

LIVA PHARMACEUTICALS LIMITED

CIN U24100GJ2013PLC077080

Regd. Office: Survey Nos. 434/6/B and 434//K, Village : Jarod

Taluka : Vaghodia, Vadodara – 391 510

Phone: + 91 2668 671316

NOTICE

NOTICE is hereby given that the **FIFTH** Annual General Meeting of the members of the Company will be held on Friday, the August 10, 2018 at 10.00 a.m. at Survey Nos. 434/6/B and 434//K, Village: Jarod Taluka: Vaghodia, Vadodara, the Registered Office of the Company to transact the following business:

Ordinary Business:

1. To receive, consider, and adopt the audited Financial Statements for the financial year ended on March 31, 2018 along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pranav D. Patel (DIN 00009820), Director of the Company who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Kanitlal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 104774W) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Tenth Annual General Meeting to be held in the year 2023 and to fix their remuneration.

Special Business:

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

“RESOLVED THAT Mr. Nitish N. Chakravarty (DIN 07998951), who was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. November 20, 2017 and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act together with a deposit of Rs. 1,00,000/- in cash proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT subject to the provisions of sections 2(54), 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (the Act) read with Schedule V of the Act and Rules made thereunder, (including any statutory modifications or re-enactment thereof) and Articles of Association of the Company and in compliance of Ministry of Corporate Affairs Notification No. S.O. 2922 (E) dated September 12, 2016 consent of the members of the Company be and is hereby accorded for the appointment of Mr. Nitish N. Chakravarty (DIN 07998951), as a Whole Time Director and Key Managerial Personnel (KMP) of the Company in a professional capacity for a period of three years with effect from November 20, 2017 to November 19, 2020 at a total remuneration of Rs. 56.47 lacs p.a., which shall be subject to annual revision based on his performance evaluation, and shall not exceed the statutory limits as provided under the provisions of the Companies Act, 2013 and Rules made thereunder (herein after referred to as “remuneration”) and other terms and conditions as set out in the draft agreement proposed to be executed between the Company and Mr. Nitish N. Chakravarty.

RESOLVED FURTHER THAT the appointment of Mr. Nitish N. Chakravarty as a Whole Time Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT the remuneration to Mr. Nitish N. Chakravarty as mentioned in the draft agreement may be altered and varied from time to time by the Board, as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.

RESOLVED FURTHER THAT the agreement proposed to be entered into between the Company and the Whole Time Director shall be executed in duplicate and shall be signed on behalf of the Company by Mr. Pranav Patel, Chairman of the Company and if the Common Seal of the Company is required to be affixed on the Agreement, the same shall be affixed in the presence of the Company Secretary, who shall affix the Common Seal and put her signature in token thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company, as it may deem fit.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies [Incorporation] Rules, 2014 [including any statutory modification[s] or re-enactment thereof, for the time being in force], the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take such actions as may be necessary, expedient and proper to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 94(1) and other applicable provisions of the Companies Act, 2013 read with Rule 5(2) of the Companies [Management and Administration] Rules, 2014, consent of the members of the Company be and is hereby accorded to maintain and keep the Register of Members, Register of Debenture holders, the Index of Members / Debenture holders, if any, other statutory registers required to be maintained under section 88 of the Companies Act, 2013 and copies of annual returns filed under section 92 of the Companies Act, 2013 or any one or more of them, at “Zyodus Tower” Satellite Cross Roads, S. G. Highway Ahmedabad-380015 or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.

RESOLVED FURTHER THAT Board of Directors or any committee thereof be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the forgoing resolution.”

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

“RESOLVED THAT Ms. Sujatha Rajesh (DIN 08071096), who was appointed by the Board of Directors as an Additional Director on the Board of the Company w.e.f. February 25, 2018 and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act together with a deposit of Rs. 1,00,000/- in cash proposing her

candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

By order of the Board of Directors

Place: Ahmedabad
Date: May 17, 2018

Sd/-
DHWANI J. SHAH
COMPANY SECRETARY

Explanatory Statements pursuant to section 102[1] of the Companies Act, 2013.

The following statement set out all material facts relating to Special Businesses mentioned in the accompanying Notice.

In respect of item No. 4 & 5:

The Company is required to appoint a Managing Director / Whole Time Director, who shall be designated as the Key Managerial Personnel the Company.

The Board of Directors of the Company at their meeting held on November 20, 2017, based on the recommendation of the Board of Directors, appointed Mr. Nitish N. Chakravarty as an Additional Director and a Whole Time Director for a period of three years w.e.f. November 20, 2017 to November 29, 2020.

Mr. Nitish N. Chakravarty, 50 years, has done MBA from Xavier Institute of Management, Bhubaneswar and Bachelor in Pharmacy from Sambalpur University, Orissa. Mr. Nitish N. Chakravarty has an experience of over 23 years in the field of pharmaceutical sector. Mr. Chakravarty is associated with the Company since September 2014. Before appoint Chakravarty was the plant head of the Company.

The draft Agreement describing the other terms and conditions, which will be executed between the Company and Mr. Nitish N. Chakravarty is available for inspection by the members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working days upto the date of Annual General Meeting.

Save and except Mr. Nitish N. Chakravarty, none of the Directors and Key Managerial Personnel and their relatives, is concerned or interested in the passing of the resolutions set out at item Nos. 4 and 5.

In respect of item No. 6:

The Articles of Association [hereinafter referred to as "AoA"] of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. The Companies Act, 1956 is no longer in force.

Consequent upon coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletion in several articles. It is expedient to replace the existing AoA by a new set of Articles.

The Company cannot alter its AoA without the approval of members by passing a Special Resolution. The new set of AoA is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the Directors of the Company and Key Managerial Personnel and their relatives have any interest, financially or otherwise, in the proposed resolution. Your Directors recommend the Special Resolution set out at item No. 6 of the Notice for approval by the shareholders.

In respect of item No. 7:

Under the provisions of the Companies Act, 2013 [the Act] certain documents such as the Register of Members and Index of Members, Register and Index of Debenture holders, register and index of any other security holders, Register of Renewed and Duplicate Shares and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under section 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated.

In the interest of operational and administrative convenience, it is proposed to keep the Register of Members, Register of Debenture holders, the Index of Members / Debenture holders, if any, other statutory Register required to be maintained under section 88 of the Companies Act, 2013 and copies of annual returns filed under section 92 of the Companies Act, 2013 or any one or more of them, at “Zydus Tower” Satellite Cross Roads, S. G. Highway, Ahmedabad–380015, a place other than its registered office.

Approval of the members is required under section 94 of the Act for effecting the change in the place at which the Register and Index of Members are to be kept.

The Board recommends the Special Resolution set out under Item No. 7 of the notice for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of the Notice.

In respect of item No. 8:

The Board of Directors of the Company at their meeting held on February 25, 2018, appointed Ms. Sujatha Rajesh as an Additional Director holds office of the Director till the conclusion of this Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Ms. Sujatha Rajesh as Director of the Company liable to retire by rotation.

With an experience of over 20 years in the field of communications, Ms. Sujatha Rajesh heads Corporate Communications at Zydus Cadila, a global pharmaceuticals major as Vice President–Corporate Communications. She specialises in integrating platforms across diverse cultural groups and creating vibrant engagement programmes. Besides a specialised course in Social Communications Media from Sophia’s Mumbai, she has also completed a General Management Programme at the Indian Institute of Management Ahmedabad (IIMA). Ms. Sujatha Rajesh was inducted into the Hall of Fame by the Public Relations Council of India in 2011.

Save and except Ms. Sujatha Rajesh, none of the Directors and Key Managerial Personnel and their relatives, is concerned or interested in the passing of the resolutions set out at item Nos. 8.

By order of the Board of Directors

Place: Ahmedabad
Date: May 17, 2018

**Sd/-
DHWANI J. SHAH
COMPANY SECRETARY**

LIVA PHARMACEUTICALS LIMITED

Regd. Office: Survey Nos. 434/6/B and 434/6/K,
Village: Jarod, Taluka Vaghodia, Vadodara-391 510

CIN: U24100GJ2013PLC077080

Phone: + 91 2668 671316

Directors' Report:

Your Directors are pleased to present **Fifth** Annual Report and the Audited Financial Statement for the Financial Year ended on March 31, 2018.

Status of the Project:

The Company has set-up a manufacturing facility for injectable near Vadodara and at present carrying out manufacturing of exhibit batches. The Company will commence its commercial activities after the regulatory approvals. The Company has spent Rs. 27,664 lakhs towards project expenditure, out of which Rs. 13,275 lakhs is pending capitalization. The Company has earned Rs. 328.60 lakhs from job work charges, Rs. 4.70 lakhs from scrap sales and Rs. 0.17 lakhs from interest income.

Dividend:

As the Company has not commenced any commercial activity, no dividend is recommended by the Directors for the year under review.

Deposits:

The Company has not accepted any deposits during the year under review.

Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the financial year under report with related parties were in the ordinary course of business and on an arm's length basis. There is no material transactions with related parties entered into by the Company during the year, which required the disclosure of particulars thereof as provided under section 134[3][h] of the Companies Act, 2013 ["the Act"] and Rules made thereunder.

Directors:

i. Retirement by rotation:

In accordance with the provisions of section 152[6] of the Act and in terms of the Articles of Association of the Company, Mr. Pranav D. Patel (DIN 00009820), Director

will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

ii. Resignation of Directors:

During the year under review, Mr. R. R. Tuljapurkar (DIN 06683554) and Mr. Amit B. Jain (DIN 01074947) resigned as Directors of the Company w.e.f November 20, 2017 and February 16, 2018 respectively.

iii. Appointment of Directors:

Mr. Nitish Chakravarty (DIN 07998951) and Ms. Sujatha Rajesh (DIN 08071096) were appointed as Additional Directors w.e.f November 20, 2017 and February 25, 2018 respectively, who shall hold office till the conclusion of the ensuing Annual General Meeting and whose appointments are subject to approval of the members at the ensuing Annual General Meeting.

Share Capital:

i. Authorized Share Capital:

During the year under review, the Authorised Share Capital of the Company was increased from Rs. 5.00 Crores [divided into 50,00,000 (Fifty Lacs) equity shares Rs. 10/- (Rupees Ten only) each] to Rs. 355.00 Crores [divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each and 3,50,00,000 (Three Crores Fifty Lacs) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred only) each].

ii. Issued, Subscribed and Paid-up Capital:

The issued, subscribed and paid-up share capital of the Company was increased from Rs. 2.00 Crore (Rupees Two Crores only) to Rs. 325.90 Crores (Rupees Three Hundred and Twenty Five Crores Ninety Lacs only) by allotment of 3,00,60,000 (Three Crores Sixty Thousands) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of the face value of Rs. 100/- (Rupees One Hundred only) each on September 28, 2017, 12,10,000 (Twelve Lacs Ten Thousands) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of the face value of Rs. 100/- (Rupees One Hundred only) each on January 25, 2018, and 11,20,000 (Eleven Lacs Twenty Thousands) 8% Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of the face value of Rs. 100/- (Rupees One Hundred only) each on March 28, 2018 to Cadila Healthcare Limited, the parent Company.

Key Managerial Personnel:

As the paid-up share capital of the Company is more than Rs. 10 Crores, pursuant to the provisions of section 203 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed the following Key Managerial Personnel (Whole Time / Managing Director, Chief Financial Officer and a Company Secretary):

1. Mr. Nitish Chakravarty, Whole Time Director (w.e.f. November 20, 2017),
2. Mr. Vishal Godadesai, Chief Financial Officer (w.e.f. November 20, 2017) and
3. Ms. Dhvani Shah, Company Secretary (w.e.f. November 20, 2017).

Internal Auditors:

As the paid-up share capital of the Company is more than Rs. 50 crores, pursuant to the provisions of section 138 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed CNK Associates & LLP, Chartered Accountants, Ahmedabad as Internal Auditors for a period of two year i.e. Financial Year 2017–2018 and 2018–2019.

Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. Tapan Shah, Company Secretaries in Whole-time Practice to undertake the Secretarial Audit of the Company for the Financial Year 2017–2018. The Secretarial Audit Report is annexed herewith as **Annexure–A**. The Board has duly reviewed the Secretarial Auditors' Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

Disclosures:

There have been no material changes and commitments, which may affect the financial position of the Company between the end of the financial year and the date of report.

Directors' Responsibility Statement:

In terms of section 134[3][c] of the Act and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- (a) that in preparation of the Annual Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

- (b) that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit of the Company for the year ended on that date,
- (c) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) that the Annual Financial Statements have been prepared on a going concern basis,
- (e) that proper internal financial controls were in place and that the financial controls were adequate and operating effectively and
- (f) that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Board Meetings:

During the year eleven Board Meetings were convened and held on April 4, 2017, May 25, 2017, August 1, 2017, August 7, 2017, September 28, 2017, October 16, 2017, November 20, 2017, December 19, 2017, January 25, 2018, February 16, 2018 and March 28, 2018. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

Statutory Auditors and their Report:

Kantilal P. Patel & Co., Chartered Accountants, (Firm Registration No. 104744W) Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Board proposes to appoint Kantilal P. Patel & Co., Chartered Accountants as Statutory Auditors of the Company for a period of five years from conclusion of this Annual General Meeting till the conclusion of Tenth Annual General Meeting, subject to approval of the members at the ensuing Annual General Meeting. They have informed to the Company that their appointment, if made, would be within the limits prescribed under section 141 of the Act. They have also furnished a declaration confirming that their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Auditor's Report on the Financial Statements. The observations and comments, appearing in the Auditor's Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

Corporate Social Responsibility [CSR]:

The Company does not fall in any of the criteria given in section 135 (1) of the Act and therefore the Company is not required to comply with the relevant provisions of the said section during the year under review.

Safe & Conducive Workplace:

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Extract of annual return:

The relevant information in the prescribed Form No. MGT-9 pertaining to abstract of annual return is attached to this report as **Annexure-B**.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The Company has not undertaken any commercial activities during the year, therefore information on conservation of energy and technology absorption, as required to be disclosed under section 134[3][m] of the Act read with the Companies [Accounts] Rules, 2014, need not required to be disclosed separately. The Company has made expenditure of Rs. 897.15 Lakhs in foreign exchange.

General Disclosures:

Your Directors state that the Company has made disclosures in this report the items prescribed in section 134 [3] of the Act and Rule 8 of The Companies [Accounts] Rules, 2014 to the extent the transactions took place on those items during the year.

Appreciation:

Your Directors wish to express their appreciation for the co-operation and support extended by the parent Company.

On behalf of the Board of Directors,

Sd/-
Pranav D. Patel
Chairman

Place: Vadodara
Date: May 17, 2018



TAPAN SHAH
COMPANY SECRETARY

816-818, Anand Mangal – 3, Opp. Core House,
Nr. Doctor House, Ellisbridge, Ahmedabad-380006
Phone : (O) 26430810, 40024320
E-mail : info@tapanshah.in

Annexure–“A”

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2018

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

To,
The Members,
Liva Pharmaceuticals Limited
Survey Nos. 434/6/B, 434/1/K
Village Jarod Taluka Vaghodia,
Vadodara 391510
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Liva Pharmaceuticals Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

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

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



- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

During the period under review the Company has generally complied with all the material aspects of the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further being a Pharmaceutical Company, following are some of the Acts applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:

1. Pharmacy Act, 1948
2. Drugs And Cosmetics Act, 1940 & Amendment 2008 and its Rules
3. The Drugs (Prices Control) Order 1995 (under the Essential Commodities Act)
4. Drug Policy 2002
5. Gujarat Drugs (Control) Act, 1959
6. The Indian Copyright Act, 1957
7. The Trade Marks Act, 1999

During the Period under review, provisions of the following regulation were not applicable to the Company:

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;



- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, as the Company is Unlisted Company.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –



Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. During the year, appointment of Board member as well as KMP was done properly, as prescribed under the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

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

During the year, all decision in the Board Meetings were carried unanimously

Majority decision is carried through, while the dissenting members views are captured and recorded as part of the minutes.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- I. The Company has increased authorised share capital of the company from Rs 5,00,00,000 (Five crores) to Rs 355,00,00,000(Three hundred fifty five crores



TAPAN SHAH
COMPANY SECRETARY

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rupees only) divided into Equity shares and Preference Shares through resolution passed at Extra Ordinary General meeting dated 26th August,2017.

- II. The Company has issued and allotted 3,23,90,000 (Three crore Twenty three Lacs and Ninety thousand), 8% Optionally convertible Non-Cumulative Redeemable Preference Shares (OCPRS) of the face value of Rs 100/- each at par, aggregating to Rs 323.90 crores to Cadila Healthcare Limited, holding Company, in three different tranches.

Place : Ahmedabad

Signature : sd/-

Date : May 17, 2018

Name of Company Secretary in practice: Tapan Shah

FCS No. : 4476

C P No. : 2839

Note : This Report is to be read with my letter of above date which is annexed as Annexure A and forms an integral part of this report.



TAPAN SHAH
COMPANY SECRETARY

816-818, Anand Mangal – 3, Opp. Core House,
Nr. Doctor House, Ellisbridge, Ahmedabad-380006
Phone : (O) 26430810, 40024320
E-mail : info@tapanshah.in

To,
The Members,
Liva Pharmaceuticals Limited
Survey Nos. 434/6/B, 434/1/K
Village Jarod Taluka Vaghodia,
Vadodara 391510, Gujarat

Annexure A

My report of the above date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad

Signature : sd/-

Date : May 17, 2018

Name of Company Secretary in practice: Tapan Shah

FCS No. : 4476

C P No. : 2839

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and other details	
CIN	U24100GJ2013PLC077080
Registration Date	October 4, 2013
Name of the Company	Liva Pharmaceuticals Limited
Category / Sub-Category of the Company	Public Company Limited by shares
Address of the Registered Office and Contact details	Survey No. 434/6/B and 434/1/K, Village : Jarod, Taluka : Vaghodia, District: Vadodara – 391 510. Phone +91-2668-671316
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. Principal Business Activities of the Company		
---	--	--

Manufacturing of Injectable (Pharmaceutical products)

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacturing of Injectable (Pharmaceutical products)	2100	Business yet to commence.

III. Particulars of holding, subsidiary and Associate Companies:					
Sr. No.	Name and Address of the Company	CIN No.	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Cadila Healthcare Limited Zydus Tower, Satellite Cross Roads, Sarkhej-Gandhinagar Highway, Ahmedabad-380 015	L24230GJ1995PLC025878	Holding	100%	2[46]

IV. SHAREHOLDING PATTERN
(Equity share Capital Breakup as percentage of Total Equity)

l) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	19,99,994	6	2,000,000	100%	19,99,994	6	2,000,000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	19,99,994	6	2,000,000	100%	19,99,994	6	2,000,000	100%	-
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	19,99,994	6	2,000,000	100%	19,99,994	6	2,000,000	100%	-

by Pakistani citizens vested with the Custodian of Enemy Property										
ii) Other Foreign Nations	-	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	-	-	-	-	-	-	-	-	-	-
v) Clearing Members/ Clearing House	-	-	-	-	-	-	-	-	-	-
vi) Trusts	-	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,99,994	6	2,000,000	100%	19,99,994	6	2,000,000	100%	-	-

ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Cadila Healthcare Limited	1999994	100%	Nil	1999994	100%	Nil	-
Mr. Pankaj Ramanbhai Patel	*1	-	Nil	*1	-	Nil	-
Mr. Nitin D. Parekh	*1	-	Nil	*1	-	Nil	-
Mrs. Pritiben Pankajbhai Patel	*1	-	Nil	*1	-	Nil	-
Dr. Sharvil P. Patel	*1	-	Nil	*1	-	Nil	-
Mrs. Shivani Pranav Patel	*1	-	Nil	*1	-	Nil	-
Dr. Mukesh R. Patel	*1	-	Nil	*1	-	Nil	-
Total	2,000,000	100.00%	Nil	2,000,000	100.00%	Nil	-

* Shares held as nominee of Cadila Healthcare Limited

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
At the end of the year				

iv) Shareholding Pattern of top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

v) Shareholding of Directors and Key Managerial Personnel [KMP]: Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: **Rs. in Lakhs**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,000.00	23,720.30	-	24,720.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,950.90	-	1,950.92
Total (i+ii+iii)	1,000.00	25,671.20	-	26,671.22
Change in Indebtedness during the financial year	Nil		Nil	
Addition	-	4,281.58	-	4,281.58
Reduction	-	-29,952.78	-	-29,952.78
-Net Change	-	-25,671.20	-	-25,671.20
Indebtedness at the end of the financial year				
i) Principal Amount	1,000.00	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,000.00	-	-	1,000.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
Sr. No.	Particulars of Remuneration	Mr. Nitish Chakravarty Whole Time Director (Rs. in Lakhs)
	Gross Salary	63.60
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.38
	b) Value of perquisites under section 17(2) Income Tax Act, 1961	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	
2	Stock Options	
3	Sweat Equity	
4	Commission	
	- As % of profit	
	- Others specify....	
5	Other, i. Deferred bonus (pertaining to the current Financial year payable in 2018) please specify ii. Retrials	
	Total (A)	63.98
	Ceiling as per the Act	

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount Lakhs
		Mr. Vishal Desai–Chief Financial Officer	Ms. Dhvani Shah–Company Secretary	
1.	Gross Salary	12.02	0.43	12.45
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil	
	b) Value of perquisites under section 17(2) Income Tax Act, 1961			
	c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961			
2.	Stock Options			
3.	Sweat Equity			
4.	Commission			

	- as % of profit			
	- Others, specify.....			
5	Others, please specify – Retrials			
	Total (C)	12.02	0.43	12.45

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Nil

On behalf of the Board of Directors,

Date: May 17, 2018
Place: Ahmedabad

sd/-
Pranav D. Patel
Chairman

TO THE MEMBERS OF LIVA PHARMACEUTICALS LIMITED

Report on the Indian Accounting Standards (IND AS) Financial Statements

We have audited the accompanying IND AS financial statements of **Liva Pharmaceuticals Limited** (the "Company"), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the IND AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.



Opinion

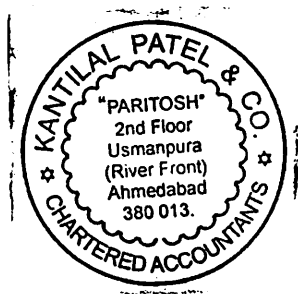
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in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


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) , the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigation which would have impact on its financial position;
 - ii. The Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.
 - iii. During the year, the Company is not required to transfer any amount to the Investor Education and Protection Fund.

Date : May 17, 2018
Place : Ahmedabad



For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Registration No. 104744W

Jinal A. Patel
Partner
Membership No.: 153599

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2018

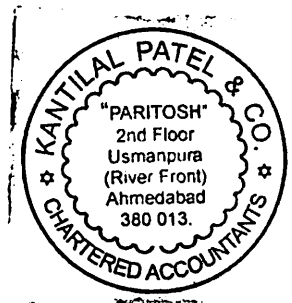
We report that:


- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) The Inventories have been physically verified during the year by the management. In our Opinion the frequency of verification is reasonable. The discrepancies noticed on Physical verification as compared to the book records were not material and have been properly dealt within the book of account;.
- (iii) The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits from public during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provision of clause 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, goods and services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and services tax (GST), cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no any disputed dues in respect of sales Tax, income tax, service tax, value added tax, custom duty, goods and services tax (GST) and excise duty/cess deposited with the appropriate authorities.



- (viii) In Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks. The company had not taken any loan from financial institution. The company has not obtained any borrowing by way of debentures.
- (ix) The Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that term loans were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Date : May 17, 2018
Place : Ahmedabad



For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Registration No. 104744W

Jinal A. Patel
Partner
Membership No.: 153599

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2018 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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.



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

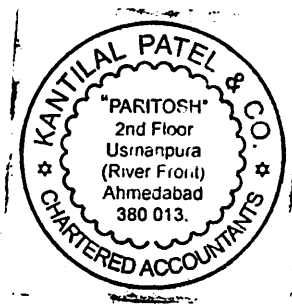
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Date : May 17, 2018
Place : Ahmedabad



For **KANTILAL PATEL & CO.**,
CHARTERED ACCOUNTANTS
Firm Registration No. 104744W


Jinal A. Patel

Partner


Membership No.: 153599

LIVA PHARMACEUTICALS LIMITED
Balance Sheet as at March 31, 2018


Particulars	Note No.	INR-Thousand	
		As at March 31	
		2018	2017
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	1,438,899	977,820
Capital work-in-progress		1,327,513	1,658,104
Other Intangible Assets	3 [B]	816	1,920
Financial Assets:			
Other Financial Assets	4	45	603
Other Non-Current Assets	5	24,066	61,756
Assets for Current tax [Net]	6	523	432
		2,791,862	2,700,635
Current Assets:			
Inventories	7	5,791	-
Financial Assets:			
Cash and Cash Equivalents	8	17,554	20,576
Other Current Financial Assets	9	34	325
Other Current Assets	10	98,084	3,376
Deferred Tax Assets [Net]	16	23,662	43,120
		145,125	67,397
Total		2,936,987	2,768,032
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	11	3,259,000	20,000
Other Equity	12	(482,656)	(5,186)
		2,776,344	14,814
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	13	100,000	2,472,030
Other Financial Liabilities	14	-	29,743
Provisions	15	2,783	2,146
		102,783	2,503,919
Current Liabilities:			
Financial Liabilities:			
Trade Payables	17	19,577	48,108
Other Financial Liabilities	18	32,679	184,484
Other Current Liabilities	19	3,587	16,489
Provisions	20	2,016	217
Current Tax Liabilities [Net]	21	1	1
		57,860	249,299
Total		2,936,987	2,768,032
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 34		

As per our report of even date

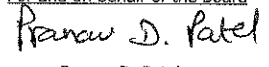
For Kantilal Patel & Co.,
Chartered Accountants
Firm Registration Number: 104744W

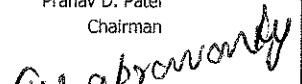

Jinal Patel
Partner
Membership Number: 153599
Ahmedabad, Dated: May 17, 2018

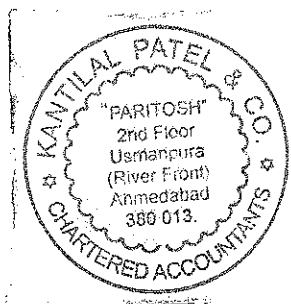

Vishal Godadesai
Chief Financial Officer


Dhwani J. Shah
Company Secretary

For and on behalf of the Board


Pranav D. Patel
Chairman


Nitish Chakravarty
Director



LIVA PHARMACEUTICALS LIMITED
Statement of Profit and Loss for the year ended March 31, 2018


Particulars	Note No.	INR-Thousand	
		Year ended March 31	
		2018	2017
Revenue from Operations	23	32,860	18,600
Other Income	24	487	197
Total Income		33,347	18,797
EXPENSES:			
Cost of Materials Consumed	25	895	1,325
Employee Benefits Expense	26	125,469	23,266
Finance Costs	27	57,016	2,071
Depreciation, Amortisation and Impairment expense	3	82,417	1,184
Other Expenses	28	200,375	38,199
Total Expenses		466,172	66,045
Loss before Tax		(432,825)	(47,248)
Less: Tax Expense:			
Current Tax	29	-	-
Deferred Tax	16	19,342	(43,360)
		19,342	(43,360)
Loss for the year		(452,167)	(3,888)
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans		(444)	(778)
Income tax effect		(115)	(241)
Other Comprehensive Income for the year [Net of tax]		(559)	(1,019)
Total Comprehensive Income for the year [Net of Tax]		(452,726)	(4,907)
Earning per Equity Share [EPS] [in Rupees]			
Basic	30	(226.08)	(1.94)
Diluted	30	(1.39)	(1.94)
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 34		

As per our report of even date
 For Kantilal Patel & Co.,
 Chartered Accountants
 Firm Registration Number: 104744W

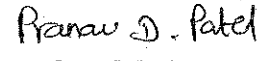

 Jinal Patel
 Partner

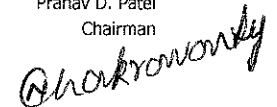
Membership Number: 153599
 Ahmedabad, Dated: May 17, 2018


 Vishal Godadesai
 Chief Financial Officer

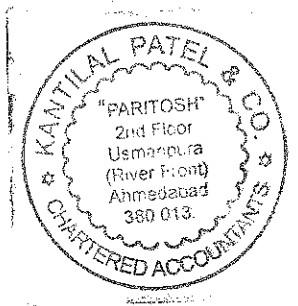

 Dhvani J. Shah
 Company Secretary

For and on behalf of the Board


 Pranav D. Patel
 Chairman


 Nitish Chakravarty
 Director





LIVA PHARMACEUTICALS LIMITED
Cash Flow Statement for the year ended March 31, 2018

Particulars	INR-Thousand	
	Year ended March 31	
	2018	2017
A Cash flows from operating activities:		
Profit before tax	(432,825)	(47,248)
Adjustments for:		
Depreciation, Amortisation and Impairment expense	82,417	1,184
Interest income	-	(197)
Interest expenses	56,851	1,886
Provisions for employee benefits	1,992	1,300
Total	141,260	4,173
Operating profit before working capital changes	(291,565)	(43,075)
Adjustments for:		
[Increase] in inventories	(5,791)	-
[Increase] in other assets	(43,788)	(24,132)
[Decrease] in trade payables	(29,573)	(45,626)
[Decrease] in other liabilities	(18,866)	(74,302)
Total	(98,018)	(144,060)
Cash generated from operations	(389,583)	(187,135)
Direct taxes paid [Net of refunds]	(92)	(431)
Net cash from operating activities	(389,675)	(187,566)
B Cash flows from investing activities:		
Purchase of property, plant and equipment	(223,139)	(762,026)
Proceeds from sale of property, plant and equipment	-	(96)
Interest received	-	197
Net cash from investing activities	(223,139)	(761,925)
C Cash flows from financing activities:		
Proceeds from issuance of preference shares	3,239,000	-
Proceeds from non current borrowings	-	855,410
Repayment from non current borrowings	(2,372,030)	-
Payment of duty for issuance of shares	(24,744)	-
Interest paid	(232,434)	112,919
Net cash from financing activities	609,792	968,329
Net [Decrease]/ increase in cash and cash equivalents	(3,022)	18,838
Cash and cash equivalents at the beginning of the year	20,576	1,738
Cash and cash equivalents at the end of the year	17,554	20,576

Notes to the Cash Flow Statement

- 1 All figures in brackets are outflows.
- 2 Previous year's figures have been regrouped wherever necessary.
- 3 Cash and cash equivalents at the end [beginning] of the year include INR 30 [INR 26] Millions not available for immediate use.
- 4 Effective April 1, 2017, the Company has adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.
- 5 Cash and cash equivalents comprise of:

	As at March 31		
	2018	2017	2016
a Cash on Hand	10	44	33
b Balances with Banks	17,544	20,532	1,705
d Total	17,554	20,576	1,738

As per our report of even date

For Kantilal Patel & Co.,
Chartered Accountants
Firm Registration Number: 104744W



Jinal Patel
Partner

Membership Number: 153599
Ahmedabad, Dated: May 17, 2018

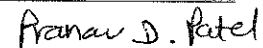


Vishal Godadesai
Chief Financial Officer

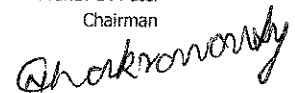


Dhvani J. Shah
Company Secretary

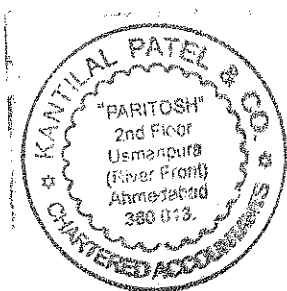
For and on behalf of the Board



Pranav D. Patel
Chairman



Nitish Chakravarty
Director




LIVA PHARMACEUTICALS LIMITED
Statement of Change in Equity for the year ended March 31, 2018

a Equity Share Capital:		
	No. of Shares	INR-Thousand
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2016	2,000,000	20,000
As at March 31, 2017	2,000,000	20,000
As at March 31, 2018	2,000,000	20,000
8% Optionally Convertible Non Cumulative Redeemable Preference shares of Rs. 100/- each, Issued subscribed and fully paid up:		
As at March 31, 2016	-	-
As at March 31, 2017	-	-
Add: Issued during the year	32,390,000	3,239,000
As at March 31, 2018	32,390,000	3,239,000

	INR-Thousand	
	Reserves and Surplus Retained Earnings	Total
As at March 31, 2016	(279)	(279)
Add: Loss for the year	(3,888)	(3,888)
[Less]: Other Comprehensive income	-	-
As at March 31, 2017	(4,167)	(4,167)
Add: Loss for the year	(452,167)	(452,167)
Add [Less]: Other Comprehensive income	-	-
As at March 31, 2018	(456,334)	(456,334)

As per our report of even date
 For Kantilal Patel & Co.,
 Chartered Accountants
 Firm Registration Number: 104744W


 Jinal Patel
 Partner
 Membership Number: 153599
 Ahmedabad, Dated: May 17, 2018


 Vishal Godadesai
 Chief Financial Officer


 Dhvani J. Shah
 Company Secretary

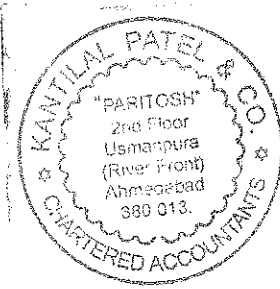
For and on behalf of the Board



Pranav D. Patel
 Chairman


 Nitish Chakravarty
 Director





Note: 1-Company overview:

Liva Pharmaceuticals Limited ["the Company"] is incorporated with an object of the development, production, marketing and distribution of injectable formulations. The company is in the process of setting up injectable manufacturing facility at Village: Jarod, Taluka: Vaghodia, Vadodara.

The financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 17,2018.

Note: 2-Significant Accounting Policies:

A The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1 Basis of preparation:

- A** The financial statements are in compliance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.
- B** For all periods up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies [Accounts] Rules, 2014 [Indian GAAP].
Effective from April 1, 2016, the Company has adopted Ind AS as per Companies [Indian Accounting Standards] [Ind AS] Rules, 2015 as notified under section 133 of the Companies Act, 2013. The adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards.
- C** The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
- i Derivative financial instruments
 - ii Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
 - iii Defined benefit plans
 - iv Contingent consideration

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as 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 consolidated financial statements.

Critical judgments:**a Income taxes:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b Employee benefits:

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

c Impairment of property, plant and equipment and investments:

Significant judgment is involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment and Goodwill to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

d Contingent liabilities:

Significant judgment is involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

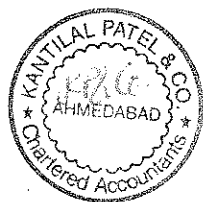
Critical estimates:**a Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

3 Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency.

- A** The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.
- B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss.



Note: 2-Significant Accounting Policies-Continued:**4 Revenue Recognition:**

- A** 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 and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.
- B** Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.
- C** The specific recognition criteria described below must also be met before revenue is recognised:
- a Service Income:**
Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax, Goods and Service Tax [GST] wherever applicable.
- b Interest Income:**
For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

5 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

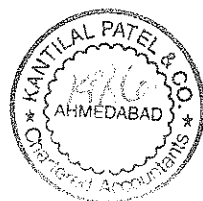
- a** Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b** Current tax items are recognised in co-relation to the underlying transaction either in Statement of Profit and Loss, OCI or directly in equity.

B Deferred Tax:

- a** Deferred tax is provided 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.
- b** Deferred tax liabilities are recognised for all taxable temporary differences.
- c** Deferred tax assets are recognised for all deductible temporary differences, the carry forward of 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, the carry forward of unused tax credits and unused tax losses can be utilized.
- d** 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 utilized. 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.
- e** Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f** Deferred tax items are recognised in co-relation to the underlying transaction either in OCI or directly in equity.
- g** 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.

6 Property, Plant and Equipment:

- A** Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. The foreign exchange loss or gain attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, Plant and Equipment. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment. On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised As at March 31 April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.
- B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.
- C** Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.
- D** Depreciation on impaired assets is calculated on its reduced value, if any, on a systematic basis over its remaining useful life.
- E** Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.
- F** Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100%.
- G** Capital work in progress is stated at cost less accumulated impairment loss, if any.
- H** An item of Property, Plant and 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 de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.



Note: 2-Significant Accounting Policies-Continued:**7 Intangible Assets:**

- A** Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- B** Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.
- C** Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.
- D** Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
- E** An item of intangible asset 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 de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

8 Borrowing Costs:

- A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.

9 Impairment of Assets:

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An 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 recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- A** Raw Materials, Packing Materials, are valued at lower of cost and net realisable value.
- B** Cost [Net of CENVAT and Input tax credit availed] of Raw Materials, Packing Materials is determined on Moving Average Method.

11 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

12 Leases:**As a lessee:**

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease.

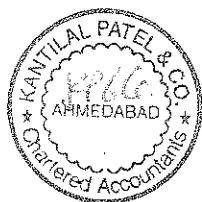
Lease under which the Company assumes potentially all the risk and rewards of ownership are classified as finance lease. When acquired, such assets are capitalised at fair value or present value of the minimum lease payment at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on straight line basis in the Statement of Profit and Loss over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the Company is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

13 Provisions, Contingent Liabilities and Contingent Assets:

- A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.
- B** 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.



Note: 2-Significant Accounting Policies-Continued:**14 Employee Benefits:****A Short term obligations:**

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

B Long term employee benefits obligations:**a Leave Wages and Sick Leave:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

b Defined Benefit Plans:**i Gratuity:**

The Company operates a defined benefit gratuity plan with contributions to be made to a separately administered fund through Life Insurance Corporation of India through Employees Group Gratuity Plan. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss. Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the Statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

- i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- ii Net interest expense or income.

c Defined Contribution Plans - Provident Fund Contribution:

Eligible Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

15 Excise Duty:

Excise Duty is accounted gross of Cenvat benefit availed on inputs, capital goods and eligible services.

16 Financial Instruments:

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

A Financial Assets:**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified As at March 31 the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well As at March 31 each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization As at March 31 amortized cost or as FVTOCI, is classified As at March 31 FVTPL.

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



Note: 2-Significant Accounting Policies-Continued:**iv Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at March 31 FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at March 31 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

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

- a Financial assets that are debt instruments, and are measured at amortised cost
- b Trade receivables or any contractual right to receive cash or another financial asset
- c Financial assets that are debt instruments and are measured as at March 31 FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at March 31 amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:**a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost except for loans and borrowings, as described below:

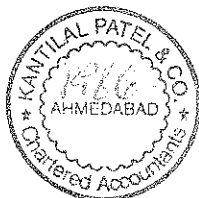
Loans and borrowings:

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

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

c 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 and loss.



Note: 2-Significant Accounting Policies-Continued:**C Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c 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.

18 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

19 Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs [MCA] issued the Companies [Indian Accounting Standards] Amendment Rules, 2018 notifying Ind AS 115 "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration". Both these amendments are applicable to the Company from April 1, 2018.

Ind AS 115:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

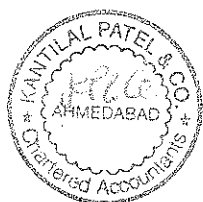
The standard permits two possible methods of transition:

- a) Retrospective approach — Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- b) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch — up approach)

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21:

Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.



LIVA PHARMACEUTICALS LIMITED

Notes to the Financial Statements

Note: 3-Property, Plant & Equipment and Intangible Assets:

[A] Property, Plant and Equipment:

						INR-Thousand	
	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	
Gross Block:							
As at March 31, 2016	544			1,399			1,943
Additions	244,633	726,526	6,527		88		977,774
Disposals				(629)			(629)
Other adjustments							
As at March 31, 2017	245,177	726,526	6,527	770	88		979,088
Additions	4,964	527,613	7,375		1,610		541,562
Disposals							
Other adjustments		1,927					1,927
As at March 31, 2018	250,141	1,256,066	13,902	770	1,698		1,522,577
Depreciation and Impairment:							
As at March 31, 2016	17			171			188
Depreciation for the year	120	945	8	103			1,176
Impairment for the year							
Disposals				(96)			(96)
As at March 31, 2017	137	945	8	178			1,268
Depreciation for the year	7,527	74,050	685	97	43		82,402
Other adjustments		8					8
Disposals							
As at March 31, 2018	7,664	75,003	693	275	43		83,678
Net Block:							
As at March 31, 2017	245,040	725,581	6,519	592	88		977,820
As at March 31, 2018	242,477	1,181,063	13,209	495	1,655		1,438,899

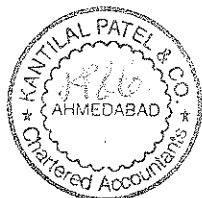
[B] Intangible Assets:

	Other Intangible Assets	
	Computer Software	Total
Gross Block:		
As at March 31, 2016		
Additions	1,928	1,928
Disposals		
Other adjustments		
As at March 31, 2017	1,928	1,928
Additions	830	830
Disposals		
Other adjustments	(1,927)	(1,927)
As at March 31, 2018	831	831
Amortisation and Impairment:		
As at March 31, 2016		
Amortisation for the year	8	8
Impairment for the year		
Disposals		
As at March 31, 2017	8	8
Amortisation for the year	15	15
Impairment for the year		
Disposals		
Other adjustments	(8)	(8)
As at March 31, 2018	15	15
Net Block:		
As at March 31, 2017	1,920	1,920
As at March 31, 2018	816	816

Depreciation, Amortisation and Impairment expenses:

Depreciation
Amortisation
Impairment
Total

INR-Thousand	
Year ended March 31	
2018	2017
82,402	1,176
15	8
-	-
82,417	1,184



LIVA PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousand	
	As at March 31	
	2018	2017
Note: 4-Other Financial Assets:		
[Unsecured, Considered Good unless otherwise stated]		
Security Deposits	45	603
Total	45	603
Note: 5-Other Non-Current Assets:		
[Unsecured, Considered Good unless otherwise stated]		
Capital Advances	21,821	10,483
Balances with Statutory Authorities	-	51,274
Others	2,245	-
Total	24,066	61,757
Note: 6-Current Tax Assets [Net]:		
Advance Payment of Tax [Net of Provision of Tax of Rs. 223 {as at March 31, 2017: INR 316} Thousand]	523	432
Total	523	432
Note: 7-Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	38	-
Others:		
Packing Materials	5,753	-
Total	5,791	-
Note: 8-Cash and Cash Equivalents:		
Balances with Banks	17,544	20,532
Cash on Hand	10	44
Total	17,554	20,576
Note: 9-Other Current Financial Assets:		
[Unsecured, Considered Good]		
Others	34	325
Total	34	325
Note: 10-Other Current Assets:		
[Unsecured, Considered Good]		
Advances to Suppliers	3,024	1,982
Balances with Statutory Authorities	93,397	-
Prepaid Expenses	1,663	1,394
Total	98,084	3,376



LIVA PHARMACEUTICALS LIMITED
Notes to the Financial Statements

INR-Thousand

As at March 31

2018 **2017**

Note: 11-Equity Share Capital:

Authorised:

50,00,000 [As at March 31,2017: 50,00,000] Equity Shares of Rs.10/- each
3,23,90,000 [As at March 31,2017: Nil] 8% Optionally Convertible non cumulative Redeemable Preference shares of Rs. 100/- each fully paid up

50,000	50,000
3,239,000	-
3,289,000	50,000

Issued, Subscribed and Paid-up:

20,00,000 [As at March 31 March31, 2017: 20,00,000] Equity Shares of Rs.10/- each fully paid-up
3,23,90,000 [As at March 31,2017: Nil] 8% Optionally Convertible non cumulative Redeemable Preference shares of Rs. 100/- each fully paid up

20,000	20,000
3,239,000	-
3,259,000	20,000

Total

A There is no change in the number of equity shares as at the beginning and end of the year.

Number of equity shares at the beginning and at the end of year

2,000,000	2,000,000
-----------	-----------

B The reconciliation in number of preference shares is as under:

Number of shares at the beginning of the year

Add: Issued during the year

Number of shares at the end of the year

-	-
32,390,000	-
32,390,000	-

C The Company has equity shares and preference shares. All equity shares rank pari passu and carry equal rights with respect to voting and dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

D Optionally Convertible Non Cumulative Redeemable Preference [OCRPS] shares are redeemable at par. At anytime during the tenure of the OCRPS, the Issuer of the OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. At anytime during the tenure of the OCRPS, the Holder of the OCRPS shall have right to have all, or any part, of the OCRPS to be converted as Equity Shares. Such conversion shall happen at a pre-determined agreed rate between the parties. The tenure of the OCRPS shall be 20 years from the date of allotment, September 28, 2017 [Rs. 3,006,000 Thousand], January 25, 2018 [121,000 Thousand] and March 28, 2018 [Rs.112,000 Thousand]. At any time during the tenure of the OCRPS, the Company shall have a right to redeem, all or any part of outstanding OCRPS. The OCRPS shall carry a preferential right with respect to dividend on the paid up capital in the event of distribution of profits by the company.

E All Equity shares of Rs. 10/- each, fully paid up held by Holding Company, Cadila Healthcare Limited and its nominees:

Number of Shares

% to total share holding

2,000,000	2,000,000
100.00%	100.00%

F All Preference shares of Rs. 100/- each, fully paid up held by Holding Company, Cadila Healthcare Limited:

Number of Shares

% to total share holding

32,390,000	-
100.00%	-

Note: 12-Other Equity:

Retained Earnings:

Balance as per last Balance Sheet

Add: Loss for the year

(5,186)	(279)
(452,167)	(3,888)

Less: Items of other Comprehensive income recognised directly in Retained Earnings:

Re-measurement gains/ [losses] on defined benefit plans [net of tax]

Balance as at end of the year

General Reserve: [*]

Closing Balance

(457,353)	(4,167)
(559)	(1,019)
(457,912)	(5,186)

Total

(24,744)	-
(482,656)	(5,186)

[*] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

Note: 13-Borrowings:

INR-Thousand

Non-current portion

Current Maturities

As at March 31

As at March 31

2018 **2017** **2018** **2017**

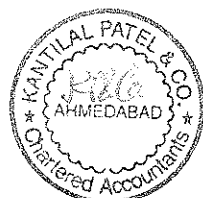
A Term Loans from Banks [Secured] [*]

B Loans and advances from a Related party [Unsecured]

Total

100,000	100,000	-	-
-	2,372,030	-	-
100,000	2,472,030	-	-

[*] Loan is secured by creating charge on plant and machinery and other movable present and future assets of the Company and additionally secured by creating charge on the immovable property of the Holding company offered on long term lease to the Company. The loan is repayable in eight equal quarterly installments and first installment shall become due and payable after end of the 9th quarter from December 31, 2018 along with accrued interest for the period.



LIVA PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousand	
	As at March 31	
	2018	2017
Note: 14-Other Financial Liabilities:		
Other Payable	-	29,743
Total	-	29,743
Note: 15-Provisions:		
Provision for Employee Benefits	2,783	2,146
Total	2,783	2,146

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

The leave encashment scheme is administered through Life Insurance Corporation of India's Employees' Group Leave Encashment cum Life Assurance [Cash Accumulation] Scheme. The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets As at March 31 the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

	INR-Thousand					
	As at March 31					
	2018			2017		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B Change in the present value of the defined benefit obligation:						
Opening obligation	50	1,240	1,075	23	112	257
Interest cost	3	79	75	2	8	14
Current service cost	41	958	954	32	39	367
Benefits paid	-	-	-	-	(337)	(341)
Actuarial [gains]/ losses on obligation	(26)	942	360	(8)	1,416	778
Closing obligation	68	3,218	2,463	50	1,240	1,075
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	-	-	-	-	92
Expected return on plan assets	-	-	33	-	-	-
Return on plan assets excluding amounts included in Interest Income	-	-	(84)	-	-	-
Contributions by employer	-	-	1,000	-	-	-
Benefits paid	-	-	-	-	-	(92)
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	-	949	-	-	-
Total actuarial [losses]/ gains to be recognised	(26)	942	360	8	(1,416)	(778)
D Actual return on plan assets:						
Expected return on plan assets	-	-	33	-	-	-
Actual return on plan assets	-	-	33	-	-	-
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	68	3,218	2,463	50	1,240	1,075
Fair value of plan assets at the end of the year	-	-	(949)	-	-	-
Difference	68	3,218	1,514	50	1,240	1,075
Unrecognised past service cost	-	-	-	-	-	-
Liabilities/ [Assets] recognised in the Balance Sheet	68	3,218	1,514	50	1,240	1,075
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	41	958	954	32	39	367
Interest cost on benefit obligation	3	79	75	2	8	14
Expected return on plan assets	-	-	(33)	-	-	-
Net actuarial [gains]/ losses in the year	-	942	-	-	1,416	-
Amount included in "Employee Benefit Expenses" on plan assets excluding amounts included in interest income	44	1,979	995	34	1,464	381
Net actuarial [gains]/ losses in the year	-	-	360	-	-	778
Amounts recognized in OCI	-	-	444	-	-	778



LIVA PHARMACEUTICALS LIMITED

Notes to the Financial Statements

Note: 15-Long Term Provisions-Continued:

	As at March 31					
	2018			2017		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	50	1,240	1,075	(5)	112	164
Transfer under the Scheme [*]						
Expenses as above [P & L Charge]	44	1,979	995	34	1,464	381
Employer's contribution	(26)	-	(1,000)	28	(337)	(249)
Amount recognised in OCI			444	(8)		778
Benefits Paid						
Liabilities/ [Assets] recognised in the Balance Sheet	68	3,218	1,514	50	1,240	1,075

H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:

Discount rate	7.30%	7.30%	7.30%	6.95%	6.95%	6.95%
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[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistency with the currency and terms of the post employment benefit obligations]

Annual increase in salary cost	12% for next 3 years & 10% thereafter	12% for 1st 4 years, 9% thereafter
--------------------------------	---------------------------------------	------------------------------------

[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]

I The categories of plan assets as a % of total plan assets are:

Insurance plan	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%
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J Amount recognised in current and previous year :

Gratuity:

Defined benefit obligation	2,463	1,075
Fair value of Plan Assets	949	-
Deficit/ [Surplus] in the plan	1,514	1,075
Actuarial Loss/ [Gain] on Plan Obligation	360	778
Actuarial Loss/ [Gain] on Plan Assets	-	-

As at March 31	
2018	2017
2,463	1,075
949	-
1,514	1,075
360	778
-	-

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

The average duration of the defined benefit plan obligation at the end of the reporting period is 30.23 years [As at March 31, 2017: 30.58 years]

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is shown below:

Assumptions	INR-Thousand					
	Medical Leave		Leave Wages		Gratuity	
	As at March 31					
	2018	2017	2018	2017	2018	2017
Impact on obligation:						
Discount rate increase by 0.5%	(2)	(2)	(86)	(37)	(98)	(47)
Discount rate decrease by 0.5%	2	2	91	39	104	50
Annual salary cost increase by 0.5%	2	2	88	37	100	49
Annual salary cost decrease by 0.5%	(2)	(2)	(84)	(36)	(95)	(46)

The following payments are expected contributions to the defined benefit plan in future years:

	INR-Thousand	
	As at March 31	
	2018	2017
Within the next 12 months [next annual reporting period]	639	217
Between 2 and 5 years	2,448	841
Between 5 and 10 years	3,350	881
Total expected payments	6,437	1,940



LIVA PHARMACEUTICALS LIMITED

Notes to the Financial Statements

Note: 16-Deferred Tax:

A Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

	INR-Thousand				
	As at April 1 2016	Charge for the previous year	As at March 31 2017	Charge for the current year	As at March 31 2018
Deferred Tax Liabilities:					
Depreciation	-	(43,360)	(43,360)	130,943	87,584
Deferred Tax Assets:					
Retirement benefits	-	(240)	(240)	1,974	1,734
Preliminary Expenses u/s. 35D	-	-	-	98	98
Unabsorbed depreciation	-	-	-	109,414	109,414
	-	(240)	(240)	111,486	111,246
Net Deferred Tax [Assets]/Liabilities	-	(43,120)	(43,120)	19,457	(23,662)

B The Net Deferred Tax Expense of INR 19,457 Thousand for the year has been charged [Previous Year INR 43,120 Thousand has been reversed] in the Statement of Profit and Loss.

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

The Company has tax losses which arose in India of INR 10,07,689 [As at March 31, 2017 - INR 3,83,118] Thousands that are available for offsetting against future taxable profits of the companies in which the losses arose. Unabsorbed Depreciation is allowed to be set-off for indefinite period.

	INR-Thousand	
	As at March 31	
	2018	2017

Note: 17-Trade Payables:

Micro, Small and Medium Enterprises [*]	4,602	-
Others	14,975	48,108
Total	19,577	48,108

[*] Disclosure in respect of Micro, Small and Medium Enterprises:

- A Principal amount remaining unpaid to any supplier As at March 31 year end
- B Interest due thereon
- C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year
- D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act
- E Amount of interest accrued and remaining unpaid at the end of the accounting year
- F Amount of further interest remaining due and payable in succeeding years

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

Note: 18-Other Financial Liabilities:

Interest accrued but not due	-	175,583
Accrued Expenses	11,466	8,901
Payable for Capital Goods	21,213	-
Total	32,679	184,484

Note: 19-Other Current Liabilities:

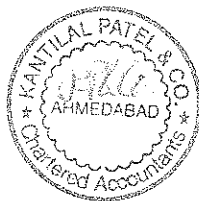
Payable to Statutory Authorities	3,587	16,489
Total	3,587	16,489

Note: 20-Provisions:

Provision for Employee Benefits	2,016	217
Total	2,016	217

Note: 21-Current Tax Liabilities [Net]:

Provision for Taxation [Net of Advance Tax of Rs. 129 {as at March 31, 2017: 129} Thousand]	1	1
Total	1	1

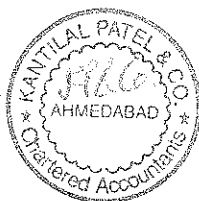


LIVA PHARMACEUTICALS LIMITED		
Notes to the Financial Statements		
	INR-Thousand	
	As at March 31	
	2018	2017
Note: 22-Contingent Liabilities and Commitments [to the extent not provided for]:		
A Contingent Liabilities:		
a Other money for which the company is contingently liable:		
i The Company has imported certain capital equipment at concessional rate of custom duty under "Export promotion of Capital Goods Scheme" of the Central Government. The Company has undertaken an incremental export obligation to the		
- extent of US \$ Millions	28,584	28,068
- equivalent to INR Millions approx.	1,885,573	1,863,399
to be fulfilled during a specified period as applicable from the date of imports. The unprovided liability towards custom duty payable thereon in respect of unfulfilled export obligations	316,523	310,570
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for	75,364	62,649
- Net of advance of	21,662	5,440
	INR-Thousand	
	Year ended March 31	
	2018	2017
Note: 23-Revenue from Operations:		
Other Operating Revenues:		
Job work charges for Scale Up and Exhibit Batches	32,860	18,600
Total	32,860	18,600
Note: 24-Other Income:		
Finance Income:		
Interest Income on financial assets measured at amortised cost	17	197
Income from sale of scrape	470	-
Total	487	197
Note: 25-Cost of Materials Consumed:		
Raw Materials :		
Opening Total	-	-
Add: Purchases	756	103
Less: Stock at close	38	-
	718	103
Packing Materials consumed	177	1,222
Total	895	1,325
Note: 26-Employee Benefits Expense:		
Salaries and wages	110,944	21,121
Contribution to provident and other funds [*]	6,640	173
Staff welfare expenses	7,885	1,972
Total	125,469	23,266
[*] The Company's contribution towards defined contribution plan	5,517	124
Note: 27-Finance Cost:		
Interest expense [*]	56,851	1,886
Bank commission & charges	165	185
Total	57,016	2,071
[*] The break up of interest expense into major heads is given below:		
On term loan	56,850	1,886
Others	1	-
Total	56,851	1,886



LIVA PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousand	
	Year ended March 31	
	2018	2017
Note: 28-Other Expenses:		
Consumption of Stores and spare parts	59,012	9,504
Power & fuel	63,855	13,706
Rent	1,111	226
Repairs to Buildings	2,107	292
Repairs to Plant and Machinery	16,614	3,006
Insurance	1,765	235
Rates and Taxes [excluding taxes on income]	3,617	-
Traveling Expenses	472	228
Legal and Professional Fees [*]	1,293	221
Net Loss on foreign currency transactions.	55	148
Loss on sale of assets [Net]	-	23
Miscellaneous Expense	50,474	10,610
Total	200,375	38,199
[*] Legal and Professional Fees Includes :		
Payment to the Statutory Auditors [excluding Service Tax]:		
i As Auditor	100	40
ii For other services	-	-
	100	40
Note: 29-Tax Expenses:		
The major components of income tax expense are:		
A Statement of profit and loss:		
Profit or loss section:		
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences [Refer Note-15]	19,342	(43,360)
Tax expense reported in the statement of profit and loss	19,342	43,360
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss/ (gain) on remeasurements of defined benefit plans	115	241
Tax charged to OCI	115	241
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	(432,825)	(47,248)
Enacted tax rate in India (%)	26.00%	34.61%
Expected Tax Expenses	(112,535)	(16,353)
Adjustments for:		
Effect of unrecognized deferred tax assets/ liabilities	42,356	(27,007)
Effect of non-deductible expenses	40	-
Effect of carried forward business losses on which Deferred Tax Assets is not created	89,480	-
Total	19,342	(43,360)
Tax Expenses as per Statement of Profit and Loss	19,342	(43,360)
Note: 30-Calculation of Earnings per Equity Share [EPS]:		
The numerators and denominators used to calculate the basic and diluted EPS are as follows:		
A Basic EPS:		
a Profit attributable to Shareholders	INR-Thousand	(452,167)
b Basic and weighted average number of Equity shares outstanding during the year	Numbers	2,000,000
c Nominal value of equity share	INR	10
d Basic EPS	INR	(226.08)
B Diluted EPS:		
a Profit attributable to Shareholders	INR-Thousand	(452,167)
b Basic and weighted average number of Equity shares (including potential equity shares) outstanding during the year	Numbers	325,900,000
c Nominal value of equity share	INR	10
d Basic EPS	INR	(1.39)



LIVA PHARMACEUTICALS LIMITED

Notes to the Financial Statements

Note: 31-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship:

a Holding Company:

Cadila Healthcare Limited

b Fellow Subsidiaries:

Dialforhealth India Limited	Zydus Pharmaceuticals (USA) Inc. [USA]
Dialforhealth Unity Limited	Nesher Pharmaceuticals (USA) LLC [USA]
Dialforhealth Greencross Limited	Zydus Healthcare (USA) LLC [USA]
Zydus Healthcare Limited	Sentynl Therapeutics Inc. [USA]
Zydus Wellness Limited	Zydus Noveltch Inc. [USA]
M/s. Zydus Wellness-Sikkim, a Partnership Firm	Hercon Pharmaceuticals LLC [USA]
Zydus Technologies Limited	Zydus Healthcare S.A. (Pty) Ltd [South Africa]
ACME Pharmaceuticals Private Limited	Simayia Pharmaceuticals (Pty) Ltd [South Africa]
Alidac Pharmaceuticals Limited	Script Management Services (Pty) Ltd [South Africa]
Zydus Lanka (Private) Limited [Sri Lanka]	Zydus France, SAS [France]
Zydus Healthcare Philippines Inc. [Philippines]	Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus International Private Limited [Ireland]	Etna Biotech S.R.L. [Italy]
Zydus Netherlands B.V. [the Netherlands]	Laboratorios Combig S.L. [Spain]
ZAHL B.V. [the Netherlands]	Zydus Pharmaceuticals Mexico SA De CV [Mexico]
ZAHL Europe B.V. [the Netherlands]	Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Bremer Pharma GmbH [Germany]	Zydus Worldwide DMCC [Dubai]
Alidac Healthcare (Myanmar) Limited [Myanmar]	Zydus Discovery DMCC [Dubai]

c Key Managerial Personnel:

Mr. Pranav D. Patel	Chairman
Ms. Sujatha Rajesh	Director
Mr. Nitish Chakravarty	Director
Mr. Vishal P. Godadesai	Executive Officer [Chief Financial Officer]
Ms. Dhvani J.Shah	Executive Officer [Company Secretary]

d Enterprises significantly influenced by Directors and/or their relatives:

Oneiro Chemicals Limited
Abhigam Consultants Private Limited

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

a Details relating to parties referred to in Note 31-A [a]

Nature of Transactions	Value of the Transactions [INR]	
	Holding Company	
	Year ended March 31, 2018	2017
Purchases:		
Goods	-	2,080
Services	5,949	13,540
Sales :		
Services	37,994	18,600
Investments:		
Loan Received	-	2,372,030
Interest paid	-	175,583
Outstanding Payable	-	2,547,613

b There are no transactions with parties referred to in Note 31-A [b, c and d]

Note: 32-Financial Instruments:

A Fair values hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices [unadjusted] in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

B Financial assets and liabilities measured at fair value - recurring fair value measurements:

Financial Assets:

The carrying amounts of trade receivables, cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.



LIVA PHARMACEUTICALS LIMITED

Notes to the Financial Statements

Note: 33-Financial Risk Management:

A Financial instruments by category:

	INR-Thousand			
	As at March 31, 2018			
	FVTPL	FVOCI	Amortised Cos	Total
Financial assets:				
Mutual funds				
Government Securities				
Cash and Cash Equivalents			17,554	17,554
Other Financial Assets			45	45
Current Loans			34	34
Total	-	-	17,633	17,633
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]			100,000	100,000
Trade payables			19,577	19,577
Other Current Financial Liabilities			32,679	32,679
Total	-	-	152,256	152,256
	INR-Thousand			
	As at March 31, 2017			
Financial assets:				
Cash and Cash Equivalents			20,576	20,576
Other Financial Assets			603	603
Current Loans			325	325
Total	-	-	21,504	21,504
Financial liabilities:				
Borrowings [including current maturities and interest accrued but not due]			2,472,030	2,472,030
Trade payables			48,108	48,108
Non Current Other Financial Liabilities			29,743	29,743
Other Current Financial Liabilities			184,484	184,484
Total	-	-	2,734,365	2,734,365

B Risk Management:

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

a Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed.

The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

ii There are no significant credit risks with related parties of the Company.

b Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



LIVA PHARMACEUTICALS LIMITED
Notes to the Financial Statements

Note: 33-Financial Risk Management-Continued:

Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	INR-Thousand				
	< 1 year	1-2 year	2-3 year	> 3 years	Total
As at March 31, 2018					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	-	-	-	100,000	100,000
Trade payable	19,577	-	-	-	19,577
Accrued Expenses	11,466	-	-	-	11,466
Payable for Capital Goods	-	-	21,213	-	21,213
Total	31,043	-	21,213	100,000	152,256
As at March 31, 2017					
Non-derivative Financial Liabilities:					
Borrowings [including current maturities and interest]	-	-	-	2,647,613	2,647,613
Other non current financial liabilities	-	29,743	-	-	29,743
Trade payable	48,108	-	-	-	48,108
Accrued Expenses	8,901	-	-	-	8,901
Total	57,009	29,743	-	2,647,613	2,734,365

c Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

d Interest rate risk:

Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31 March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure:

Below is the overall exposure of the Company to interest rate risk:

	INR-Thousand	
	As at March 31	
	2018	2017
Variable rate borrowing	-	-
Fixed rate borrowing	100,000	100,000
Total borrowings	100,000	100,000

Sensitivity [*]:

Below is the sensitivity of profit or loss and equity changes in interest rates:

	Movement in Rate	INR-Thousand	
		As at March 31	
		2018	2017
Interest rates	+0.50%	370	327
Interest rates	-0.50%	370	327

[*] Holding all other variables constant

Note: 34

Figures of previous reporting periods have been regrouped/ reclassified to conform to current period's classification.

Signatures to Significant Accounting Policies and Notes 1 to 34 to the Financial Statements

As per our report of even date

For Kantilal Patel & Co.,

Chartered Accountants


Firm Registration Number: 104744W


Jinal Patel

Partner

Membership Number:153599

Ahmedabad, Dated: May 17, 2018

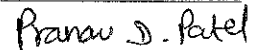

Vishal Godadesai

Chief Financial Officer

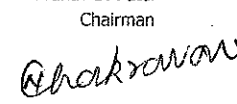

Dhvani J. Shah

Company Secretary

For and on behalf of the Board


Pranav D. Patel

Chairman


Nitish Chakravarty

Director

