND CHEMICALS PVT LTD

## Notes to Financial Statement for the year ended on 31<sup>st</sup> March, 2019

### NOTES NO.01 : SIGNIFICANT ACCOUNTING POLICIES

#### (A) Corporate Information

Company was originally incorporated on February 26, 1999 as Par Drugs and Chemicals Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. Company was converted in to Public Limited Company and consequently name of company was changed from Par Drugs and Chemicals Private Limited to Par Drugs and Chemicals Limited vide special resolution passed by the Shareholders at the Extraordinary General Meeting held on October 24, 2018 and a fresh certificate of incorporation dated November 5, 2018 issued by the Registrar of Companies, Ahmedabad.

The Company is primarily engaged in API manufacturing industry.

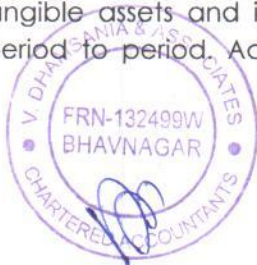
#### (B) Significant Accounting Policies

##### 1) Basis of Preparation of Financial Statement

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 2) Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the use-full lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates.



Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 3) Fixed Assets & Depreciation:

All items of fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred

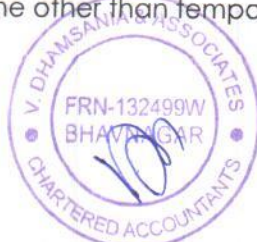
Depreciation on fixed assets is provided as per WDV method based on the useful life of various assets, as specified in Schedule II of the Companies Act, 2013. Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014.

### 4) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 5) Investments:

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments



**6) Inventories :** The inventories are valued on the following basis :

- a) Raw Materials : Valued at Cost Price.
- b) Finished goods : Valued at lower of Cost or Net Realizable Value.
- c) Stock in Process : Valued at Cost Price.

**7) Employee Benefits:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Company's liability towards gratuity and compensated absences, being defined benefit plans are accounted for on the basis of an independent actuarial valuation and actuarial gains/losses are charged to the Statement of Profit and Loss.

**8) Revenue Recognition:**

- (A) Revenue/income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred, except those with significant uncertainties.
- (B) Sales are recognized at the point of dispatch of goods to the customers. Sales are net of discounts, sales tax, excise, GST and returns.
- (C) Interest income is recognized on time proportion basis.
- (D) Dividend on Investments is accounted when approved by the shareholders' in the annual general meeting.
- (E) Insurance claim receivable is recognized in the year of the loss to the extent ascertainable.
- (F) The CENVAT / GST Credit available on purchase of raw materials / capital items and other eligible inputs are adjusted against Excise Duty payable on clearance of finished goods.

**9) Foreign Currency Transaction :**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses on foreign transactions are recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is recognized in the statement of profit and loss over the period of the contract.





#### 10) Accounting For Government Grants/Refunds:

Government grants/subsidies and refunds due from Government Authorities are accounted when there is reasonable certainty of their realization.

#### 11) Taxation

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date, Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

Company has policy of not considering MAT tax credit available to them under the Income Tax Act.

#### 12) Borrowing Cost:

Borrowing Costs relating to the acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charge to revenue.

#### 13) Earning Per Share:

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding at the end of the year.



#### 14) Provisions, Contingent Liabilities & Contingent Assets:

The company recognizes as provisions, the liability being present obligations arising from past events, the settlement of which is expected to result in outflow of resources and which can be measured only by using a substantial degree of estimation. Contingent liabilities are disclosed by way of a note to the financial statement after careful evaluation by the management of the facts and legal aspect of the matters involved. Contingent assets are being neither recognized nor disclosed.

#### 15) Current Assets, Loans And Advances

The balance under items of Sundry Debtors, Loans and Advances and current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However, in the opinion of the Management, the realisable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

#### 16) Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

#### 17) Segment Reporting

As the company is dealing in only one segment i.e. manufacturing of API industry, hence segment reporting is not applicable. Company does not have distinguishable component of an enterprise that is engaged in providing an individual product or service or group of related product or services and that is subject to risks and returns that are different from those of other business segment.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.2. SHARE CAPITAL :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>1 Authorised Shares:authorized;</b>		
87,50,000 (Prev.Yr.30,00,000) Equity Shares of Rs.10/- each.	8,75,00,000	3,00,00,000
0 (Prev.Yr.57,50,000) Preference Shares of Rs.10/ each	0	5,75,00,000
	<u>8,75,00,000</u>	<u>8,75,00,000</u>
<b>2 Issued, subscribed and fully paid Shares</b>		
44,80,318 (Prev.Yr 27,00,018) Equity Shares of Rs.10/- each Fully paid up	4,48,03,180	2,70,00,180
0 (Prv.Yr.5750000) Preference Shares of Rs.10/ each	0	5,75,00,000
	<u>4,48,03,180</u>	<u>8,45,00,180</u>

**3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;**

	AS AT 31.03.2019 No. of Shares	AS AT 31.03.2018 No. of Shares
<b>Equity Shares</b>		
At the beginning of the period	27,00,018	27,00,018
Issued during the period	17,80,300	0
Outstanding at the end of the period	<u>44,80,318</u>	<u>27,00,018</u>
<b>Preference Shares</b>		
At the beginning of the period	57,50,000	57,50,000
Issued during the period	0	0
Redeemed / conversion during the period	-57,50,000	0
Outstanding at the end of the period	<u>0</u>	<u>57,50,000</u>

**4 Terms & Right attached to Equity Shares & Preference shares**

Equity Shares: The company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts and payment of preference shareholders, in proportionate to their shareholding.

Preference Shares: During the year company has converted its all Preference shares to Equity share. In Previous year company has only one class of 0.001% Redeemable Non-cumulative Preference Shares having a par value of Rs.10/- each. Shareholders are not eligible for vote in respect of the preference share held. The shares are redeemable at the option of the company. In the event of liquidation, the preference shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportionate to their shareholding.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

5 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

	AS AT 31.03.2019 No. & (%) of Shares Held	AS AT 31.03.2018 No. & (%) of Shares Held
a) Equity Shares, fully paid up:		
Vallabhbhai Jivabhai Savani	1171236(26.14%)	256518 ( 9.5%)
Saritaben Vallabhbhai Savani	110866 ( 2.47%)	38066 ( 1.41%)
Falgun Vallabhbhai Savani	1306976(29.17%)	964053 (35.71%)
Jignesh Vallabhbhai Savani	1330220(29.69%)	964053 (35.71%)
Ghanshyambhai B Savani	362642 ( 8.09%)	304806 (11.29%)
b) Preference, fully paid up:		
Vallabhbhai Jivabhai Savani	0	401336 ( 6.98%)
Falgun Vallabhbhai Savani	0	2254266 ( 39.2%)
Jignesh Vallabhbhai Savani	0	2254398 (39.21%)
Saritaben Vallabhbhai Savani	0	480000 ( 8.35%)

**NOTES No.3. RESERVES AND SURPLUS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
a) Reserves and Surplus:		
1 Capital Reserve:		
Opening Balance as per last financial statement	6,86,466	6,86,466
Add: During the year	0	0
<b>Closing Balance</b>	<b>6,86,466</b>	<b>6,86,466</b>
2 Share Premium Reserve		
Opening Balance as per last financial statement	0	0
Add: During the year	9,96,96,800	0
<b>Closing Balance</b>	<b>9,96,96,800</b>	<b>0</b>
3 General Reserve:		
Opening Balance as per last financial statement	3,50,000	3,50,000
Add: During the year	0	0
<b>Closing Balance</b>	<b>3,50,000</b>	<b>3,50,000</b>
b) Surplus/(Deficit) in the statement of Profit & Loss		
Opening Balance as per last financial statement	12,41,04,005	10,94,50,014
Add: Profit/(Loss) for the year	2,51,10,444	1,52,34,318
<b>LESS:</b>		
Income-tax Adj. of earlier year	3,16,496	5,79,659
Provision for Grativity of earlier years	41,44,932	0
Dividend to Preference shareholders	0	575
Tax on Dividend.	0	93
<b>Closing Balance</b>	<b>14,47,53,020</b>	<b>12,41,04,005</b>
<b>TOTAL: RESERVES AND SURPLUS</b>	<b>24,54,86,286</b>	<b>12,51,40,471</b>



# PAR DRUGS AND CHEMICALS LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTES No.4. LONG-TERM BORROWINGS :

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1 Term loans		
From Bank (Secured)		
Car Loan-1 From HDFC Bank	25,47,065	33,01,565
Car Loan-2 From HDFC Bank	25,13,304	34,49,000
Car Loan From ICICI Bank	2,95,988	5,27,271
Car Loan From Kotak Mahindra Prime Ltd	10,06,752	13,88,872
Term Loan-1 From Kotak Mahindara Bank	2,40,55,355	2,90,74,821
Term Loan-2 From Kotak Mahindara Bank	29,24,231	3,80,12,514
Term Loan-3 From Kotak Mahindara Bank	12,31,220	84,41,037
Less: Current maturities of long-term debt	-1,23,02,998	-5,44,81,824
	2,22,70,917	2,97,13,257
2 Loans and advances from friends & relatives.	3,80,43,219	9,62,32,413
<b>TOTAL: LONG-TERM BORROWINGS</b>	<b>6,03,14,136</b>	<b>12,59,45,670</b>

- 1 Car Loan-1 taken from HDFC Bank Ltd during FY 2016-17, sanctioned of Rs. 41 Lakhs and carries interest @9.05% . The loan is re-payable in 60 monthly instalments of Rs.85,209 each. Loan is sanctioned against hypothecation of Mercedes benz car purchased through loan, having registration no.GJ 06 KH 8640.
- 2 Car Loan-2 taken from HDFC Bank Ltd during FY 2017-18, sanctioned of Rs.34.49 Lakhs and carries interest @ 8.25%. The loan is re-payable in 37 monthly instalments of Rs.1,05,895 each. Loan is sanctioned against hypothecation of Skoda Kodiak car purchased through loan, having registration no. GJ 06 KH 0104
- 3 Car Loan taken from ICICI Bank Ltd during FY 2016-17, sanctioned of Rs. 9 Lakhs and carries interest @9.65%. The loan is re-payable in 48 monthly instalments of Rs. 22,679 each. Loan is sanctioned against hypothecation of TUV-300 car purchased through loan, having registration no.GJ 04 CJ 3073.
- 4 Car Loan taken from Kotak Mahindra Prime Ltd during FY 2016-17, sanctioned of Rs. 19.87 Lakhs and carries interest @9.65%. The loan is re-payable in 60 monthly instalments of Rs.41,633 each. Loan is sanctioned against hypothecation of Toyota Innova car purchased through loan, having registration no.GJ 06 KD 8640.
- 5 Term Loan-1 taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 300 Lakhs and carries interest @8.75% floating. The loan is re-payable in 60 monthly instalments of Rs.6,19,117 each.
- 6 Term Loan-2 taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 437.51 Lakhs and carries interest @8.75% floating. The loan is re-payable in 15 monthly instalments of Rs. 30,89,692 each.
- 7 Term Loan-3 taken from Kotak Mahindara Bank Ltd during FY 2017-18, sanctioned of Rs. 96.23 Lakhs and carries interest @8.75% floating. The loan is re-payable in 16 monthly instalments of Rs.6,39,343 each.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

- 8 Term Loan-1, 2 & 3 are sanctioned with working capital limit of Rs.700 lakhs. All the loans are secured by the following securities
- A) Primary Securities :  
The hypothecation of all existing and future receivables/Current Assests/Movable Assest/Moveable Fixed Assests.
- B) Collateral Securities :  
1) Plot no.13, Spring View Residency, Nr.Vedant Bunglows-1, Bh. Bright CBSE School, Vasna Bhayli Road, Bhayli, Vododara-390007.  
2) Plot No.42/B-4 & 42/B-3, Takhteshwar Plot,behind Madhav Hill,NR Waghwadi,Bhavnagar-364001.  
3) Plot no.5901/1, Ankleshwar Industrial Estate, R.5 No.174 Paiki, Village:Sarangpur, Takula : Ankleshwar, Dist. Bharuch-393002.  
4) Plot No.333/1, 333/2, 334 to 338, Chitra G.I.D.C, Rajkot Road, Bhavnagar-364004.
- C) Gaurantees :  
Personal gaurantee of Vallabhbbhai J Savani, Jignesh V Savani, Falgun V Savani, Ghanshyam B Savani and Shishir M Trivedi.
- D) Take-over Condition :  
Kotak Mahindra Bank Ltd has sanctioned all the credit facilit as take over of facility wise outstanding including accrued intereset, foreclosure charges if any, from Union Bank of India.

**NOTES No.5. DEFERRED TAX LIABILITIES (NET) :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>Deferred Tax Liabilities</b>		
1 Fixed Assets: Impact of difference between Book and Tax Depreciation	3,53,18,032	3,52,83,802
<b>Gross Deferred Tax Liabilities</b>	<b>3,53,18,032</b>	<b>3,52,83,802</b>
<b>Deferred Tax Assets</b>		
1 C/f. Business & Dep. Loss as per Income-tax	0	20,66,895
2 Provision for Gratuity.	10,74,876	0
<b>Gross Deferred Tax Assets</b>	<b>10,74,876</b>	<b>20,66,895</b>
<b>TOTAL: DEFERRED TAX LIABILITIES (NET)</b>	<b>3,42,43,156</b>	<b>3,32,16,908</b>

In accordance with accounting standard 22, Accounting for taxes on Income, issued by the Institute of Chartered Accountants India, the Deferred Tax Assets (net of Liabilities) is provided in the books of account as at the end of the year using the rate of taxes that have been enacted.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.6. LONG-TERM PROVISIONS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1 Provision for employee benefits		
Provision for Gratuity	32,69,407	0
<b>TOTAL: LONG-TERM PROVISIONS</b>	<b>32,69,407</b>	<b>0</b>

**NOTES No.7. SHORT-TERM BORROWINGS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1: Loans repayable on demand:		
Cash Credit From Bank (Secured)		
EPC From Kotak Mahindra Bank Ltd	99,79,782	31,85,204
Cash Credit from Kotak Mahindara Bank Ltd	3,32,11,661	4,76,40,353
	4,31,91,443	5,08,25,557
<b>TOTAL: SHORT-TERM BORROWINGS</b>	<b>4,31,91,443</b>	<b>5,08,25,557</b>

- a) Cash Credit Loan from Kotak Mahindara Bank Limited (Prev. Yr. Union Bank of India ) is secured by the hypothecation of inventories and book debt of the company.

**NOTES No.8. TRADE PAYABLES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
Trade Payable for Goods & Services includes		
1 Due to Micro, Small & Medium Enterprise		
2 Due to Others	4,93,18,077	5,26,13,326
<b>TOTAL: TRADE PAYABLES</b>	<b>4,93,18,077</b>	<b>5,26,13,326</b>

The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.9. OTHER CURRENT LIABILITIES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1 Current maturities of long-term debt	1,23,02,998	5,44,81,824
2 Income received in advance/Advance from Customers	7,33,860	1,88,042
3 Other Payables:		
Statutory liabilities	32,73,782	34,91,233
Provision for Expense	9,98,369	2,38,509
Remuneration Payable to Director	50,03,406	15,17,370
Salary & Wages Payable	10,02,932	13,79,288
	<u>1,02,78,490</u>	<u>66,26,400</u>
<b>TOTAL: OTHER CURRENT LIABILITIES</b>	<b><u>2,33,15,348</u></b>	<b><u>6,12,96,265</u></b>

**NOTES No.10. SHORT-TERM PROVISIONS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1 Provision for employee benefits		
Provision for Gratuity	19,51,785	0
	<u>19,51,785</u>	<u>0</u>
2 Others:		
Provision for Taxation.	67,80,000	53,00,000
Proposed Dividend to Preference Shares.	0	575
Provision for Tax on Dividend.	0	93
	<u>67,80,000</u>	<u>53,00,668</u>
<b>TOTAL: SHORT-TERM PROVISIONS</b>	<b><u>87,31,785</u></b>	<b><u>53,00,668</u></b>





PAR DRUGS AND CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

NOTES No.11. (I) TANGIBLE ASSETS :

Description	G R O S S				DE PRECIATION/AMORTIZATION				NET CARRYING BALANCE	
	As at 01-04-2018	Addition.	Disposed	AS AT 31.03.2019	As at 01-04-2018	For the Year	Disposed	AS AT 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
<b>Bhavnagar Unit:</b>										
1 Land.	33,21,134	0	0	33,21,134	0	0	0	0	33,21,134	33,21,134
2 Factory Building.	13,04,19,137	0	0	13,04,19,137	2,38,75,146	40,24,505	0	2,78,99,651	10,25,19,486	10,65,43,991
3 Office Building.	8,46,000	0	0	8,46,000	2,34,184	23,110	0	2,57,294	5,88,706	6,11,816
4 Plant & Machinery.	32,43,69,752	23,43,912	0	32,67,13,664	10,00,49,674	1,74,69,665	0	11,75,19,338	20,91,94,325	22,43,20,078
5 Furniture & Fixtures.	33,18,257	0	0	33,18,257	18,84,095	2,59,470	0	21,43,565	11,74,692	14,34,162
6 Vehicle (Pickup Van)	75,000	0	0	75,000	73,348	0	0	73,348	1,652	1,652
7 Vehicle (Car)	1,50,29,572	4,63,734	0	1,54,93,306	1,01,54,480	38,36,156	0	1,39,90,636	15,02,670	48,75,093
8 Vehicle (Scooter)	6,84,073	0	0	6,84,073	6,06,081	54,918	0	6,60,998	23,075	77,992
9 Office Equipment.	10,26,140	2,52,610	0	12,78,750	9,86,488	96,082	0	10,82,571	1,96,179	39,652
10 Electric Installation.	67,61,957	0	0	67,61,957	23,01,650	3,48,748	0	26,50,398	41,11,559	44,60,307
11 Laboratory Equipments.	32,98,103	60,450	0	33,58,553	12,69,406	1,60,028	0	14,29,434	19,29,119	20,28,697
12 Air Conditioner.	9,72,224	1,28,438	0	11,00,662	8,95,524	55,859	0	9,51,383	1,49,278	76,700
13 Computer.	14,19,838	99,520	0	15,19,358	13,40,647	83,373	0	14,24,020	95,338	79,191
14 Water Storage Tank.	31,22,500	0	0	31,22,500	14,00,973	3,01,003	0	17,01,976	14,20,524	17,21,527
15 Weighing Scale	79,525	0	0	79,525	78,185	0	0	78,185	1,340	1,340
16 Solar Power Plant	75,65,419	0	0	75,65,419	14,66,966	14,37,430	0	29,04,396	46,61,023	60,98,453
17 Mobile.	1,37,139	5,605	0	1,42,744	80,103	46,877	0	1,26,980	15,764	57,036
<b>Sub-total</b>	<b>50,24,45,771</b>	<b>33,54,268</b>	<b>0</b>	<b>50,58,00,039</b>	<b>14,66,96,949</b>	<b>2,81,97,223</b>	<b>0</b>	<b>17,48,94,172</b>	<b>33,09,05,867</b>	<b>35,57,48,822</b>
<b>Ankleshwar Unit:</b>										
1 GIDC Land	20,76,253	0	0	20,76,253	0	0	0	0	20,76,253	20,76,253
2 Factory Building.	1,42,60,313	0	0	1,42,60,313	45,33,826	3,37,005	0	48,70,831	93,89,483	97,26,488
3 Residential Flat	8,15,000	0	0	8,15,000	1,67,547	24,456	0	1,92,003	6,22,997	6,47,453
4 Storage Tank.	6,99,666	0	0	6,99,666	3,30,686	99,546	0	4,30,232	2,69,434	3,68,980
5 Plant & Machinery.	3,77,42,207	0	0	3,77,42,207	1,82,96,596	15,20,439	0	1,98,17,035	1,79,25,173	1,94,45,611
6 Electric Installation.	44,54,479	0	0	44,54,479	22,72,159	1,70,634	0	24,42,793	20,11,686	21,82,320
7 Furniture & Fixtures.	5,88,883	0	0	5,88,883	5,73,974	0	0	5,73,974	14,909	14,909
8 Motor Cycle.	1,39,173	0	0	1,39,173	1,34,968	0	0	1,34,968	4,205	4,205
9 Office Equipment.	33,755	0	0	33,755	32,963	0	0	32,963	792	792
10 Computer.	1,04,296	0	0	1,04,296	1,04,159	0	0	1,04,159	137	137
11 Laboratory Equipments.	1,45,435	0	0	1,45,435	64,840	3,355	0	68,195	77,240	80,595
12 Air Conditioner.	1,07,271	75,625	0	1,82,896	54,417	17,281	0	71,698	1,11,198	52,854
13 Weighing Scale	11,000	0	0	11,000	10,670	0	0	10,670	330	330
14 Mobile.	20,000	0	0	20,000	19,649	0	0	19,649	351	351
<b>Sub-total</b>	<b>6,11,97,732</b>	<b>75,625</b>	<b>0</b>	<b>6,12,73,357</b>	<b>2,43,81,438</b>	<b>21,72,716</b>	<b>0</b>	<b>2,87,69,169</b>	<b>3,25,04,187</b>	<b>3,46,01,279</b>
<b>TOTAL</b>	<b>56,36,43,502</b>	<b>34,29,893</b>	<b>0</b>	<b>56,70,73,395</b>	<b>17,10,78,387</b>	<b>3,03,69,939</b>	<b>0</b>	<b>20,36,63,342</b>	<b>36,34,10,054</b>	<b>39,03,50,100</b>
<b>Previous Year Total</b>	<b>55,72,54,961</b>	<b>63,88,542</b>	<b>0</b>	<b>56,36,43,502</b>	<b>14,19,34,948</b>	<b>3,13,58,454</b>	<b>0</b>	<b>17,32,93,402</b>	<b>39,03,50,100</b>	<b>41,53,20,013</b>



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.13. NON-CURRENT INVESTMENTS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
3 Investments in Equity Instruments (Unquoted);		
a) 56485 (Prev. Yr. 56485) Equity Shares of Rs.10/- each fully paid up in <u>BEAL</u>	5,64,850	5,64,850
	<b>5,64,850</b>	<b>5,64,850</b>
<b>TOTAL: NON-CURRENT INVESTMENTS</b>	<b>5,64,850</b>	<b>5,64,850</b>

**NOTES No.14. LONG-TERM LOANS AND ADVANCES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
1 Security Deposits;		
a Unsecured, considered good;	41,82,170	47,39,440
	<b>41,82,170</b>	<b>47,39,440</b>
2 Other loans and advances:		
a Income Tax Refund Receivable	19,58,320	15,01,000
b Mat Tax Credit	7,17,141	7,17,141
	26,75,461	22,18,141
<b>TOTAL: LONG-TERM LOANS AND ADVANCES</b>	<b>68,57,631</b>	<b>69,57,581</b>

**NOTES No.15. INVENTORIES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
- Raw Materials.	33,73,525	38,69,325
- Finished goods.	2,53,75,067	2,23,18,264
- Semi-finished goods.	98,54,683	1,29,22,805
- Packing Material.	38,79,906	12,94,958
- Fuel, Fire wood & lignite	4,57,768	2,70,000
<b>TOTAL: INVENTORIES</b>	<b>4,29,40,949</b>	<b>4,06,75,352</b>

- Raw material, Packing materials, fuel & Consumable are valued at cost on FIFO method. Cost includes purchase value, freight and duties & taxes.
- Finished goods and Semi finished goods are valued at lower of cost or net realisable value on FIFO method. Cost includes purchase value, freight, proportionate manufacturing expense, wages & salary to employees and duties & taxes.



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.16. TRADE RECEIVABLES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>1 Trade Receivables</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
O/s for period exceeding 6 months from the date of due:	24,52,296	16,87,381
Other Receivables:	8,27,44,749	8,55,58,393
<b>TOTAL: TRADE RECEIVABLES</b>	<b>8,51,97,045</b>	<b>8,72,45,774</b>

**NOTES No.17. CASH AND CASH EQUIVALENTS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>Cash and cash equivalents:</b>		
Balances with banks;		
In current accounts	2,02,712	5,95,270
Cash on hand	1,03,175	42,386
	3,05,887	6,37,656
<b>TOTAL: CASH AND CASH EQUIVALENTS</b>	<b>3,05,887</b>	<b>6,37,656</b>

**NOTES No.18. SHORT-TERM LOANS AND ADVANCES :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>Other loans and advances:</b>		
a Loans to Employee	1,02,789	1,27,000
b Advance to suppliers of goods & services.	60,01,794	67,57,477
	61,04,583	68,84,477
<b>TOTAL: SHORT-TERM LOANS AND ADVANCES</b>	<b>61,04,583</b>	<b>68,84,477</b>

**NOTES No.19. OTHER CURRENT ASSETS :**

	AS AT 31.03.2019 Amount ₹	AS AT 31.03.2018 Amount ₹
<b>Unsecured, considered good unless stated otherwise</b>		
<b>Other Assets:</b>		
a Advance payment of Income tax	68,82,704	50,80,300
b Pre-paid Expense	2,20,073	2,43,218
c Balances with Govt. Authorities	35,234	0
d Other (Interest Receivable)	1,53,808	1,99,737
	72,91,819	55,23,255
<b>TOTAL: OTHER CURRENT ASSETS</b>	<b>72,91,819</b>	<b>55,23,255</b>



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.20. REVENUE FROM OPERATIONS :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
<b>Sales of Products</b>		
Finished Goods Sold during the year:	45,55,21,186	42,00,14,111
Excise duty & GST Recovered.	6,64,44,477	6,18,88,137
	<b>52,19,65,663</b>	<b>48,19,02,248</b>
<b>Other Operating Revenue</b>		
Job Work Income.(Bhavnagar)	35,04,820	46,920
Job Work Income.(Ankleshwar)	18,36,780	32,70,241
Discount, Kasar & Rebate (Bhavnagar)	10,770	2,84,122
Discount, Kasar & Rebate (Ankleshwar)	2,77,661	5,087
Duty Drawback & Export License Sale Income	19,18,126	1,05,316
Misc. Income	1,63,964	38,576
	<b>77,12,121</b>	<b>37,50,262</b>
<b>Revenue From operations ( Gross)</b>	<b>52,96,77,784</b>	<b>48,56,52,510</b>
Less : Excise duty & GST	6,64,44,477	6,18,88,137
<b>TOTAL: REVENUE FROM OPERATIONS</b>	<b>46,32,33,307</b>	<b>42,37,64,373</b>
FOB Value of Exports	4,85,89,936	34,89,995
<b>Details of Sales of Products:</b>		
Magnesium Hydroxide	10,81,93,706	9,86,22,497
Alluminium Hydroxide	5,94,77,386	6,68,48,821
Sucralfate	6,59,20,576	6,22,57,940
Precipitated Silica	14,09,98,936	12,96,78,302
Magnesium Trisilicate	1,72,44,505	1,90,43,828
Magaldrate	2,33,73,162	1,78,89,500
Magnesium Oxide	1,55,50,450	1,34,36,125
Allusil (Sodium All. Silicate)	1,56,30,825	35,10,789
Magnesium Alluminium Silicate	55,48,823	73,09,960
Magnesium Carbonate	35,21,640	12,78,600
Almagate	0	39,250
Copper sulphate	0	0
Others	61,178	98,499
<b>Total</b>	<b>45,55,21,186</b>	<b>42,00,14,111</b>

**NOTES No.21. OTHER INCOME :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
Interest Income	8,87,016	4,00,168
<b>TOTAL: OTHER INCOME</b>	<b>8,87,016</b>	<b>4,00,168</b>



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.22. COST OF MATERIALS CONSUMED :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
<b>Raw Materials Consumed</b>		
Inventory at the beginning of the year	38,69,325	27,56,519
Add: Purchases	19,17,07,717	18,05,28,404
	<u>19,55,77,042</u>	<u>18,32,84,923</u>
Less: Inventory at the end of the year	-33,73,525	-38,69,325
<b>TOTAL:</b>	<u><u>19,22,03,517</u></u>	<u><u>17,94,15,598</u></u>
<b><u>Details of Raw Materials Consumed:</u></b>		
Sodium Silicate	7,49,13,901	6,07,11,461
Caustic Soda Lye	5,22,69,959	5,10,41,680
Soda Ash	1,30,07,806	1,64,10,981
Dried Aluminium Hydroxid	0	1,00,48,880
Allum.Hydro Cake/gel	1,81,38,584	1,62,98,332
Magnesium Oxide (Light)	1,49,07,550	1,22,42,750
Lime	75,96,901	48,97,673
Sulphuric Acid	33,36,856	29,97,309
Caustic Soda Flake	11,10,150	16,77,650
Magnesium Chloride	0	1,58,490
Bitern	10,80,973	6,66,668
Alluminium Sulphate	17,52,441	3,69,334
Magnesium Carbonate (Light)	14,61,900	0
Other Materials	26,26,497	18,94,443
<b>Total</b>	<u><u>19,22,03,517</u></u>	<u><u>17,94,15,651</u></u>

**NOTES No.23. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
<b>Inventories at the end of the year</b>		
<b>Bhavnagar Unit:</b>		
Finished Good	2,40,56,098	2,07,03,285
Semi-Finished Good	95,99,672	1,26,79,910
<b>Ankleshwar Unit:</b>		
Finished Good	13,18,968	16,14,979
Semi-Finished Good	2,55,011	2,42,894
	<u><u>3,52,29,750</u></u>	<u><u>3,52,41,069</u></u>
<b>Inventories at the beginning of the year</b>		
<b>Bhavnagar Unit:</b>		
Finished Good	2,07,03,285	2,06,19,177
Semi-Finished Good	1,26,79,910	94,51,426
<b>Ankleshwar Unit:</b>		
Finished Good	16,14,979	42,30,128
Semi-Finished Good	2,42,894	7,91,699
<b>TOTAL CHANGE (Net)</b>	<u><u>11,319</u></u>	<u><u>-1,48,639</u></u>



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.24. EMPLOYEE BENEFITS EXPENSE :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
Salaries, Wages & Bonus	3,27,71,282	3,24,77,412
Contribution to Funds.	18,57,346	17,32,780
Provision for Gratuity	10,76,260	0
Staff welfare expenses	6,86,326	3,72,799
<b>TOTAL: EMPLOYEE BENEFITS EXPENSE</b>	<b>3,63,91,214</b>	<b>3,45,82,991</b>

**Salaries, Wages & bonus includes:**

Remuneration to the Managing Directors & other Whole time Directors:	1,42,65,673	1,45,00,000
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As per Accounting standard 15 "Employee benefits", the disclosure defined in the accounting standard are given as below:

**Defined Contribution Plan:** Contribution paid to the plan recognized as expense for the year as und

	2018-2019 Amount ₹	2017-2018 Amount ₹
Employer's Contribution to Provident Fund	12,45,470	6,12,366
Contribution to Employees Linked Funds	4,34,625	3,95,840
Re-imb.of Contribution to PF & ESI of Contractors	1,77,251	1,62,575

**Defined Benefit Plan:** The present value of obligation is determined based on actuarial valuation which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures, each unit separately to build up the final obligation. Based on it, the contribution has been paid to the plan recognized as expense for the year as under.

Provision for Gratuity	52,53,823	0
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**NOTES No.25. FINANCE COSTS :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
Interest on Long term borrowings to Banks	55,15,755	90,67,833
Interest on Short term borrowings to Banks	40,22,171	80,21,680
Interest on Unsecured loans	85,77,407	28,22,452
Bank charges & Processing Fees	15,14,544	34,11,411
<b>TOTAL: FINANCE COSTS</b>	<b>1,96,29,877</b>	<b>2,33,23,376</b>

**NOTES No.26. DEPRECIATION AND AMORTIZATION EXPENSE :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
Depreciation/Amortization of tangible assets	3,03,69,939	3,13,58,454
<b>Total Depreciation And Amortization Expense</b>	<b>3,03,69,939</b>	<b>3,13,58,454</b>

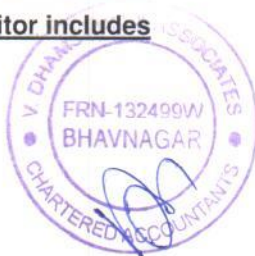


**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.27. OTHER EXPENSES :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
<b>Manufacturing expenses.</b>		
<b>Bhavnagar Unit:</b>		
Freight Octroi & Transportation.	1,75,84,978	1,97,00,349
Fuel & Fire wood.	4,54,48,391	3,56,17,303
Laboratory Expenses.	5,34,314	2,25,372
Machinery Repairs & Maintenance.	63,83,825	76,89,979
Motive Power.	2,02,94,028	1,63,77,369
Packing material consumed.	1,15,69,701	1,08,85,354
Stores & Spares	8,09,864	1,40,658
Water, Dranage & Development Charges.	1,65,53,681	1,43,14,179
Testing Expense	5,03,520	4,62,930
Factory Expense.	54,92,432	46,58,282
<b>Ankleshwar Unit:</b>		
Freight Octroi & Transportation.	60,250	53,390
Fuel & Fire wood.	50,91,050	17,90,194
Laboratory Expenses.	8,900	11,158
Machinery Repairs & Maintenance.	6,53,710	27,43,343
Motive Power.	14,73,113	11,82,264
Stores & Spares	70,225	54,000
Job Work Processing Charges.	0	11,100
Water & Dranage Charges.	1,44,869	1,07,372
	<b>13,26,76,851</b>	<b>11,60,24,595</b>
<b>Administrative expenses.</b>		
<b>Bhavnagar Unit:</b>		
Auditor's Remuneration	1,50,000	50,000
Charity & Donation	1,00,911	1,30,311
Communication Expense	2,55,905	3,52,186
Insurance Premium	22,36,690	6,99,000
Legal & Professional Fees	44,76,350	7,62,983
Other Administrative Expense	17,70,308	11,55,432
Rates & Taxes	9,11,457	12,96,282
Sales & Distribution Expense	78,12,810	66,87,782
Vehicle Running & Maint.	7,17,523	9,68,582
Sales Commission	3,26,594	1,94,582
Traveling & Conveyance Expense	7,833	1,09,998
Exchange Rate Difference	1,15,128	6,331
<b>Ankleshwar Unit:</b>		
Insurance Premium	82,222	77,852
Legal & Professional Fees	34,000	85,900
Charity & Donation	0	5,000
Other Administrative Expense	7,26,549	9,07,287
Rates & Taxes	1,77,372	1,08,278
Vehicle Running & Maint.	0	14,074
Communication Expense	19,262	21,323
	<b>1,99,20,914</b>	<b>1,36,33,182</b>
<b>TOTAL: OTHER EXPENSES</b>	<b>15,25,97,765</b>	<b>12,96,57,777</b>
<b>Payment to auditor includes</b>		
As auditor	1,50,000	50,000



**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES No.28. EARNINGS PER EQUITY SHARE: :**

	2018-2019 Amount ₹	2017-2018 Amount ₹
<b>Total operations for the year</b>		
Profit/(loss) after tax	2,51,10,444	1,52,34,318
Less: Dividends on convertible preference share & tax thereon	0	668
<b>Net profit/(loss) available for equity shareholders</b>	<b>2,51,10,444</b>	<b>1,52,33,650</b>
Weighted average number of equity shares in calculating basic EPS	44,80,318	27,00,018
Weighted average number of equity shares in calculating diluted EPS	44,80,318	27,00,018
<b>Earning Per Share:</b>		
(1) Basic.	5.60	5.64
(2) Diluted.	5.60	5.64

**NOTES No.29. CONTINGENT LIABILITIES :**

Contingent liabilities in respect of:

1	Claims against the company not acknowledged as debts	0	0
2	Bank Gaurantee issued by bank Kotak Mahindra Bank	19,49,518	19,49,518
3	Bills discounted from bank	0	0
4	Letter of credit outstanding	0	0

**NOTES NO.30:**

30.1 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the same value if realised in the ordinary courses of business and the provision for all known liabilities is adequately made and not in excess of the amount reasonably consider necessary.

30.2 The figures and groupings of the previous year are re-grouped/reclassified whenever necessary so as to make them comparable with the current year.

30.3 Since the company is in a single operation i.e. "API Products", the AS-17, "Segment Reporting" is not applicable.

30.4 Paise have been round off to the nearest rupee amount.





**PAR DRUGS AND CHEMICALS LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

**NOTES NO.31: RELATED PARTY DISCLOSURES :**

Disclosure of Transactions with related parties as required under Accounting Standard AS 18 on Related Party disclosures issued by The Institute of Chartered Accountants of India are given below :

**A) The related parties where common control exists :**

i) Details of Key Management Personnel :

**Directors :**

V J Savani

F V Savani

Jignesh V Savani

Ghanshyambhai B Savani

Shishirbhai Trivedi

ii) Transactions with the enterprise in which significant influence is exercised by Key Management Personnel during the year:

Par Pharmaceuticals

F.V.Savani(Huf)

G.B.Savani(Huf)

J.V.Savani(Huf)

V.J.Savani(Huf)

iii) Transactions with Relatives of key Management Personnel during the year: NIL

**B) The following transactions were carried out with related parties in the ordinary course of business :**

Nature of Transaction	With Key Mgmt Personnel		With Related Enterprises	
	2018-2019 Rs.	2017-2018 Rs.	2018-2019 Rs.	2017-2018 Rs.
Remuneration/Salary.	1,42,65,673	1,42,00,000	0	0
Interest Paid during the year	0	0	22,82,452	11,05,298
Net Loan Taken During the year	3,64,617	6,71,258	45,85,720	1,08,22,930
Balance Payable	6,83,37,557	6,79,72,940	2,28,25,208	1,82,39,488

