ALIDAC PHARMACEUTICALS LIMITED
(CIN U24230GJ2005PLC046915)
Regd. Office: Plot No.1A, PHARMEZ Special Economic Zone
Sarkhej-Bavla N.H. No.8A,Village: Matoda, Taluka: Sanand, District: Ahmedabad
Gujarat, India PIN 382213

N O T I C E

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of **Alidac Pharmaceuticals Limited** will be held on Thursday, 2nd August 2018 at 10:00 a.m. at the Registered Office of the Company at Plot No.1A, PHARMEZ – Special Economic Zone, Sarkhej-Bavla N.H. No.8A, Village: Matoda, Taluka: Sanand, District: Ahmedabad, Gujarat, India PIN 382 213 to transact the following business:

ORDINARY BUSINESS

1. **Receive, consider and adopt the financial statements of the company for the year ended on 31st March 2018 and the Reports of the Directors and Auditors thereon.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "Resolved that the audited Financial Statements of the Company including the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon; be and are hereby received, considered and adopted."

2. **Ratification of appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, Ahmedabad as the Statutory Auditors of the company.**

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

   "Resolved that pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm Regn. No.110417W), as the Statutory Auditor of the Company (who were appointed by the shareholders as the statutory auditors to hold the office till the conclusion of the 15th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting), is hereby ratified to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors after considering recommendation of the Audit Committee."

3. **Re-appointment of Mr. Ganesh Nayak (DIN 00017481) as a director:**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of section 152 and other applicable provisions of the Companies Act 2013 and the rules made thereunder, Mr. Ganesh N. Nayak (DIN 00017481), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

By Order of the Board of Directors

Sd/-
Jagdish Mehta
Company Secretary

Place: Ahmedabad
Date: 14th May 2018

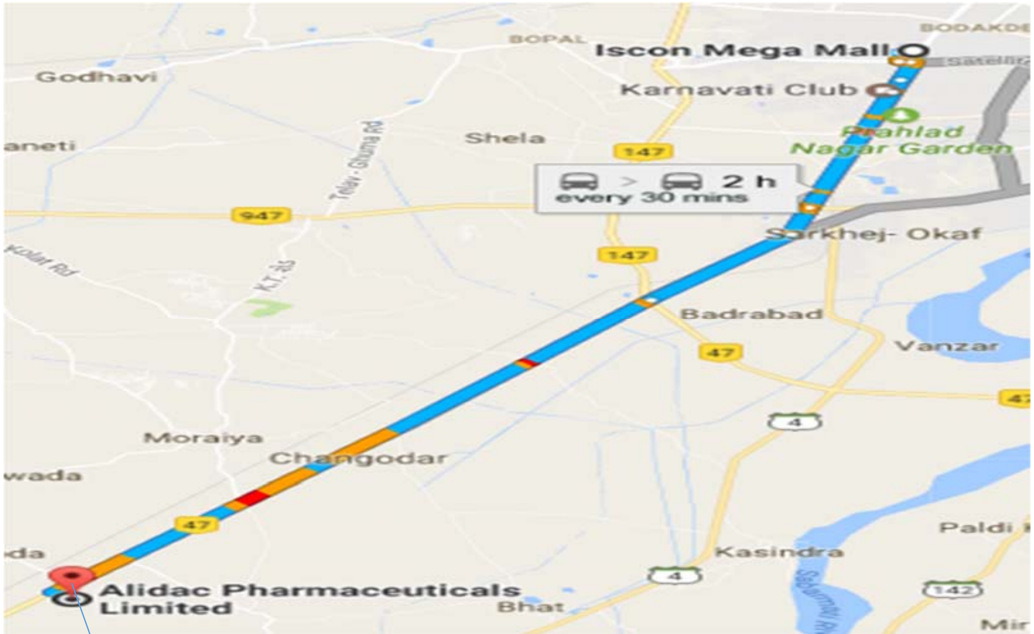
NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY**.

2. All documents referred to in the Notice and the Explanatory Statement, and requiring Members' approval pursuant to Section 102(1) of the Companies Act, 2013, and such statutory records and registers, as are required to be kept open for inspection under the Companies Act, 2013, shall be available for inspection by the Members at the Registered Office of the Company during business hours and shall be accessible to the person attending the meeting.

3. The Register of Directors' and Key Management Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

4. A map showing the direction from Iscon Mega Mall to the AGM venue is given below:



Iscon Mega Mall
BOPAL
Godhavi
Karnavati Club
Prahlad Nagar Garden
Shela
147
947
2 h
every 30 mins
Sarkhej- Okaf
Badrabad
Vanzar
47
4
Moraiya
Changodar
Kasindra
Paldi
Alidac Pharmaceuticals Limited
Bhat
142

Pharmez - SEZ

ALIDAC PHARMACEUTICALS LIMITED
Registered Office: Plot No. 1A, Pharmez - Special Economic Zone,
Sarkhej-Bavla N.H No.8A, Matoda, Ta. Sanand, Dist. Ahmedabad 382213

BOARD'S REPORT

To
The Members,
Alidac Pharmaceuticals Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company for the financial year ended on 31st March, 2018.

FINANCIAL HIGHLIGHTS:

	Particulars	2017-18 (Rs. In Lacs)	2016-17 (Rs. In Lacs)
1	Sales and Other Income	15,519	11,500
2	Profit (Loss) before Depreciation and Taxes	2,078	1,831
3	Less: Depreciation & Amortization	470	454
4	Profit (Loss) before Tax	1,608	1,377
5	Less: Tax provisions (net of Mat Credit)	57	289
6	Profit (Loss) after Tax	1551	1,088
7	Other Comprehensive Income (net of tax)	6	-
8	Total Comprehensive Income (net of tax)	1557	1,088
	Transfer to Reserves	-	-

OPERATIONS:

Total Income earned in FY 2017-18 increased by 35% (P.Y. 14.15%) on higher export during the year. The profit after tax for the year increased by 42.55% and wiped off the accumulated book and tax losses.

DIVIDEND & TRANSFER TO RESERVES:

Considering acquisition of new equipment and creation of new facility over next two years, your Directors have not recommended any dividend to Preference and Equity shareholders and have not recommended transfer of any amount to reserves.

CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business being carried on by the Company. The Company would continue to provide contract manufacturing services to its domestic and overseas customers.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR:

The company has embarked upon acquisition of new equipment and creation of new facility for aggregate capital outlay of Rs.159 crores over next two years. The automatic plant would give better speed and efficiency without any manual intervention. This would enable the company to manufacture complex oncology injectable and powder products. The Company has already started construction of the manufacturing facility. There are no other material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the company and the date of this report.

SHARE CAPITAL:

There was no issue of equity or preference share capital during the year. The company has not offered any employee stock options to employees or trustees for benefit of employees.

DEPOSITS:

The Company does not have any deposits within the meaning of section 2(31) of the Companies Act 2013; either at the beginning or at the end of the year nor it has accepted any deposits within the meaning of section 73 of the Act during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loan or guarantee or provided any security in connection with a loan to any person or other body corporate nor has acquired the securities of any other body corporate during the year.

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. As provided by section 134(3)(h) of the Act and Rules made thereunder, disclosure of particulars of material transactions with related parties entered between the Company and related parties are provided in **Annexure A** to this Report. Disclosures on related party transactions are set out in Note No.31 to the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company has adequate internal financial controls over financial reporting considering the size, scale and complexity of its business operations. The material transactions were tested for their conformity with the internal financial controls and no gaps were reported. The Auditors' Report include a report on audit of such controls. The company is expecting going live on SAP system from 1st May 2018.

The internal auditors carried out a review of business processes, systems and procedures and presented their recommendations to the Audit & Risk Management Committee. Observations were not critical / material.

SECRETARIAL STANDARDS:

The Board of Directors of the company has complied with applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and company operations in future.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have any subsidiary/ associate/ joint-venture nor has made investment in any other body corporate either at the beginning, during or at the end of the year.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

Changes in Directors

There are no changes in Directors during the year.

Whole-time Key Managerial Personnel & changes therein:

The following persons are the Key Managerial Personnel:

- Mr. Rashmin Shah, Chief Executive Officer
- Mr. Jagdish Mehta, Company Secretary
- Mr. Manthan Vora, Chief Financial Officer

There was no change in the Key Managerial Personnel during the year.

Retirement by Rotation

In accordance with provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Ganesh Nayak **(DIN 00017481)** will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

Independent Directors

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149[7] of the Act, stating that they meet the criteria of independence as provided in sub-section [6]. The Board has accepted the same.

Committees of the Board of Directors

The Company has the following committees of the Board.

i. Audit & Risk Management Committee
ii. Nomination and Remuneration Committee
iii. Corporate Social Responsibility Committee

Board Annual Evaluation

Pursuant to provisions of the Act and Rules made thereunder and as provided in Schedule IV to the Act, Independent Directors met on 30th January 2018 without the presence of non-independent directors and reviewed performance of non-independent directors and Board as a whole and its committees. They also reviewed the performance of the Chairman of the Company; and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. Their recommendations submitted to the Chairman were not critical/ not material. The Nomination and Remuneration Committee/ Board in its meeting held on 14th May 2018 carried out the formal annual evaluation of performance of the Board, its committees, their chairmen and directors individually against the criteria formulated for determining qualifications, positive attributes and independence of a director and conveyed its satisfaction.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the company met 4 times in the FY 2017-18 on the following dates:

- 11th May 2017
- 20th July 2017
- 30th October 2017
- 30th January 2018

Composition of the Board and attendance of directors at the meeting

Name of directors	No. of meetings held during the year	No. of meetings attended
Shri Ganesh Nayak, Chairman, non-executive director	4	4
Shri Nitin Parekh, non-executive director	4	4
Shri Kshitish Shah, independent director	4	4
Shri Subodhchandra Adeshara, independent director	4	4

COMMITTEES OF THE BOARD

AUDIT & RISK MANAGEMENT COMMITTEE:

The Audit Committee met 4 times in FY 2017-18 on the following dates:

- 11^{th} May 2017
- 20^{th} July 2017
- 30^{th} October 2017
- 30^{th} January 2018

Composition & attendance

Name of directors	No. of meetings held during the year	No. of meetings attended
Shri Kshitish Shah, Chairman & independent director	4	4
Shri Subodhchandra Adeshara, independent director	4	4
Shri Nitin Parekh, non-executive director	4	4

The Company Secretary acts as the Secretary to the Committee.

There were no instances where the Board had not accepted any recommendation of the Audit Committee.

NOMINATION & REMUNERATION COMMITTEE:

Composition & attendance

The Nomination & Remuneration Committee met on 11^{th} May 2017.

Name of directors	No. of meetings held during the year	No. of meetings attended
Shri Nitin Parekh, Chairman & non-executive director	1	1
Shri Kshitish Shah, independent director	1	1
Shri Subodhchandra Adeshara, independent director	1	1

The Company Secretary acts as the Secretary to the Committee.

Remuneration Policy

Remuneration Policy is attached as **Annexure B.**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition & attendance

The Corporate Social Responsibility Committee met on 20th July 2017.

Name of directors	No. of meetings held during the year	No. of meetings attended
Shri Ganesh Nayak, Chairman & non-executive director	1	1
Shri Kshitish Shah, independent director	1	1
Shri Nitin Parekh, non-executive director	1	1

The Company Secretary acts as the Secretary to the Committee.

CSR Policy

The Company has formulated a Corporate Social Responsibility (CSR) policy for endeavoring various CSR activities in different avenues as prescribed in the CSR Rules. The Company has appointed Mr. Ganesh Nayak as the Chairman of CSR Committee to ensure effective implementation of the CSR policy.

The details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility) Rules, 2014 have been disclosed in **Annexure-C** to this Report.

MEETING OF INDEPENDENT DIRECTORS:

Mr. Kshitish Shah and Mr. Subodhchandra Adeshara, independent directors met on 30th January 2018 without the presence of non-independent directors and any other person to review performance of non-independent directors and Board as a whole and its committees.

BUSINESS RISK MANAGEMENT:

Pursuant to provisions of section 134 of the Act, the Board of Directors has adopted Risk Management Policy & Procedures to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The objective of the Policy is to minimize the impact of risks identified and take advance actions to mitigate them. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Board of Directors has also constituted the Audit & Risk Management Committee and has included review of the Policy in the Terms of Reference of the Committee. At present, there is no identification of the risk element that may threaten the existence of the Company.

The Company has put in place various internal controls for different activities so as to minimize the impact of various risks. Apart from this, the company has appointed a reputed firm to carry out the internal audit so as to independently review and give suggestions to strengthen the internal controls.

ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES:

The shares of the company are not listed on any stock exchange. Similarly, the company has not accepted any public deposit nor has borrowed money from banks and financial institutions in excess of Rs.50 crore, and thus establishment of vigil mechanism is not applicable to the company.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 134(3)(c) of the Companies Act, 2013 and to the best of our knowledge and belief, and according to the information and explanations provided to us, your Directors hereby, state that

a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that period;

c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) we have prepared the annual accounts on a going concern basis; and

e) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure D** forming part of this report. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary of the Company.

STATURORY AUDITORS & THEIR REPORT:

The Board has duly reviewed the Statutory Auditors' report on the audited accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under section 134 of the Companies Act, 2013.

The shareholders in the AGM held on 28th July 2015, appointed M/s Sorab S. Engineer & Co., a firm of Chartered Accountants, Ahmedabad, as the statutory auditors of the Company, from conclusion of that AGM (10th AGM) to the conclusion of 15th AGM, subject to ratification of appointment at every AGM. In view of the recent notification of the Ministry of Company Affairs, the appointment of the Auditors are not required to be ratified at every annual general meeting.

SECRETARIAL AUDITORS & THEIR REPORT:

In compliance with provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s Parikh Dave & Associates, a firm of Company Secretaries in whole-time practice to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report is attached as **Annexure E** to this Report. The Board has duly reviewed the Secretarial Auditors' Report and the observations and comments appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under section 134 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

The extract of the annual return in Form No.MGT-9 is attached as **Annexure F** to this Report.

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

The Particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided in the **Annexure G** to this Report.

ACKNOWLEDGEMENT:

Your Directors place on record their deep sense of appreciation of the contribution made by the employees at all levels. The Directors also thank the Company's promoters, bankers, vendors and business associates for their support and co-operation throughout the year.

For and On Behalf Of the Board of Directors

Sd/-
Ganesh Nayak
Chairman
(DIN 00017481)

Place: Ahmedabad
Date: 14th May 2018

Annexure A to the Board's Report
Form No.AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arms' length basis:

There were no transactions or arrangements entered into with Related Parties during the year, which were not at arm's length basis.

B. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name of the Related Party and Nature of Relationship	Nature of contract/ arrangement or transaction	Duration of contract/ arrangement or transaction	Salient terms of the contract/ arrangement or transaction, including value, if any.	Dates of approval by the Board of Directors	Amount paid as advance, if any.
i.	Cadila Healthcare Limited (CHL) Holding Company	Sale of Oncology Injectable	Against Purchase Orders	Rs.459.10 Lacs	N.A.*	Nil
ii.	Cadila Healthcare Limited (CHL) Holding Company	Sale of duty script	One-off transaction	Rs.71.34 Lacs	N.A.*	Nil
iii.	Cadila Healthcare Limited (CHL) Holding Company	Payment of our share of global Product Liability Insurance Premium	Yearly premium	Rs.3.46 Lacs	N.A.*	Nil
iv.	Zydus Worldwide DMCC (DMCC)	Provision of services	Against work orders	Rs.458.88 Lacs	N.A.*	Nil
v.	Zydus Worldwide DMCC (DMCC)	Recovery of expenses incurred by Alidac	Against work orders	Rs.14.90 Lacs	N.A.*	Nil

- At prevailing prices on arm's length basis in accordance with relevant guidelines of transfer pricing.

The contract/ arrangement/ the transactions with Related Parties stated hereinabove were made with the following rationale:

- The plant of the Company has the capability to manufacture trial, exhibit or commercial batches of oncology injectable and is inspected and approved by regulatory authorities of USA and Germany.
- The company has surplus production capacity which can be utilized to generate higher returns to the shareholders.

- The oncology injectable of both CHL and DMCC need a plant which is inspected by USA regulatory authority and which can manufacture commercial, trial and exhibit batches of oncology injectable.

For and On Behalf Of the Board of Directors

Sd/-
Ganesh Nayak
Chairman
(DIN 00017481)

Place: Ahmedabad
Date: 14th May 2018

Annexure B to the Board's Report
Nomination & Remuneration Policy

Preamble:

The Board of Directors of Alidac Pharmaceuticals Limited ["Alidac" or "the Company"] at its meeting held on 27th July 2015 constituted the Nomination & Remuneration Committee.

Objective and references:

The policy will provide guidance and restrictions for the appointment and compensation of Directors, Key Managerial Personnel and other Senior Management Personnel.

The key objectives of the Committee would be:

i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel,

ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and

iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

This policy has been framed in compliance of the provisions of section 178 of the Companies Act, 2013 and Rules made thereunder.

Definition:

A. **Key Managerial Personnel:**

Key Managerial Personnel means-

i. Chief Executive Office or the Managing Director or the Manager,
ii. Whole Time Director,
iii. Chief Financial Officer,
iv. Company Secretary and
v. Such other officer as may be prescribed.

B. **Senior Management Personnel:**

Senior Management Personnel means-

Personnel of the Company, who are part of its core management team excluding the Board of Directors. This would also include all members of management one level below the Executive Directors, including all functional heads.

Application of this Policy:

Directors, Key Managerial Personnel and Senior Management Personnel as may be decided by the Committee or Board of the Company, subject to the approval of shareholders in the General Meeting for their respective appointment, wherever applicable, and subject to the provisions of Companies Act, 2013 shall be remunerated in line with the service agreements.

Constitution of the Nomination and Remuneration Committee:

The Board at its meeting held on 27th July 2015 constituted the Nomination and Remuneration Committee and the following are the members of the Committee.

Sr. No.	Name of the Member	Position
1.	Mr. Nitin D. Parekh	Chairman
2.	Mr. Kshitish Shah	Member
3.	Mr. Subodhchandra Adeshara	Member

Policy Custodian:

Mr. Jagdish A. Mehta, Compliance Officer of the Company shall be the Policy Custodian.

Related Policies and Legislation:

Code of Conduct and Ethics for Directors and Senior Management Personnel of the Company, to be approved by the Board of Directors of the Company.

Approving Authority

This policy has been approved by the Chairman of the Nomination and Remuneration Committee.

General Policy Statement

This Policy is performance driven and is structured to motivate the Directors and the employees of the Company, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by Business or Functional Heads through annual appraisal process, jointly with HR Head. The Company endeavours to attract, retain, develop and motivate high performance employees which will ensure long term sustainability of the Company and create a competitive advantage.

Role of the Nomination and Remuneration Committee

The Committee will perform based on the following:

i. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management.

ii. To recommend to the Board, appointment and removal of the Directors and evaluation of each Director's performance.

iii. To formulate criteria for determining qualifications, positive attributes and independence of a Director.

iv. To review on annual basis the compensation to the Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and recommend to the Board the remuneration and incentive payable to each of them.

v. Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks.

vi. To develop and review the succession plan for the Board.

Membership, Chairman and Secretary:

i. The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them shall be Independent Directors.

ii. The presence of minimum two members of the Committee shall constitute a valid quorum.

iii. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to be the Chairman for that meeting.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Duties for Nominations:

The duties of the Committee in relation to nomination matters include:

i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management Personnel and reviewing its effectiveness.

ii. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the provisions of Companies Act, 2013 and the Listing Agreement.

iii. Determining the appropriate size, diversity and composition of the Board.

iv. Selecting new Directors for appointment on the Board in a transparent manner.

v. Reviewing succession of the Board and Senior Management Personnel on regular interval.

vi. Reviewing the performance of the Board and Senior Management Personnel to achieve the Company's business goals.

Duties for Remuneration:

The duties of the Committee in relation to remuneration matters shall include:

i. To ensure that the remuneration is reasonably and sufficiently paid in order to attract, retain and motivate the Board members, based on the performance of the Company and such other factors as the Committee shall deem appropriate.

ii. To review and recommend the remuneration of Key Managerial / Senior Management Personnel maintaining a balance between fixed and incentive pay based on the working of the Company.

Overall remuneration to the Directors:

The overall remuneration to all Directors shall not exceed 11% of the net profits of the respective financial year and the remuneration and / or commission to the Executive and Non- Executive Directors shall be paid in accordance with the approval of the shareholders. The sitting fees to Non-Executive Directors shall not be part of the overall remuneration under this Para.

Expenses incurred for attending meetings:

The Company shall make an arrangement and pay the amount towards hotel accommodation, air/other travel, any transportation cost etc. for Directors to attend any Board or Committee meetings. If any arrangement is made by the respective Director, the Company shall immediately reimburse the amount spent on submission of original bills, vouchers and receipts. The Company Secretary and Compliance Officer shall be authorised for incurring such expenditure or reimbursing the expenses, as the case may be.

Payment of Sitting Fees to the Non-Executive Directors:

The Company shall pay sitting fees to the Non-Executive Directors for attending Audit Committee and Board meetings only. The Nomination and Remuneration Committee shall recommend to the Board any increase in the payment of sitting fees, within the permissible limits and subject to such approvals as may be required under the Companies Act, 2013 or the Listing Agreement.

Payment of Remuneration to Executive Directors / Chief Executive Officer

The Company shall pay remuneration to Managing/ Deputy Managing Directors/ Chief Executive Officer as per their respective terms of appointment approved by the shareholders within the limits prescribed under the Companies Act, 2013. The Nomination and Remuneration Committee will recommend the remuneration payable to the Managing/ Deputy Managing Director/ Chief Executive Officer to the Board. At the end of tenure of appointment of any Independent Director and the Managing/ Deputy Managing Director or Chief Executive Officer, the Committee will recommend to the Board the broad terms and conditions and remuneration payable to them, which will be subject to the provisions of applicable law and approval of shareholders at a General Meeting.

The Board of Directors while approving the remuneration payable to the Executive / Non- Executive Directors shall consider the recommendations of the Nomination and Remuneration Committee.

Minutes of the Committee Meetings:

The Company Secretary shall record the proceedings of the meetings of the Committee and circulate the draft to the members of the Committee within 15 days. The minutes recorded in the minute book, shall be signed by the Chairman of the respective meeting or the Chairman of the next Committee Meeting.

For and On Behalf Of the Board of Directors

Sd/-
Ganesh Nayak
Chairman
(DIN 00017481)

Place: Ahmedabad
Date: 14th May 2018

Annexure C to the Board's Report
CSR Initiatives

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1. The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programs / activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors in its meeting held on 28th July 2016.

The Company does not have any website.

2. Composition of CSR Committee.

The Company has a CSR committee that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met; which is headed by Mr. Ganesh Nayak , Chairman who is also the Chairman of CSR Committee. Our CSR committee comprises of following:

1. Mr. Ganesh Nayak, Chairman
2. Mr. Kshitish Shah, Member
3. Mr. Nitin Parekh, Member

3. **Average net profit of the Company for the past three years:**

The average net profits as detailed below:

Particulars	**(Rs. In Lacs)**
Average net profits for last three financial years	1033.17

4. **Prescribed CSR expenditure:**

Prescribed CSR expenditure is as detailed below:

Particulars	**(Rs. In Lacs)**
Prescribed CSR expenditure (2% of Average net profit for last three financial years)	20.66 Lacs

5. **Details of CSR spent during the financial year 2017-18**

Particulars	**(Rs. In Lacs)**
(a) Total amount spent during the year	21.00 Lacs
(b) Amount unspent if any	--

(c) Manner in which the amount is spent during the financial year is detailed below:

Sr. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs: 1) Local Area or other 2) Specify the state and district where the project or program**	**Amount outlay (Budget) project or programs wise**	**Amount spent on the projects or programs sub-heads: 1) Direct Expenditure on projects or programs 2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency***

			was undertaken				
1	Contribution to Gujarat Cancer Society	Promoting healthcare including preventive health care. (Help to poor cancer patients).	Ahmedabad District	Rs.21.00 Lacs	Direct expenditure	Rs.21.00 Lacs	Direct

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof reasons for not spending the amount to be explained. **Not Applicable**

7. Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. Ganesh Nayak, Chairman, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

For and On Behalf Of the Board of Directors

Sd/-
Ganesh Nayak
Chairman
(DIN 00017481)

Place: Ahmedabad
Date: 14th May 2018

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 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,
ALIDAC PHARMACEUTICALS LIMITED
CIN: U24230GJ2005PLC046915
Plot No. 1A, Pharmez, Sarkhej - Bavla N.H. No. 8A,
Matoda – 382213, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Alidac Pharmaceuticals Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable as the Company is not Listed Company).

PARIKH DAVE & ASSOCIATES AHMEDABAD COMPANY SECRETARIES

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable as the Company is not Listed Company).

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable as the Company is not Listed Company).

(d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations 2014; (Not Applicable as the Company is not Listed Company).

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued any listed debt securities during the year under review).

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable as the Company is not Listed Company).

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; (Not Applicable as the Company is not Listed Company).

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

(i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if any. (Not Applicable as the securities of the Company are not listed on any Stock Exchange)

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

We further report that:

Having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following laws specifically applicable to the Company being engaged in the manufacturing of Pharmaceuticals products in Special Economic Zone:

1. The Special Economic Zone Act, 2005;
2. The Pharmacy Act, 1948;
3. The Drugs and Cosmetics Act, 1940
4. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
5. The Narcotic Drugs and Psychotropic Substances Act, 1985;
6. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
7. The Food Safety And Standards Act, 2006;

PARIKH DAVE & ASSOCIATES
AHMEDABAD
COMPANY SECRETARIES

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were sent within adequate time 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.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, Factories Act, 1948, The Indian Copyright Act, 1957, The Patents Act, 1970, The Trade Marks Act, 1999 and Environment Laws.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws have not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the Audit period under review, there were no such event / action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

PARIKH DAVE & ASSOCIATES
AHMEDABAD
COMPANY SECRETARIES

UDAY DAVE
PARTNER
PRACTICING COMPANY SECRETARY
FCS No.: 6545 C. P. No.: 7158

Place: Ahmedabad
Date: May 14, 2018

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

ANNEXURE - A

To,
The Members,
ALIDAC PHARMACEUTICALS LIMITED
CIN:U24230GJ2005PLC046915

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

PARIKH DAVE & ASSOCIATES
AHMEDABAD
COMPANY SECRETARIES

UDAY DAVE
PARTNER
PRACTICING COMPANY SECRETARY
FCS No.: 6545 C. P. No.: 7158

Place: Ahmedabad
Date: May 14, 2018

Annexure F

Form No. MGT-9 - Extract of Annual Return

as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act 2013 and Rules 1291) of the Companies {Management and Administration) Rules, 2014]

I. Registration and other details

i.	CIN	U24230GJ2005PLC046915
ii.	Registration Date	14th October 2005
iii.	Name of the company	Alidac Pharmaceuticals Limited
iv.	Category/ sub-category of the company	A Public Company limited by shares/ a non-Govt. company.
v.	Address of the Registered office and contact details	Plot No.1A, Pharmez, Sarkhej – Bavla N.H. No. 8A, Matoda, Gujarat, India 382213 Phone: +2717 663500 Fax: +2717 663600
vi.	Whether listed company Yes / No	No
vii.	Name, address and contact details of Registrar and Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078

II. Principal Business Activities of the company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and description of main products / services	NIC code of the Product / service	% to total turnover of the company
i.	Pharmaceutical Products	21002	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Associates	% of shares held	Applicable Section
i.	Cadila Healthcare Limited "Zydus Tower", Satellite Cross Roads, Sarkhej – Gandhinagar Highway, Ahmedabad 380 015	L24230GJ1995PLC025878	Holding Company	100% (includes shares held by others for the benefit of the Company)	Section 2(46)

IV. Shareholding Pattern (Equity Share capital breakup as percentage of total equity

1) Category-wise shareholding

Category of Shareholder	No. of shares held at the beginning of the year 31/03/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Promoter and Promoter Group									
INDIAN									
Individual (* Beneficial owner Cadila Healthcare Ltd.)	0	10,000*	10,000	0.04	0	10,000*	10,000	0.04	0
Central / state Govt.									
Bodies Corporate	1,11,30,000	1,11,90,000	2,23,20,000	99.96	1,11,30,000	1,11,90,000	2,23,20,000	99.96	0
Financial Institutions / banks									
Others									
Sub-total A(1)	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**0.00**
FOREIGN									
Individual	0	0	0	0	0	0	0	0	0
Central / state Govt.	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Financial Institutions / banks	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-total A(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total A= A(1)+A(2)	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**0.00**
PUBLIC SHAREHOLDING									
INSTITUTIONS									
Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
Financial Institutions/ banks	0	0	0	0	0	0	0	0	0
Central / state Govt.	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital investors	0	0	0	0	0	0	0	0	0
Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0
Sub-total B(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
NON-INSTITUTIONS									
Bodies Corporate	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total B(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
SHARES HELD BY CUSTODIANS FOR ADRs AND GDRs Sub-total C	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GRAND TOTAL A+B+C	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**1,11,30,000**	**1,12,00,000**	**2,23,30,000**	**100.00**	**0.00**

2) Shareholding of Promoters

Sr. No.	Name of shareholder	No. of shares held at the beginning of the year 31/03/2017			No. of shares held at the end of the year 31/03/2018			% change 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	
i.	Cadila Healthcare Limited	2,23,20,000	99.96	0	2,23,20,000	99.96	0	0
ii.	Mr. Pankaj R. Patel jointly with Cadila Healthcare Limited	5,000	0.02	0	5,000	0.02	0	0
iii.	Dr. Sharvil P Patel jointly with Cadila Healthcare Limited	4,996	0.02	0	4,996	0.02	0	0
iv.	Mrs. Pritiben Pankajbhai Patel jointly with Cadila Healthcare Limited	1	0	0	1	0	0	0
v.	Dr. Mukesh R. Patel jointly with Cadila Healthcare Limited	1	0	0	1	0	0	0
vi.	Ms. Shivani P. Patel jointly with Cadila Healthcare Limited	1	0	0	1	0	0	0
vii.	Mr. Nitin D. Parekh jointly with Cadila Healthcare Limited	1	0	0	1	0	0	0
	Grand Total	**2,23,30,000**	**100.00**	**0**	**2,23,30,000**	**100.00**	**0**	**0**

3) Change in Promoters' Shareholding (please specify if there was no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Increase / decrease in shareholding during the year		Cumulative shareholding during the year / at the end of the year	
		No. of shares	% of total shares of the company	Date	No. of shares	No. of shares	% of total shares of the company
1)	Total Promoters' shareholding	2,23,30,000	100.00		There was no change	2,23,30,000	100.00

4) **Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs –** Nil as 100% share capital is being held by promoters.

5) **Shareholding of Directors and Key Managerial Personnel: –** Nil as 100% share capital is being held by promoters.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Rs. In Lacs

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	0	0	**0**	0
ii. Interest accrued but not paid	0	0	**0**	0
iii. Interest accrued but not due	0	0	**0**	0
Total (i + ii + iii)	**0**	**0**	**0**	**0**

Change in indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	**0**	0	**0**
Net Change	**0**	**0**	**0**	**0**
Indebtedness at the end of the financial year				
i. Principal amount	0	0-	0	**0**
ii. Interest accrued but not paid	0	0-	0	**0**
iii. Interest accrued but not due	0	0-	0	**0**
Total (i + ii + iii)	**0**	**0-**	**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: Not applicable

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	**Mr. Kshitish Shah (Rs.)**	**Mr. Subodh Adeshara (Rs.)**	**(Rs.)**
	(a) Fee for attending Board & Committee meetings	3,00,000	2,75,000	5,75,000
	(b) Commission	1,50,000	1,50,000	3,00,000
	(c) Others, please specify			
	Total (1)	**4,50,000**	**4,25,000**	**8,75,000**
2.	Other Non-Executive Directors	**Mr. Ganesh Nayak (Rs.)**	**Mr. Nitin Parekh (Rs.)**	**Total Amount (Rs.)**
	(a) Fee for attending board & committee meetings	1.25,000	2,50,000	3,75,000
	(b) Commission			
	(c) Others, please specify.			
	Total (2)	**1.25,000**	**2,50,000**	**3,75,000**
	Total (B)=(1+2)			**12,50,000**
	Total Managerial Remuneration			**12,50,000**
	Overall Ceiling as per the Act			**46,53,000**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD :

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,21,78,662	53,58,278	7,60,000	1,82,96,940
b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	28,800	21,600	25,094	75,494
c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
5	Others, please specify				
	Total	**1,22,07,462**	**53,79,878**	**7,85,174**	**1,83,72,434**

VII. PENALITIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any. Give details
A. Company					
Penalty	None				
Punishment	None				
Compounding	None				
B. Directors					
Penalty	None				
Punishment	None				
Compounding	None				
C. Other Officers in default					
Penalty	None				
Punishment	None				
Compounding	None				

For and on Behalf Of the Board of Directors

Sd/-
Ganesh Nayak
Chairman
(DIN 00017481)

Place: Ahmedabad
Date: 14th May 2018

Annexure G to the Directors' Report

Particulars required under Rule 8(2) of the Companies (Accounts) Rules, 2014

(A)	**Conservation of Energy:**	
i.	**Steps taken or impact on conservation of energy:** Power factor maintained near to Unity and received annual rebate of Rs.4.08 Lacs.	
ii.	**Steps taken by the company for utilizing alternate source of energy:** At present, the company is working at operating level below its capacity. The company would explore alternate source of energy with increase in operating level.	
iii.	**Capital investment on energy conservation equipment:** Rs.Nil	
(B)	**Technology absorption**	
i.	**Efforts made towards technology absorption:** The Company has manufactured exhibit batches for its customers after absorbing technology transferred by customers' R&D lab.	
ii.	**The benefits derived like product improvement, cost reduction, product development or import substitution:** On completion of absorption of the technology and receipt of marketing authorization in USA, the Company sold/exported drugs valued at 8169 Lacs in FY 2018-19 (Previous Year Rs.9437 Lacs). The Company has received forecast for supply of 32 batches valued at Rs.9801 Lacs during FY 2019-20.	
iii.	**In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)**	
	a.	**The details of technology imported:** Not Applicable
	b.	**The year of import:** Not Applicable
	c.	**Whether the technology has been fully absorbed:** Not Applicable
	d.	**If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action:** Not Applicable
iv.	**Expenditure incurred on Research & Development:** Rs.Nil (Previous year Rs.Nil).	
(C)	**Foreign Exchange earnings and Outgo** **Actual inflow during the year:** Rs.8534 Lacs **Actual outflow during the year:** Rs.4278 Lacs	

For and On Behalf Of the Board of Directors

Sd/-

Place: Ahmedabad
Date: 14th May 2018

Ganesh Nayak
Chairman
(DIN 00017481)

Alidac
Pharmaceuticals Limited

ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2017-18

Registered Office :
Plot No. 1A, PHARMEZ,
Sarkhej – Bavla N.H. No. 8A,
Village Matoda, Ta. Sanand
Dist. Ahmedabad-382213
CIN : U24230GJ2005PLC046915

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 2658 4304
FAX : +91 79 2658 9710
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in

909, ATMA HOUSE,
OPP. OLD RESERVE BANK OF INDIA,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

To the Members of Alidac Pharmaceuticals Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Alidac Pharmaceuticals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit (including other comprehensive income), 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, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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".

   (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 has disclosed the impact of pending litigations on its Ind AS financial position in its Ind AS financial statements;

      ii. The Company did not have any material foreseeable losses on any long-term contracts including any derivative contracts;

      iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 14, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ALIDAC PHARMACEUTICALS LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

(i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.

(ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.

(iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) To the best of our knowledge and belief and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order is not applicable.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) There are no disputed amounts outstanding as on March 31, 2018.

(viii) In our opinion and according to the information and explanations given to us, the Company has not accepted any loans or has no borrowings from financial institutions and banks. Consequently, the requirement of clause (viii) of paragraph 3 of the order is not applicable.

(ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not paid any managerial remuneration. Consequently, the requirement of clause (xi) of paragraph 3 of the order is not applicable.

(xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.

(xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.

(xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, requirements of clause (xv) of paragraph 3 of the order are not applicable.

(xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 14, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ALIDAC PHARMACEUTICALS LIMITED

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

We have audited the internal financial controls over financial reporting of Alidac Pharmaceuticals Limited ("the Company") as of March 31, 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 14, 2018

ALIDAC PHARMACEUTICALS LIMITED
Balance Sheet as at March 31, 2018

Particulars	Note No.	INR-Thousands As at March 31 2018	2017
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	**5,95,376**	5,66,814
Capital work-in-progress		**43,616**	45,792
Other Intangible Assets	3 [B]	**3,628**	1,085
Financial Assets:			
Other Financial Assets	4	**72**	4,956
Deferred Tax Assets [Net]	5	**8,352**	-
Assets for Current tax [Net]	6	**1,276**	4,259
		6,52,320	6,22,907
Current Assets:			
Inventories	7	**6,30,138**	5,31,030
Financial Assets:			
Investments	8	**2,65,602**	1,90,543
Trade Receivables	9	**1,34,900**	66,577
Cash and Cash Equivalents	10	**35,428**	21,892
Other Current Financial Assets	11	**19,845**	22,463
Other Current Assets	12	**51,830**	15,312
		11,37,743	8,47,816
Total		**17,90,063**	14,70,723
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	13	**9,53,300**	9,53,300
Other Equity	14	**1,67,954**	12,161
		11,21,254	9,65,461
Non-Current Liabilities:			
Financial Liabilities:			
Other Financial Liabilities		**777**	618
Provisions	15	**16,714**	13,595
Deferred Tax Liabilities [Net]	5	**-**	20,024
		17,491	34,237
Current Liabilities:			
Financial Liabilities:			
Trade Payables	16	**3,74,184**	38,484
Other Financial Liabilities	17	**17,525**	12,198
Other Current Liabilities	18	**2,57,152**	4,17,944
Provisions	19	**2,457**	2,399
		6,51,318	4,71,025
Total		**17,90,063**	14,70,723
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 34		

As per our report of even date
For **Sorab S. Engineer & Co.**,
Chartered Accountants
Firm Registration Number: 110417W

Shreyas B. Chokshi
Partner
Membership Number: 100892
Ahmedabad, Dated: May 14, 2018

For and on behalf of the Board

Parekh Nitin D.

Chairman

Director

Chief Financial Officer

Company Secretary

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

Particulars	Note No.	INR-Thousands	
		Year ended March 31	
		2018	2017
Revenue from Operations	21	**15,30,225**	11,40,775
Other Income	22	**21,722**	8,141
Total Income		**15,51,947**	11,48,916
EXPENSES :			
Cost of Materials Consumed	23	**9,12,963**	7,93,432
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	24	**1,19,274**	(59,488)
Employee Benefits Expense	25	**1,57,215**	1,27,672
Finance Costs	26	**165**	95
Depreciation, Amortisation and Impairment expense	3	**46,982**	45,392
Other Expenses	27	**1,54,505**	1,04,088
Total Expenses		**13,91,104**	10,11,191
Profit before Tax		**1,60,843**	1,37,725
Less: Tax Expense:			
Current Tax	28	**34,326**	30,188
Deferred Tax	5	**(28,638)**	(1,284)
		5,688	28,904
Profit for the year		**1,55,155**	1,08,821
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement gain/(losses) on post employment defined benefit plans		**900**	(27)
Income tax effect		**(262)**	9
Other Comprehensive Income for the year [Net of tax]		**638**	(18)
Total Comprehensive Income for the year [Net of Tax]		**1,55,793**	1,08,803
Basic Earning per Equity Share [EPS] [in Rupees]		**6.95**	4.87
Diluted Earning per Equity Share [EPS] [in Rupees]		**1.63**	1.14
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 34		

As per our report of even date
For **Sorab S. Engineer & Co.,**
Chartered Accountants
Firm Registration Number: 110417W

Shreyas B. Chokshi
Partner
Membership Number: 100892
Ahmedabad, Dated: May 14, 2018

For and on behalf of the Board

Pareekh Nitin D

Chairman

Director

Chief Financial Officer

Company Secretary

ALIDAC PHARMACEUTICALS LIMITED

Cash Flow Statement for the year ended March 31, 2018

Particulars	INR-Thousands		
	Year ended March 31		
	2018		2017
A Cash flows from operating activities:			
Profit before tax		**1,60,843**	1,37,725
Adjustments for:			
Depreciation, Impairment and Amortisation and impairment expenses	**46,982**		45,392
Loss on sale of assets [Net]	**2,285**		-
Interest income	**(492)**		(364)
Interest expenses	**165**		10
Profit on Sale of Investments	**(19,479)**		(7,175)
Provisions for Employee benefits	**4,077**		6,239
Total		**33,538**	44,102
Operating profit before working capital changes		**1,94,381**	1,81,827
Adjustments for:			
[Increase]/Decrease in trade receivables	**(68,324)**		86,436
[Increase]/Decrease in inventories	**(99,108)**		(1,75,130)
[Increase]/ Decrease in other assets	**(27,018)**		(9,961)
[Decrease]/ Increase in trade payables	**3,35,699**		(32,956)
[Decrease]/ Increase in other liabilities	**(1,55,305)**		2,15,889
Total		**(14,056)**	84,278
Cash generated from operations		**1,80,325**	2,66,105
Direct taxes paid [Net of refunds]		**(31,343)**	(42,094)
Net cash from operating activities		**1,48,982**	2,24,011
B Cash flows from investing activities:			
Purchase of property, plant and equipment	**(78,208)**		(67,500)
[Increase]/ Decrease in Capital Advance	**(1,998)**		-
Proceeds from sale of fixed assets	**13**		5
Profit from sale of current investments	**19,479**		7,175
Interest received	**492**		365
Net cash used in investing activities		**(60,222)**	(59,955)
C Cash flows from financing activities:			
Interest paid	**(165)**		(10)
Net cash used in financing activities		**(165)**	(10)
Net increase in cash and cash equivalents		**88,595**	1,64,046
Cash and cash equivalents at the beginning of the year		**2,12,435**	48,389
Cash and cash equivalents at the end of the year		**3,01,030**	2,12,435

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 30,080 [INR NIL] Thousands are not available for immediate us

4 Cash and cash equivalents comprise of:

	As at March 31		
	2018	2017	2016
a Cash on Hand	0	39	30
b Balances with Banks	35428	21,853	7,409
c Investment in Liquid Mutual Funds	265602	1,90,543	40,950
d Total	3,01,030	2,12,435	48,389

5 Effective April 1, 2017, the Company 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.

As per our report of even date
For **Sorab S. Engineer & Co.,**
Chartered Accountants
Firm Registration Number: 110417W

CA. Chokshi Shreyas B.
Partner
Membership Number: 100892
Ahmedabad, Dated:

For and on behalf of the Board

Parekh Nitin D.

Chairman | Director

Chief Financial Officer | Company Secretary

ALIDAC PHARMACEUTICALS LIMITED

Statement of Change in Equity for the period ended March 31, 2018

a Equity Share Capital:

	No. of Shares	INR-Thousands
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at April 1, 2016	2,23,30,000	**2,23,300**
As at March 31, 2017	2,23,30,000	**2,23,300**
As at March 31, 2018	2,23,30,000	**2,23,300**
8% Optionally Convertible Non-cumulative Redeemable Preference Shares of INR 100/- each, Issued, Subscribed and Fully Paid-up:		
As at April 1, 2016	73,00,000	**7,30,000**
As at March 31, 2017	73,00,000	**7,30,000**
As at March 31, 2018	73,00,000	**7,30,000**

b Other Equity:

	INR-Thousands		
	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
As at April 1, 2016	**30,300**	**(1,26,942)**	**(96,642)**
Add: Profit for the year	-	1,08,821	**1,08,821**
Add/(less): Other Comprehensive income	-	(18)	**(18)**
Transfer from [to] Reserve			-
As at March 31, 2017	**30,300**	**(18,139)**	**12,161**
Add: Profit for the year	-	1,55,155	**1,55,155**
Add/(less): Other Comprehensive income	-	638	**638**
As at March 31, 2018	**30,300**	**1,37,654**	**1,67,954**

As per our report of even date

For **Sorab S. Engineer & Co.,**

Chartered Accountants

Firm Registration Number: 110417W

Shreyas B. Chokshi

Partner

Membership Number: 100892

Ahmedabad, Dated: May 14, 2018

For and on behalf of the Board

Chairman

Parekh Nitin D.

Director

Chief Financial Officer

Company Secretary

Note: 1-Company overview:

Alidac Pharmaceuticals Limited ["the Company"], a Company limited by shares, incorporated and domiciled in India, is a wholly owned subsidiary of Cadila Healthcare Limited. The company is into manufacturing of Oncology Injectibles and also provide contract manufacturing Services.

The registered office of the Company is located at 1A, Pharmaceutical Special Economic Zone, Sarkhej-Bavla NH 8A, Village Matoda, Tal. Sanand, Ahmedabad.

These financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 14, 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 had 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 Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]

ii Defined benefit plans

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 estimates and judgments

a Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

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 Product warranty and expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

d 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.

e Contingent liabilities:

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

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.

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 The applicable taxes are 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 Sale of Goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

b Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of taxes.

c Interest Income:

Interest income is recognised on time proportion method.

Note: 2-Significant Accounting Policies-Continued:

d Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

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 correlation 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 correlation 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.

C MAT Credit Entitlement:

a Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

b The company recognizes MAT credit available as an asset based on historical experience of actual utilisation of such credit and only when and to the extent there is a convincing evidence that the company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. Such asset, if any recognised, is reviewed at each Balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the company will be liable to pay normal tax during the specified period.

6 Property, Plant and Equipment:

A All other items of 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. 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.

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.

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 Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful life.

D 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.

E 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.

F 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 [other than indefinite useful lives] 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, Stores & Spare Parts, Packing Materials, Finished Goods, Stock-in-Trade and Works-in-Progress are valued at lower of cost and net realisable value.

B Cost of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods & Stock-in-Trade is determined on FIFO method.

C Costs of Finished Goods and Works-in-Progress are determined by taking material cost , labour and relevant appropriate overheads based on the normal operating capacity, but excluding borrowing costs.

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

Write down of inventories to net realisable value is recognised as an expenses and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and "Cost of Material Consumed" in the relevant note in the Statement of Profit and Loss.

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 expenses 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.

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.

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 at 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;

ii Net interest expense or income.

Note: 2-Significant Accounting Policies-Continued:

ii Defined Contribution Plans - Provident Fund Contribution:

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 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

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 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 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 de-recognition 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 amortized cost or as FVTOCI, is classified as at FVTPL.

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

c De-recognition:

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 as at FVTOCI

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 De-recognition:

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

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.

B 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.

ALIDAC PHARMACEUTICALS LIMITED
Notes to the Financial Statements

Note: 3-Property, Plant & Equipment:

[A] Property, Plant and Equipment:

INR- Thousands

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block:							
As at April 1, 2016	29,065	1,28,151	5,59,354	12,476	3,368	1,520	7,33,933
Additions	-	639	23,040	486	864	459	25,488
Disposals	-	-	(92)	-	-	-	(92)
As at March 31, 2017	29,065	1,28,790	5,82,302	12,962	4,232	1,979	7,59,329
Additions		21,326	34,415	14,757		7,142	77,640
Disposals	-	-	(5,806)	(149)	-	(10)	(5,964)
As at March 31, 2018	29,065	1,50,116	6,10,911	27,570	4,232	9,111	8,31,005
Depreciation and Impairment:							
As at April 1, 2016	2,570	13,668	1,23,482	5,567	970	1,235	1,47,492
Depreciation for the year	294	4,142	39,026	1,140	429	80	45,110
Impairment for the year	-	-	-	-	-	-	-
Disposals	-	-	(87)	-	-	-	(87)
As at March 31, 2017	2,863	17,810	1,62,421	6,707	1,399	1,315	1,92,515
Depreciation for the year	290	2,306	40,338	2,206	436	1,205	46,781
Impairment for the year	-	-	-	-	-	-	-
Disposals	-	-	(3,508)	(149)	-	(10)	(3,666)
As at March 31, 2018	3,153	20,116	1,99,251	8,764	1,835	2,510	2,35,629
Net Block:							
As at March 31, 2017	26,202	1,10,980	4,19,881	6,255	2,832	664	5,66,814
As at March 31, 2018	25,912	1,30,000	4,11,660	18,806	2,397	6,601	5,95,376

[B] Intangible Assets:

		Other Intangible Assets		
	Computer Software	Patents	Technical Know-how	Total
Gross Block:				
As at April 1, 2016	1,838	11,013	56,175	69,026
Additions	93	-	-	93
Disposals	-	-	-	-
As at March 31, 2017	1,931	11,013	56,175	69,119
Additions	2,744	-	-	2,744
Disposals	-	-	-	-
As at March 31, 2018	4,675	11,013	56,175	71,863
Amortisation and Impairment:				
As at April 1, 2016	564	11,013	56,175	67,752
Amortisation for the year	282	-	-	282
Impairment for the year	-	-	-	-
As at March 31, 2017	846	11,013	56,175	68,034
Amortisation for the year	201			201
Impairment for the year	-	-	-	-
Disposals				-
As at March 31, 2018	1,047	11,013	56,175	68,235
Net Block:				
As at March 31, 2017	1,085	-	-	1,085
As at March 31, 2018	3,628	-	-	3,628

	INR-Thousands	
	Year ended March 31	
	2018	2017
Depreciation, Amortisation and Impairment expenses:		
Depreciation	46,781	45,110
Amortisation	201	282
Impairment	-	-
Total	46,982	45,392

	INR-Thousands	
	As at March 31	
Note: 4-Other Financial Assets:	**2018**	2017
[Unsecured, Considered Good unless otherwise stated]		
Bank Deposits for a period exceeding 12 months	**58**	57
Security Deposits	**14**	4,899
Total	**72**	4,956

Note: 5-Deferred Tax:

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

INR-Thousands

	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	81,228	(11,548)	69,680	(6,677)	**63,003**
Total	**81,228**	**(11,548)**	**69,680**	**(6,677)**	**63,003**
Deferred Tax Assets:					
Expenses allowed on payment basis	3,592	2,188	5,780	78	**5,858**
Unabsorbed depreciation	41,836	(41,836)	-	-	**-**
Net Deferred Tax Liability	**(35,800)**	**(28,100)**	**(63,900)**	**6,755**	**(57,145)**
MAT credit entitlement	14,483	29,392	43,876	21,621	**65,497**
Net Deferred Tax Assets/(Liabilities)	**(21,317)**	**1,292**	**(20,024)**	**28,376**	**8,352**

B 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 Nil [as at March 31, 2017 - INR 56,061 thousands] that are available for offsetting against future taxable profits of the companies in which the losses arose. Unabsorbed Depreciation allowed to be set-off for indefinite period. MAT Credit recognised as at March 31, 2018 is INR 65,497 [as at March 31, 2017 - INR 43,876] Thousands

	INR-Thousands	
	As at March 31	
Note: 6-Current Tax Assets [Net]:	**2018**	2017
Advance payment of Tax [Net of provision for taxation of INR 34,326/- [as at March 31, 2017 Rs. 29,393/-]Thousands]	**1,276**	4,259
Total	**1,276**	4,259
Note: 7-Inventories:		
[The Inventory is valued at lower of cost and net realisable value]		
Classification of Inventories:		
Raw Materials	**5,55,095**	3,17,255
Work-in-progress	**56,573**	1,75,847
Stores and Spares	**-**	13,886
Others:		
Packing Materials	**18,470**	24,042
Total	**6,30,138**	5,31,030

Note: 8-Investments [Current]:

	Nos. [**]		
Investment in Mutual Funds [Quoted] [Valued at fair value through profit or loss]:			
[*] ICICI Prudential Mutual Fund	0,[392,117.605]	**-**	94,010
[*] J M Mutual Fund	0,[22,20,440.417]	**-**	96,533
[*] DSP Blackrock Mutual Fund	74,645.105,[0]	**1,85,482**	-
[*] Reliance Liquidity Mutual Fund	30,607.053,[0]	**80,120**	-
Total		**2,65,602**	1,90,543
A a i Aggregate amount of quoted investments		**2,65,602**	1,90,543
ii Market value of quoted investments		**2,65,602**	1,90,543
b Aggregate amount of unquoted investments		**-**	-
B Explanations:			
a In 'Nos. [**] figures of previous year are same unless stated in [ ].			
[*] Considered as cash and cash equivalents for Cash Flow Statement			

Note: 9-Trade Receivables:		
Unsecured - Considered good	**1,34,900**	66,577
Total	**1,34,900**	66,577

ALIDAC PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousands	
	As at March 31	
	2018	2017
Note: 10-Cash and Cash Equivalents:		
Balances with Banks		
In Current Accounts	**5,348**	21,853
In Fixed Deposits	**30,080**	-
Cash on Hand	**-**	39
Total	**35,428**	21,892
Note: 11-Other Current Financial Assets:		
[Unsecured, Considered Good]		
Advance to employees	**300**	5
Other Receivables	**19,545**	22,458
Total	**19,845**	22,463
Note: 12-Other Current Assets:		
[Unsecured, Considered Good]		
Balances with Statutory Authorities	**2,400**	2,064
Prepaid Expenses	**7,049**	11,171
Export Incentive Receivables	**36,319**	-
Advance to suppliers	**6,063**	2,077
Total	**51,830**	15,312
Note: 13-Equity Share Capital:		
Authorised:		
22,500,000 [as at March 31, 2017: 22,500,000] Equity Shares of INR 10/- each	**2,25,000**	2,25,000
7,750,000 [as at March 31, 2017: 7,750,000] Preference Shares of INR 100/- each	**7,75,000**	7,75,000
	10,00,000	10,00,000
Issued, Subscribed and Paid-up:		
22,330,000 [as at March 31, 2017: 22,330,000] Equity Shares of INR 10/- each, fully paid-up	**2,23,300**	2,23,300
7,300,000 [as at March 31, 2017: 7,300,000] Optionally Convertible non cumulative Redeemable Preference Shares of INR 100/- each	**7,30,000**	7,30,000
Total	**9,53,300**	9,53,300
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	**22,330**	22,330
B There is no change in the number of Preference shares as at the beginning and end of the year.		
Number of preference shares at the beginning and at the end of year	**7,75,000**	7,75,000
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 into 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 conversation 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. 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	**2,23,300**	2,23,300
% to total share holding	**100%**	100%
F All Preference shares of Rs. 100/- each, fully paid up held by Holding Company, Cadila Healthcare Limited:		
Number of Shares	**7,30,000**	7,30,000
% to total share holding	**100%**	100%
Note: 14-Other Equity:		
Security Premium Reserve		
Closing Balance	**30,300**	30,300
Retained Earnings:		
Balance as per last Balance Sheet	**(18,139)**	(1,26,942)
Add: Profit for the year	**1,55,155**	1,08,821
	1,37,016	(18,121)
Less: Items of other Comprehensive income recognised directly in Retained Earnings:		
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	**638**	(18)
Balance as at the end of the year	**1,37,654**	(18,139)
Total	**1,67,954**	12,161

	INR-Thousands	
	As at March 31	
Note: 15-Provisions:	**2018**	2017
Provision for Employee Benefits	**16,714**	13,595
Total	**16,714**	13,595

Defined benefit plan and long term employment benefit

A General description:

Leave wages [Long term employment benefit]:

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 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 plans typically expose the company to acturial risks such as : investment risk, interest risk, longetivity risk and salary risk.

	INR-Thousands					
	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	**514**	**9,633**	**5,847**	416	5,673	4,289
Interest cost	**33**	**610**	**386**	30	415	317
Current service cost	**78**	**1,543**	**1,560**	104	1,103	1,242
Past service cost & loss/(gain) on curtailments and settlement	-	-	**1,339**	-	-	-
Benefits paid	-	**(2,439)**	**(939)**	-	(510)	(28)
Actuarial [gains]/ losses on obligation	**110**	**1,795**	**(900)**	(35)	2,951	27
Closing defined benefit obligation	**736**	**11,142**	**7,293**	514	9,633	5,847
C Change in the fair value of plan assets:						
Opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Return of plan assets excluding amounts included in interest income	-	-	-	-	-	-
Contributions by employer	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Actuarial [losses]/ gains	-	-	-	-	-	-
Closing fair value of plan assets	-	-	-	-	-	-
Total actuarial [losses]/ gains to be recognised	**(110)**	**(1,795)**	**900**	35	(2,951)	(27)
D Actual return on plan assets:						
Expected return on plan assets	-	-	-	-	-	-
Actuarial [losses]/ gains on plan assets	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-
E Amount recognised in the balance sheet:						
Liabilities/ [Assets] at the end of the year	**736**	**11,142**	**7,293**	514	9,633	5,847
Fair value of plan assets at the end of the year	-	-	-	-	-	-
Difference	**736**	**11,142**	**7,293**	514	9,633	5,847
Liabilities/ [Assets] recognised in the Balance Sheet	**736**	**11,142**	**7,293**	514	9,633	5,847
F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:						
Current service cost	**78**	**1,543**	**1,560**	104	1,103	1,242
Past service cost & losses/(gain) on curtailments and settlement	-	-	**1,340**	-	-	-
Interest cost on benefit obligation	**33**	**610**	**386**	30	415	317
Expected return on plan assets	-	-	-	-	-	-
Return of plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	**110**	**1,795**	-	(35)	2,951	-
Amount Included in "Employee Benefit Expense"	**222**	**3,948**	**3,286**	98	4,470	1,559
Return of plan assets excluding amounts included in interest income	-	-	-	-	-	-
Net actuarial [gains]/ losses in the year	-	-	**(900)**	-	-	27
Amounts recognized in OCI	-	-	**(900)**	-	-	27
G Movement in net liabilities recognised in Balance Sheet:						
Opening net liabilities	**514**	**9,633**	**5,847**	416	5,673	-
Expenses as above [P & L Charge]	**222**	**3,948**	**3,286**	98	4,470	1,559
Employer's contribution	-	-	-	-	-	-
Amount recognised in OCI	-	-	**(900)**	-	-	27
Benefits Paid	-	**(2,439)**	**(939)**	-	(510)	-
Liabilities/ [Assets] recognised in the Balance Sheet	**736**	**11,142**	**7,293**	514	9,633	5,847

Note: 15-Provisions-Continued:

	INR-Thousands As at March 31					
	2018			2017		
	Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
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%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence 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 next 4 years and 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%**	**0.00%**	**0.00%**	0.00%	0.00%	0.00%

J Amount recognised in current and previous four years:

	As at March 31				
Gratuity:	**2018**	**2017**	**2016**	**2015**	**2014**
Defined benefit obligation	**7,293**	5,847	4,289	3,733	2,568
Fair value of Plan Assets	**-**	-	-	-	-
Deficit/ [Surplus] in the plan	**7,293**	5,847	(4,289)	(3,733)	(2,568)
Actuarial Loss/ [Gain] on Plan Obligation	**(900)**	27	-	-	-
Actuarial Loss/ [Gain] on Plan Assets	**-**	-	-	-	-

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 9.73 years

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumptions is shown below:

Assumptions	INR-Thousands					
	Medical Leave		**Leave Wages**		**Gratuity**	
	As at March 31					
	2018	2017	**2018**	2017	**2018**	2017
Impact on obligation:						
Discount rate increase by 0.5%	**(33)**	(24)	**(580)**	(528)	**(720)**	(566)
Discount rate decrease by 0.5%	**33**	24	**580**	528	**720**	566
Annual salary cost increase by 0.5%	**31**	23	**562**	512	**391**	436
Annual salary cost decrease by 0.5%	**(31)**	(23)	**(562)**	(512)	**(391)**	(436)

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

	INR-Thousands As at March 31	
	2018	2017
Within the next 12 months [next annual reporting period]	**417**	586
Between 2 and 5 years	**2,279**	1,964
Between 5 and 10 years	**3,395**	2,081
Total expected payments	**6,091**	**4,631**

Note: 16-Trade Payables:

Micro, Small and Medium Enterprises [*]	**-**	-
Others	**3,74,184**	38,484
Total	**3,74,184**	38,484
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A Principal amount remaining unpaid to any supplier as at 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: 17-Other Financial Liabilities:

Payable to Employees	**13,822**	12,198
Bank Overdraft	**3,703**	-
Total	**17,525**	12,198

Note: 18-Other Current Liabilities:

Advances from customers	**2,54,328**	4,14,502
Payable to Statutory Authorities	**2,824**	3,442
Total	**2,57,152**	4,17,944

Note: 19-Provisions:

Provision for Employee Benefits	**2,457**	2,399
Total	**2,457**	2,399

Note: 20-Contingent Liabilities and Commitments [to the extent not provided for]:

A Contingent Liabilities:	**-**	-
B Commitments:		
a Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance]	**605**	-

ALIDAC PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousands	
	Year ended March 31	
	2018	2017
Note: 21-Revenue from Operations:		
Sale of Products	9,40,352	9,38,735
Other Operating Revenues:		
Contract Manufacturing and other related services	5,07,142	1,68,800
Net Gain on foreign currency transactions and translation	32,476	17,619
Export Incentives	49,502	15,458
Miscellaneous Income	753	163
	5,89,873	2,02,040
Total	15,30,225	11,40,775
Note: 22-Other Income:		
Finance Income:		
Interest Income on Financial Assets measured at Amortised Cost	492	364
Gain Investments on mandatorily measured at FVTPL	19,479	7,175
Other Non-operating Income	1,751	602
Total	21,722	8,141
Note: 23-Cost of Materials Consumed:		
Raw Materials :		
Stock at commencement	3,17,256	2,12,902
Add: Purchases	11,29,235	8,82,081
	14,46,491	10,94,983
Less: Stock at close	5,55,096	3,17,256
	8,91,395	7,77,727
Packing Materials consumed	21,568	15,705
Total	9,12,963	7,93,432
Note: 24-Changes in Inventories:		
Work-in-progress:		
Stock at commencement	1,75,847	1,16,359
Less: Stock at close	56,573	1,75,847
Total	1,19,274	(59,488)
Note: 25-Employee Benefits Expense:		
Salaries and wages	1,32,777	1,06,993
Contribution to provident and other funds [*]	10,585	7,373
Staff welfare expenses	13,853	13,306
Total	1,57,215	1,27,672
[*] The Company's contribution towards defined contribution plan	7,299	5,813
Note: 26-Finance Cost:		
Interest expense on working capital loan	11	10
Bank commission & charges	154	85
Total	165	95
Note: 27-Other Expenses:		
Consumption of Stores and spare parts	54,486	29,925
Power & fuel	32,704	26,696
Rent	104	94
Repairs to Buildings	1,109	308
Repairs to Plant and Machinery	15,900	11,835
Repairs to Others	1,339	679
Insurance	2,285	1,517
Commission to Directors	300	250
Traveling Expenses	537	302
Legal and Professional Fees [*]	3,599	3,970
Freight and forwarding on sales	2,727	511
CSR Expense	2,100	800
Maintenance Charges	10,395	10,159
Sitting Fees	950	750
Registration fees	12,030	9,098
Security Service Expense	1,529	1,491
Software Expenses	1,980	40
Loss on Assets Discarded/ written-off	2,285	-
Printing and Stationery	1,644	1,377
Miscellaneous Expenses	6,502	4,286
Total	1,54,505	1,04,088

ALIDAC PHARMACEUTICALS LIMITED
Notes to the Financial Statements

	INR-Thousands	
	Year ended March 31	
	2018	2017
Note: 27-Other Expenses-Continued:		
[*] Legal and Professional Fees :		
a Payment to the Statutory Auditors [excluding Service Tax]:		
i - As Auditor	130	120
- For Other Services	120	81
- Total	250	201

	2018	2017
Note: 28-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	34,326	30,188
	34,326	30,188
Deferred tax:		
Relating to origination and reversal of temporary differences [Refer Note-5]	(28,638)	(1,284)
Tax expense reported in the statement of profit and loss	5,688	28,904
OCI Section:		
Tax related to items recognised in OCI during in the year:		
Net loss/ (gain) on re-measurements of defined benefit plans	(262)	9
Tax charged to OCI	(262)	9
B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:		
Profit before tax	1,60,843	1,37,725
Enacted Tax Rate (%) of the Country	33.06%	34.61%
Expected Tax Expenses	53,175	47,664
Adjustments for:		
Effect of Defer Tax Assets/Defr Tax Liabilities already recognised in Previous years	(10,835)	(1,100)
Effect of utilization of Carried forward losses of previous years on which Deferred tax assets was not created	(18,534)	5,500
Effect of additional deduction in taxable income	(18,368)	23,697
Effect of non-deductible expenses	462	(9,337)
Others	(212)	-
Total	(47,487)	18,760
Tax Expenses as per Statement of Profit and Loss	5,688	28,904

		2018	2017
Note: 29-Calculation of Earnings per Equity Share [EPS]:			
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
A Profit attributable to Shareholders	INR	1,55,155	1,08,821
B Basic and weighted average number of Equity shares outstanding during the year	Numbers	2,23,30,000	2,23,30,000
C Effect of dilution - Optionally Convertible Preference Shares		7,30,00,000	7,30,00,000
D Wighted average number of Equity Shares adjusted for the effect of dillution		9,53,30,000	9,53,30,000
E Nominal value of equity share	INR	10	10
F Basic EPS	INR	6.95	4.87
G Diluted EPS	INR	1.63	1.14

	2018	2017
Note: 30-Segment Information:		
The chief operating Decision Maker [CODM] reviews the company as a single pharmaceutical segment, namely "Pharmaceuticals" Segment		
Geographical segment		
Geographical segment is considered based on sales within India and rest of the world.		
Secondary Business Segment- By Geographical market:		
Segment Revenue*		
a) In India	45,600	58,060
b) In USA	13,01,659	10,10,701
c) Rest of the world	1,00,234	38,775
Total	14,47,494	11,07,536
Carrying Cost of Segment Assets**		
a) In India	16,39,649	13,93,980
b) In USA	1,19,510	66,760
c) Rest of the world	30,904	9,983
Total	17,90,063	14,70,723
Carrying Cost of Segment Non Current Assets@**		
a) In India	6,42,621	6,13,692
b) Rest of the world	-	-
Total	6,42,621	6,13,692

* Based on location of Customers
** Based on location of Assets
@ Excluding Financial Assets and deferred tax asset.

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 Subsidiary Companies/ concerns:

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

c Joint Venture Companies of Holding Company:

Zydus Hospira Oncology Private Limited
Zydus Takeda Healthcare Private Limited
Bayer Zydus Pharma Private Limited

d Key Managerial Personnel:

Mr. Ganesh Nayak	Chairman
Mr. Nitin D. Parekh	Director
Mr. Kshitish Shah	Independent Director
Mr. Sunodhchandra Adeshra	Independent Director
Mr. Rashmin Shah	Chief Executive Officer
Mr. Jagdish Mehta	Company Secretary
Mr Manthan Vora	Chiefe Financial Officer

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

German Remedies Healthcare Private Limited
Zydus Hospitals and Healthcare Research Private Limited
D.C. Engineering Industries
C. Madanmohan & Co.
Shri Jayalaxmi Foundry
Diecast Engineer
Peeke Traders
Purvish Services Private Limited
M. Ramanlal Holdings Pvt Ltd
Shree Vyankateshwar Engineering P. Ltd.
21st Century Equipments P. Ltd.
Textile Traders Co-op. Bank Ltd.
Shri Matangi Mettalurgical Lab.

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, b & d]

Value of the Transactions [INR-Thousands]

Nature of Transactions	Holding Company 2018	Holding Company 2017	Fellow Subsidiary Company 2018	Fellow Subsidiary Company 2017
	Year ended March 31			
Purchase:				
Reimbursement of Expenses Paid:				
Cadila Healthcare Limited	**346**	543	-	-
Total	**346**	543	-	-
Sales:				
Goods:				
Cadila Healthcare Limited	**45,910**	50,634	-	-
Total	**45,910**	50,634	-	-
Sale of Duty Script:				
Cadila Healthcare Limited	**7,134**	-	-	-
Total	**7,134**	-	-	-
Services:				
Cadila Healthcare Limited	-	42,608	-	-
Zydus Worldwide DMCC	-	-	**45,888**	19,584
Total	-	42,608	**45,888**	19,584
Reimbursement of Expenses Recovered:				
Zydus Worldwide DMCC	-	-	**1,490**	-
Total			**1,490**	-
Outstanding:				
Receivable:				
Cadila Healthcare Limited	-	11,997	-	-
Zydus Worldwide DMCC	-	-	**22,599**	9,805
Total		11,997	**22,599**	9,805

c Details relating to persons referred to in Note 31-A [c] above:

	INR-Thousands Year ended March 31 2018	2017
(i) Salaries and other employee benefits to Executive Director and other executive officers [KMP]	**19,621**	16,144
(ii) Commission and Sitting Fees to Non Executive/ Independent Directors	**1,250**	1,000
(iii) Outstanding payable to above (i) and (ii)	**2,006**	16,144

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

Level : 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 : 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:

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	2,65,602	-	-	2,65,602
Total financial assets	2,65,602	-	-	2,65,602
Financial liabilities	-	-	-	-

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL:				
Mutual funds	1,90,543	-	-	1,90,543
Total financial assets	1,90,543	-	-	1,90,543
Financial liabilities	-	-	-	-

C Fair value of instruments measured at amortised cost:

Financial Assets:

The carrying amounts of trade receivables, Loans and advances to related parties and other financial assets, cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities:

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

Note: 33-Financial Risk Management:

A Financial instruments by category:

	INR-Thousands			
	As at March 31, 2018			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Mutual funds	2,65,602	-	-	2,65,602
Non Current Other Financial Assets	-	-	72	72
Trade receivables	-	-	1,34,900	1,34,900
Cash and Cash Equivalents	-	-	35,428	35,428
Other Current Financial Assets	-	-	19,845	19,845
Total	2,65,602	-	1,90,244	4,55,847
Financial liabilities:				
Trade payables	-	-	3,74,184	3,74,184
Other Current Financial Liabilities	-	-	17,525	17,525
Non Crrent Other Financial Liabilities	-	-	777	777
Total	-	-	3,91,709	3,92,486

	As at March 31, 2017			
	FVTPL	FVOCI	Amortised Cost	Total
Financial assets:				
Investments:				
Mutual funds	1,90,543	-	-	1,90,543
Non Current Other Financial Assets	-	-	4,956	4,956
Trade receivables	-	-	66,577	66,577
Cash and Cash Equivalents	-	-	21,892	21,892
Other Current Financial Assets	-	-	22,463	22,463
Total	1,90,543	-	1,15,888	3,06,431
Financial liabilities:				
Trade payables	-	-	38,484	38,484
Other Current Financial Liabilities	-	-	12,198	12,198
Non Crrent Other Financial Liabilities			618	618
Total	-	-	50,682	51,300

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 is exposed to credir risk from trade receivables, bank deposits and other financial assets.

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 **Bank deposits :** The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

ii **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.

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.

c 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-Thousands				
	< 1 year	1-2 year	2-3 year	> 3 years	Total
	As at March 31, 2018				
Non-derivative Financial Liabilities:					
Trade payable	3,74,184	-	-	-	**3,74,184**
Other Current financial liabilities	17,525	-	-	-	**17,525**
Other Non Current Financial liabilities	777	-	-	-	**777**
Total	**3,92,486**	**-**	**-**	**-**	**3,92,486**
	As at March 31, 2017				
Non-derivative Financial Liabilities:					
Trade payable	38,484	-	-	-	**38,484**
Other Current financial liabilities	12,198	-	-	-	**12,198**
Other Non Current Financial liabilities	618	-	-	-	**618**
Total	**51,300**	**-**	**-**	**-**	**51,300**

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.

Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	INR-Thousands					
	As at March 31, 2018			As at March 31, 2017		
	Movement in Rate	**Impact on PAT [*]**	**Impact on Other Equity [*]**	**Movement in Rate**	**Impact on PAT [*]**	**Impact on Other Equity [*]**
USD	4.00%	(15)		5.00%	(12)	
USD	-4.00%	15	-	-5.00%	12	-

d Price risk:

Exposure:

The Company's exposure to price risk arises from investments in mutual fund held by the Company and classified in the balance sheet at fair value through profit or loss respectively. To manage its price risk arising from investments in mutual fund, the Company makes investment only in Mutual Fund having CPR1 ranking declared by CRISIL. set by the Company.

Sensitivity :

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period.

	Movement in Rate	INR-Thousands			
		As at March 31, 2018		As at March 31, 2017	
		Impact on PAT	Impact on Other Equity	Impact on PAT	Impact on Other Equity
Mutual Funds [Quoted]					
Increase	+2.00%	**5,312**	-	3,811	-
Decrease	-2.00%	**(5,312)**	-	(3,811)	-

Note: 34-Regrouped

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 **Sorab S. Engineer & Co.**,
Chartered Accountants
Firm Registration Number: 110417W

Chokshi Shreyas B.

Shreyas B. Chokshi
Partner
Membership Number: 100892
Ahmedabad, Dated: 14 May, 2018

For and on behalf of the Board

Chairman

Pareekh Nitin D.
Director

Chief Financial Officer

Company Secretary