INDOCO REMEDIES LTD

indoco remedies limited

INDOCO HOUSE, 166 C. S. T. ROAD, SANTACRUZ (EAST), MUMBAI - 400 098 (INDIA) ● Website : www.indoco.com
PHONES : (91-22) 3386 1000 / 3386 1250 ● FAX : (91-22) 2652 3067 / 2652 3976 ● CIN : L85190MH1947PLC005913

September 12, 2018

To	To
The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, Bandra – Kurla Complex Bandra (East) Mumbai – 400 051 ***Stock Code : INDOCO-EQ***	The Listing Department **Bombay Stock Exchange Limited** Floor 25, P. J. Towers, Dalal Street, Mumbai – 400 001 ***Stock Code :* 532612**

Sub : Annual Report for Financial Year 2017-18 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report for the Financial Year 2017-18 which was adopted by the Shareholders of the Company in the 71st Annual General Meeting of the Company held on Tuesday, 11th September, 2018 at 10.30 am at MIG Cricket Club, MIG Colony, Bandra East, Mumbai 400 051.

This is for your information and records.

Thanking you,

Yours faithfully,
For Indoco Remedies Limited

Jayshankar Menon
Company Secretary

Encl : as above

INDOCO REMEDIES LTD.

Constantly Evolving...
Consistently Excelling

ANNUAL REPORT
2017 - 2018

INDOCO REMEDIES LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. SURESH G. KARE, Chairman
MS. ADITI PANANDIKAR, Managing Director
MR. SUNDEEP V. BAMBOLKAR, Jt. Managing Director
MR. D. M. GAVASKAR, Independent Director
MR. RAJIV P. KAKODKAR, Independent Director
MR. SHARAD P. UPASANI, Independent Director
DR. ANIL M. NAIK, Independent Director
DR. ANAND NADKARNI, Non Executive Director

CHIEF FINANCIAL OFFICER
COMPANY SECRETARY

MR. MANDAR BORKAR
MR. JAYSHANKAR MENON

AUDITORS

M/S GOKHALE & SATHE
Chartered Accountants
308/309, Udyog Mandir No. 1,
7-C Bhagoji Keer Marg,
Mahim, Mumbai 400016

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.
C 101, 247 Park, LBS Marg,
Vikhroli West, Mumbai 400083

BANKERS

Citibank N. A.
Kotak Mahindra Bank Ltd.
Saraswat Co-op Bank Ltd.
HDFC Bank Ltd.
Standard Chartered Bank
IDBI Bank Ltd.
State Bank of India

COMPANY IDENTIFICATION NUMBER

CIN:
L85190MH1947PLC005913

REGISTERED OFFICE

Indoco House,
166 CST Road,
Kalina, Santacruz (E),
Mumbai 400098
Tel. No. : +91 22 26541851 - 55
Fax No. : +91 22 26520787
Website : www.indoco.com

INDOCO REMEDIES LTD.

MESSAGE FROM THE TOP MANAGEMENT

Dear Stakeholders,

Indian pharmaceutical industry is globally recognized and is one of the most successful industries in India. However, in the last couple of years, the industry faced several challenges, which include rise in competition, delayed product approvals, decreased value from new product launches and increasing price control. This has resulted in lower sales growth, both in Domestic as well as Export business for the industry as a whole.

The Financial year 2017-18 was full of challenges for the Company. GST transition, warning letter received from USFDA for Goa Plant II and restricted GMP compliance from UKMHRA for Goa Plant I affected growth.

In the Domestic business, the supply chain is normalised post GST implementation. Efforts are on to get the Regulatory compliance in line with the latest cGMP guidelines, subsequent to which, International business will see a revival.

In the meantime, ANDA/Dossier filing is in progress. In Emerging Markets, focus is more on trade business for consistent growth and profitability. Cost saving measures are also being taken to minimize impact on the overall profitability. The Company is confident that the current issues will be addressed expeditiously.

We express our gratitude to all our Stakeholders, including, shareholders, customers, bankers and the medical fraternity for their trust and support in Indoco. We thank all Indocoites for their contribution and trust, which we value the most.

Thanking you all,

Suresh G. Kare
Chairman

Aditi Panandikar
Managing Director

Sundeep V. Bambolkar
Jt. Managing Director

INDOCO REMEDIES LTD.

INDOCO AT A GLANCE

INCORPORATED
23rd August, 1947

TURNOVER
USD 161 Million

EMPLOYEES
5500

9 MANUFACTURING FACILITIES
6 FDFs, 3 APIs,
State-of-the-art R&D Centre

APPROVALS
USFDA, UK-MHRA, SUKL-Czech Republic, Cofepris – Mexico, TGA-Australia, JAZMP- Slovenia, MCC-South Africa, NDA-Uganda, TFDA-Tanzania, SBD-Yemen, MOH-Ukraine, PPB-Kenya and FDA-Ghana

PAN INDIA PRESENCE
With 9 Marketing Divisions

GLOBAL PRESENCE
55 Countries

ALLIED SERVICES
Analytical Services
Clinical Research Organisation

INDOCO REMEDIES LTD.

CSR - Better Lives For A Brighter Future

Indoco has been actively contributing towards betterment of the Society and helps the underprivileged through its Corporate Social Responsibility (CSR) banner 'Sumati Sangopan'. The Company provides financial, as well as non-financial support by carefully selecting and executing CSR projects across India and even across the border. A dedicated group of Indocoites work continuously on CSR projects, which are monitored at Board level.

Indoco reaches out to the needy of the society with a significant focus on women, children and the aged, in the areas of health, education, sanitation, etc. Implementing this philosophy in spirit, the Company strives to make a positive contribution to the Society's welfare, to the extent possible.

Project for the specially-abled children of Santosh Institute

Computers for mentally challenged adults at Aadhar, Badlapur

Construction of Ground floor at Dilasa Hospital, IMA Ponda, Goa

Solar Energy System for schools in rural areas of Sindhudurg

Medical Awareness Programs at Lokmanya Seva Sangh, Vile Parle

Walking sticks and umbrellas to the National Society for the Blind

Renovation of 2 classrooms at Shirodkar High School, Parel

Functional Aids at the MSS Hospital, Pitampura

INDOCO REMEDIES LTD.

BUZZ @ INDOCO

Health Week @ Rabale

Climbers @ 'Living a Holistic Life'

Impact - Training on Motivation

Star Awards 16-17 @ Singapore

High Flyers 2016-17 @ Udaipur

Star Awards 16-17 @ Agra

ME2WE-Team Building Initiative

Achievers of Spade Division

Diwali Fun Fiesta 2017

River March 2017

Dussehra celebrations @ Goa

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INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]
Registered Office: Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098.
Tel: 26541851-55 / Fax: 26520787 / email: compliance.officer@indoco.com / Website: www.indoco.com

Notice

Notice is hereby given that the **Seventy First** Annual General Meeting of the members of INDOCO REMEDIES LIMITED will be held on Tuesday, September 11, 2018 at 10.30 a.m., at MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400 051 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt;
   (a) The audited financial statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon;
   (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2018.
3. To appoint a director in place of Mr. Sundeep V Bambolkar (DIN 00176613), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves re-appointment of Mr. Suresh G Kare (DIN: 00179220), as a Wholetime Director of the Company, designated as "Chairman" of the Company, for a period of five years with effect from July 1, 2018, upon the principal terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto."

   "**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and subject to the approval of the Central Government, if required, such remuneration as aforesaid be paid and provided to Mr. Suresh G Kare as minimum remuneration, in case of absence or inadequacy of profits of the Company in any financial year during his term of office."

   "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, amend, vary or modify the terms and conditions of appointment and remuneration as it may deem fit and as may be acceptable to Mr. Suresh G Kare, subject to the remuneration not exceeding the limits specified in Schedule V the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

5. 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid a remuneration of ₹ 1,80,000 plus Taxes at actual".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to undertake all such acts, deeds, things and take steps as may be necessary proper or expedient to give effect to this resolution".

By Order of the Board

Place: Mumbai. **JAYSHANKAR MENON**

Date: May 30, 2018 *Company Secretary*

Notes:

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.

3. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

   The Instrument appointing the Proxy must be filled stamped and duly signed and deposited at the Registered Office of the Company not less than Forty Eight Hours before the commencement of the Meeting.

   In case of joint holders attending the Meeting, joint holder ranked higher in the order of names will be entitled to vote at the meeting.

4. Bodies Corporate who are members of the Company are requested to send duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Meeting.

5. Members are requested to bring their Attendance Slip while attending the Annual General Meeting.

   Members holding shares in demat form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Numbers on the attendance slip for attending the meeting.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 04, 2018 to Tuesday, September 11, 2018 (both days inclusive) for the purpose of determining the names of members eligible for final dividend on Equity Shares if declared, at the meeting.

7. The dividend for the year ended March 31, 2018 as recommended by the Board, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on September 11, 2018. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from September 15, 2018.

8. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year 2009-2010 (Final dividend) to Investor Education and Protection Fund (the IEPF) established by the Central Government.

   Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 9, 2017 (date of the last Annual General Meeting) on the website of the Company (**www.indoco.com**) and also on the website of the Ministry of Corporate Affairs (**www.mca.gov.in**)

Dividends for the financial years 2010-2011 and thereafter which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year 2010-11 onwards and seek reissue of their warrants are requested to write to Company / Company's Registrars without any delay.

9. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) vide its Notification dated 05.09.2016 and as amended on 28.02.2017(The Rules), the Company has transferred 56,018 shares in the name of Investor Education and Protection Fund Suspense Account (IEPS) in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more. The Company has uploaded the details of shares so transferred on the website of the Company (**www.indoco.com**) and also on the website of the Ministry of Corporate Affairs (**www.mca.gov.in**)

10. Government of India in Ministry of Corporate Affairs has announced "Green initiative in the Corporate Governance" by permitting Companies to send the Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. to their members through email instead of mailing physical copies.

    Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in demat form or with Company / Link Intime India Pvt. Ltd. (Registrars) in case of shares held in physical form.

11. Annual Report copies will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report.

12 Members holding shares in demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate etc. to their respective Depository Participants (DPs). Members holding shares in physical form are requested to intimate the changes to the Company / Company's Registrars.

13. (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate to the Company / Company's Registrars the following information to be incorporated on the dividend warrants duly signed by the sole or first joint holder:

    (i) Name of the Sole/First joint holder and the Folio Number

    (ii) Particulars of Bank Account, viz:

    Name of the Bank

    Name of the Branch

    Complete address of the Bank with Pin Code number

    Account type whether Saving or Current

    Bank Account Number

    MICR Code:

    IFSC Code:

(b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depositories to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their bank details or particulars are requested to contact their Depository Participants.

(c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the members for remittance through NEFT/RTGS. Members holding shares in physical form and desirous of availing the facility are requested to contact the Company / Company's Registrars

14. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DPs in case of demat holdings.

15. For any assistance or information about shares, dividend etc., members may contact the Company / Company's Registrars.

16. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.

17. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.

18. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.

20. All the documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.

21. Details of Director seeking re-appointment in the Annual General Meeting scheduled on Tuesday, September 11, 2018 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

Name of Director	**Mr. Sundeep V Bambolkar**
Date of Birth	October 23, 1960
Date of Appointment	March 27, 2004
Expertise in Specific Functional Area	International Business, Corporate Management, Finance and Operations
Qualification	B. Sc, PGDRM, MAM, Management Program from the Indian School of Business, Hyderabad and Kellogg School of Business, Chicago, USA
Board Membership of other Public Companies as on March 31, 2018	Nil
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2018	Member– Stakeholder Relationship Committee Member- Audit Committee Member – CSR Committee
Chairman / Member of the Committee of Directors of the other companies in which he/she is a Director as on March 31, 2018	
a. Audit Committee	Nil
b. Stakeholders Relationship Committee	Nil
c. Other Committees	Nil
Number of Shares held on March 31, 2018	465000
Disclosure of relationship between director inter-se	NA

22. E-Voting:

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rule, 2014 the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the notice of the 71st Annual General Meeting of the Company, dated May 30, 2018 (the AGM Notice).

The facility for voting through ballot/ polling paper shall also be made available at the venue of the 71st AGM. The members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A.Y. Sathe & Co., Practicing Company Secretary, as the Scrutinizer to conduct the remote e-voting and voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed Friday, August 31, 2018 as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. August 31, 2018.

The instructions for shareholders voting electronically are as under:

(a) The remote e-voting period begins on Tuesday, September 06, 2018 at 10.00 a.m. (IST) and ends on Monday September 10, 2018 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 31, 2018 may cast their votes electronically.

The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m (IST) on September 10, 2018.

(b) The shareholders should log on to the e-voting website: **www.evotingindia.com** and click on shareholders.

(c) Now Enter your User ID

i. For CDSL: 16 digits beneficiary ID,

ii For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(d) Next enter the Image Verification as displayed and Click on Login.

(e) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.

(f) If you are a first time user, follow the steps given below: **For Members holding shares in Demat Form and Physical Form**

	For Members holding shares in Demat Form/ Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number printed on Attendance Slip, in the PAN Field
DOB or Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format to login
If the details are not recorded with the depository or company, please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction.	

(g) After entering these details appropriately, click on "SUBMIT" tab.

(h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(j) Click on the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Indoco Remedies Limited.

(k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(o) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(p) If you as a Demat account holder have forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(q) Shareholders can also cast their vote using CDSL's mobile app m-Voting available on android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple, Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(r) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to: **helpdesk.evoting@cdslindia.com**.
- A scanned copy of the Board Resolution and P one on of Attorney (PoA) should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(s) Kindly note that the Shareholders can opt for only one mode of voting, i.e., either by e-voting or by Poll. If you are opting for e-voting, then please do not vote in the Poll and vice versa. However, in case Shareholders cast their vote by Poll and e-voting both, then voting done through Poll will be treated as invalid and the voting through e-voting shall prevail.

(t) Name, email id and phone number of the person responsible to address the grievances connected with facility for voting by electronic means:

Mr. Jayshankar Menon- Company Secretary
Tel: 022-33861400 Extn: 477
email: **jmenon@indoco.com**

(u) Website address of the Company where notice of the meeting is displayed: **www.indoco.com**

By Order of the Board

Place: Mumbai.

JAYSHANKAR MENON

Date: May 30, 2018

Company Secretary

◆◆◆

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

Mr. Suresh G Kare was appointed as a Wholetime Director of the Company for a period of five years with effect from July 1, 2013 and his present term will expire on June 30, 2018.

Based on recommendation of Nomination and Remuneration Committee and subject to approval of the shareholders, the Board of Directors of the Company in its meeting held on May 30, 2018, re-appointed him for a further period of five years wef. July 1, 2018.

The draft letter of appointment to be issued to Mr. Suresh G Kare, Wholetime Director, is open for inspection by any member of the Company at the Registered Office of the Company during the business hours on any working day. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 of the Companies Act, 2013.

As Mr. Suresh G Kare has attained the age of 79 years, your approval for his re-appointment is being sought for by a Special Resolution as per requirements of Section 196(3) read with Schedule V to the Companies Act, 2013.

Except Mr. Suresh G Kare himself, Ms. Aditi Panandikar, Ms. Madhura Ramani and Ms. Aruna S Kare, being relatives of Mr. Suresh Kare, none of the other Directors, Key Managerial Personnel or their respective relatives, are concerned or interested in this Resolution.

The Board recommends the resolution as set out at Item No. 4 of the notice for your approval.

Brief Resume of Mr. Suresh G Kare:

Name of the Director	Mr. Suresh G Kare
Director Identification Number (DIN)	00179220
Qualifications	B. Sc
Date of Appointment on the Board	02/07/1963
Experience & Brief profile and nature their expertise in specific functional areas	Operations, Marketing and Overall Business Management
Listed companies (other than Indoco) in which he holds directorship	Nil
Directorships and Committee memberships in other companies*	1
Relationship with other Directors/Manager/Key Managerial Personnel	Ms. Aditi Panandikar – Managing Director - (Daughter)
Number of Shares held in Company	40,60,408
No. of Board Meetings attended during the year	6
Age	79

* Excludes directorships in private limited companies, foreign companies, alternate directorships and also memberships of Managing Committees of various chambers/bodies. Represents memberships/ chairmanships of Audit Committee and Shareholders/Investors Grievances Committee (excluding private companies).

The details of his last drawn remuneration and the number of Board Meetings attended by him during the previous year, forms part of the Corporate Governance Report for the financial year ended March 31, 2018.

The principal terms and conditions of his re-appointment are set out below:

Duties and Powers	Subject to the supervision and control of the Board of Directors, Mr. Suresh G Kare will be carrying out such duties and exercise such powers as may be entrusted to him by the Board of Directors of the Company from time to time.
Remuneration	(a) **Salary:** Salary in the range of ₹ 10,00,000 to ₹ 20,00,000 per month. The annual increments which will be effective 1st April each year will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be based on the performance of the Wholetime Director as well as on the basis of Company's performance, within the said maximum amount. (b) **Benefits, Perquisites and Allowances**: (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) upto 50% of Salary per annum. (ii) Car facility, telecommunication facility and housing loan facility as per the Rules of the Company. (iii) Medical Allowance, Leave Travel Allowance, Education Allowance, Personal Accident Insurance Premium. (iv) Membership, including life membership fees of clubs (subject to maximum two clubs) as may be required. (v) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company. (vi) Leave encashment of unavailed leave as per the Rules of the Company. (vii) Reimbursement of actual medical expenses incurred in India and/or abroad, including hospitalization and surgical charges. (viii) The Company will reimburse Mr. Suresh G Kare for or pay for actual and reasonable travel, entertainment, security, tax equalization or other expenses incurred pursuant to or in connection with the performance of duties. (c) **Commission:** In addition to Salary, Benefits, Perquisites and Allowances, Mr. Suresh G Kare will be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company on the recommendation of NRC at the end of each financial year, subject to the overall ceilings stipulated in Section 197. The specific amount payable to Mr. Suresh G Kare will be based on his performance as evaluated by the NRC and approved by the Board and will be payable annually, after the Financial Statements have been approved by the Board.

	Overall remuneration: The overall remuneration of Mr. Suresh G Kare in any one financial year shall not exceed the limits prescribed by Section 197, Schedule V and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any amendments or enactments thereof, as may from time to time be in force.

Minimum Remuneration

Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Suresh G Kare, the Company has no profits or its profits are inadequate, his remuneration will be governed by the ceilings provided in Schedule V to the Companies Act, 2013 for minimum remuneration unless permission from the Central Government, if required, is obtained for paying more. Section-II of Part-II of Schedule V of the Companies Act, 2013 allows payment of annual remuneration of ₹ 120 Lakhs plus 0.01% of the effective capital of the Company which is in excess of ₹ 250 crores. The Government has further relaxed this restriction and has allowed companies to pay double of this minimum remuneration provided a Special Resolution is passed at the time of re-appointment after making various disclosures as required in the said schedule. To enable payment of such double remuneration in case the need arises, the necessary disclosures are specified hereinbelow as Enclosure A :

"ENCLOSURE-A"

I. General Information	
Nature of Industry	Pharmaceutical Industry
Date or expected date of commencement of commercial production	The Company was incorporated in 1947 and has been in existence since then
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
Financial performance based on given indicators	

Particulars	*F.Y. ended 31-3-2018 (₹ crs)*
Revenue from Operations & Other Income	1046.37
Operating Expenditure	906.72
Profit before Depreciation, Tax & Prior Period Adjustment	139.65
Finance Cost	23.51
Depreciation	67.71
Profit/ (Loss) before Exceptional Items & Tax	48.43
Provision for Tax- Current Tax	11.07
Deferred Tax/ MAT Credit Adjustment: Add/ (Less)	(3.84)
Profit/ (Loss) after tax	41.20

Foreign Investments or Collaborations, if any	The Company has not entered into any Foreign Collaboration.

II. Information about the appointee	**Mr. Suresh G Kare**
Background details	Mr. Suresh G Kare is a Science Graduate and was appointed Managing Director of Indoco Remedies Limited in 1963. He has a rich experience in Operations, Marketing and overall Business Management.
Past remuneration	INR 2,40,00,000/- during FY 2017-2018
Recognition and Awards	- President of Indian Drug Manufacturers' Association in the year 2004 & 2005 - Awarded with Life Time Achievement award at Pharma Summit 2009 - Awarded Life Time Achievement award by the Goa State Industries Association - First Recipient of Life Time Achievement award by Maharashtra Chamber of Commerce in 2011 - Best Industrialist for the Year 2011 in Goa - Awarded in 2013, the Udyog Shree Jeevan Gaurav Sanman for his unstinted contribution to the Pharma Sector
Job Profile and his suitability	Mr. Suresh G Kare has over 55 years of experience in running the Company. Under his leadership, sales grew from ₹ 10 Lakhs in 1969 to over ₹ 1000 crores currently. His expertise and experience has immensely benefitted the Company and has been instrumental in ranking the Company at the top amongst its competitors.
Remuneration proposed	Details of proposed remuneration are as set out hereinabove in the Explanatory Statement to Item No. 4
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin)	The Company has compared the proposed remuneration of the appointee with the industry standards for remunerating Wholetime Directors engaged in the similar field in which the Company is operating. Accordingly, the remuneration is justifiable keeping in view the profile and designation of Wholetime Director and enriched knowledge and vast experience of the appointee. He shall be responsible for the whole affairs of the management of the Company under the supervision of the Board of Directors of the Company.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	There is no pecuniary relationship of Mr. Suresh G Kare, directly or indirectly, with the Company or with any managerial personnel.
III. Other information	
Reasons of loss or inadequate profits	1) Domestic as well as global economic uncertainties along with the rupee volatility. 2) The industry in which the Company operates in general has been under continuous pricing pressure and stringent regulatory norms.

Steps taken or proposed to be taken for improvement	The Company is constantly looking forward to improve its productivity, sales and consequently its profits. Steps have been taken for addition of latest technology, cost cutting and optimum utilization of resources to cater to the needs of customers.
Expected increase in productivity and profits in measurable terms	The industry in which the Company operates is economically volatile. However, with the aforesaid steps taken and being taken by the Company, the performance and profitability is expected to improve considerably.
IV. Disclosures	- All elements of remuneration including commission have been given in the Board of Director's Report under the heading "Corporate Governance" attached to Financial Statement. - During the tenure of appointment, No sitting fees is payable for attending the meetings of the Board of Directors of the Company - The appointment as aforesaid may be terminated by either party giving to the other Six calendar months' notice in writing.

Item No. 5

The Board on the recommendation of the Audit Committee has approved the reappointment and payment of remuneration of ₹ 1,80,000/- plus Taxes at actuals to M/s. Sevekari, Khare & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholder of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of their remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the shareholders.

By Order of the Board

JAYSHANKAR MENON

Company Secretary

Place: Mumbai.

Date: May 30, 2018

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Directors' Report

Dear Members,

Your Directors are pleased to present the **Seventy First** Annual Report on the business operations together with the Audited Financial Statements for the Financial Year ended March 31, 2018 and on the state of affairs of the Company

Financial Performance:

The highlights of the performance of the Company for the year ended March 31, 2018 are summarized below:

(₹ crores)

Particulars	*Financial Year ended March 31, 2018*	*Financial Year ended March 31, 2017*
Revenue from Operations (Gross)	**1,041.58**	1,094.06
Add: Other Income	**4.79**	4.13
Total Income	**1,046.37**	1,098.19
Profit Before Interest, Depreciation & Tax	**139.65**	160.76
Less: Finance Cost	**23.51**	6.16
Less: Depreciation & Amortisation	**67.71**	63.27
Profit Before Tax	**48.43**	91.33
Less: Provision for Taxation		
- Current	**11.07**	19.62
- Deferred	**(10.06)**	8.35
- Mat Credit Adjustments	**6.22**	(14.09)
Net Profit After Tax	**41.20**	77.45
Other Comprehensive Income	**0.23**	0.13
Total Comprehensive Income	**41.43**	77.58
Balance brought forward	**309.95**	249.59
Amount available for appropriation	**351.38**	327.17
Appropriation:		
- Final Dividend Paid	**14.74**	1.84
- Dividend Tax	**3.00**	0.38
- Transfer to General Reserve	**–**	15.00
- Balance carried forward	**333.64**	309.95
	351.38	327.17

Results from Operations:

The total revenues for the year stands at ₹ 1,046.37 crore as compared to ₹ 1,098.20 crores in the previous year. The Profit Before Tax (PBT) was ₹ 48.43 crores as compared to ₹ 91.33 crores in the previous year. After providing for Tax, the Profit After Tax (PAT) is ₹ 41.20 crores as against ₹ 77.45 crores in the previous year.

Implementation of the GST during the first quarter of the Financial Year affected the Domestic business of the Company, resulting in lower PBT and PAT. The profit margins were further affected due to increase in input and other costs.

The Company sees a lot of potential in its International Business. Keeping this in mind the Company undertook capacity expansion at its Sterile Formulation Plant in Goa and its API unit at Patalganga. The increased capacity will also greatly help in meeting the demands of the Domestic business.

During the year, the company received the European GMP certification from the Regulatory Authority of Hungary for its manufacturing facility for non - sterile products (Goa - Plant III), located at L-32,33,34, Verna Industrial Estate, Goa.

The Company's API plant at Patalganga received accreditation renewal from the Japanese Regulatory Authorities. The Accreditation is valid until May 21, 2023.

The Company's API manufacturing facility at Patalganga and Kilo Lab facility at Rabale successfully completed USFDA inspection.

The Medicines and Healthcare Products Regulatory Agency (UK-MHRA) inspected the Company's manufacturing facility (Plant I at L -14, Verna Industrial Estate, Verna, Goa) from March 14, 2018 to March 16, 2018. Goa Plant I manufactures Solid Dosages, Liquid Orals and External Preparations. Subsequent to the inspection, the UK-MHRA issued observations, which include 3 critical and 4 major and issued a restricted GMP certificate permitting continued manufacture and testing of products considered to be medically critical or to ensure continuity of supply, as determined by the competent authority. The Company is fully committed in resolving the issue and is addressing the matter on top priority.

A detailed discussion on the business performance and future outlook is included in the Management Discussion & Analysis, which forms part of the Directors' Report.

Dividend & Reserves:

The Board has recommended a Final Dividend of 50% (₹ 1/- per share) i.e. ₹ 9.21 crores for the year 2017-2018. Dividend for the FY 2016 – 2017 was 80% (₹ 1.60 per share) i.e. ₹ 14.74 crores.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure A".**

Share Capital:

The paid up Equity Share Capital as on March 31, 2018 is ₹ 18.43 crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

As on March 31, 2018 none of the Directors of the Company held shares of the Company except:

Mr. Suresh G Kare - Chairman

Ms. Aditi Panandikar – Managing Director

Mr. Sundeep V Bambolkar – Jt. Managing Director

Finance:

Cash and cash equivalent as on March 31, 2018 was ₹ 7.96 crore. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

Deposits:

The Company has not accepted any Deposit covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014.

Particulars of Loans, Guarantees and Investments:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Credit Rating:

ICRA has revised the Company's long term borrowings rating to A+ (Stable) and reaffirmed the short term borrowing rating as A1+.

These ratings are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.

Corporate Social Responsibility (CSR):

As required under Section 135 of the Companies Act, 2013, the Company undertook CSR initiatives, which is mainly focused on promoting education, health and public hygiene. The Company spent an amount of ₹ 0.24 crores during the year for CSR as against an amount of ₹ 2.31 crores (including an amount ₹ 0.31 crores b/f from the previous year). A detailed list of the CSR expenditure is annexed herewith as **"Annexure B".** The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent.

In addition to fulfilling its CSR obligations, the Company during the year made substantial donations of free medicines to charitable institutions for distribution among the needy.

Internal Control Systems and their Adequacy:

The Company has an Internal Control System, commensurate with the size of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report, significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company's Internal Auditor also monitors and evaluates the internal control system and submits Quarterly Reports which are placed before the Audit Committee of the Board.

The Risk Management Policy of the Company is available on the Company Website at:
http://www.indoco.com/policies/the_risk_management_policy.pdf

Vigil Mechanism / Whistle Blower Policy:

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company: **http://www.indoco.com/policies/whistle_blowers_policy.pdf**

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

Subsidiaries:

The Company has two subsidiaries. A statement containing salient features of the financial statements of subsidiaries in prescribed Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 ("Act"), is furnished in **"Annexure C"** to this report.

Further, pursuant to Section 136 of the Act, the financial statements of the Company consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – **www.indoco.com**. There have been no material changes in the nature of the business of the subsidiaries during the financial year 2017-2018.

As there was no business activity, the Company during the year has applied to the Registrar of Companies for striking off the names of following Companies

- Indoco Pharmchem Limited - 100% subsidiary
- Indoco Analytical Solutions LLP - Associate LLP

Consolidated Financial Statements:

The Consolidated Financial Statements of the Company prepared in accordance with Indian AS notified under Section 133 of the Companies Act, 201 read with Companies (Indian Accounting Standards) Rules, 2015 forms part of this Annual Report.

Directors:

Mr. Suresh G Kare was re-appointed as Chairman of the Company for a period of 5 years from July 1, 2013 to June 30, 2018. The Board is of the view that on account of Mr. Suresh G Kare's vast experience and knowledge of the Pharmaceutical Industry and his commitment towards business, his re-appointment will immensely benefit the Company. Hence, it is proposed to re-appoint him as the Wholetime Director of the Company, designated as Chairman on fresh terms & conditions, including remuneration. The Board of Directors on the recommendation of the Nomination and Remuneration Committee at its meeting held on May 30, 2018 and subject to the approval of the shareholders at the AGM, approved the re-appointment

of Mr. Suresh G Kare for a tenure of 5 years with effect from July 1, 2018 on revised terms and conditions as stated in the explanatory statement annexed to Notice to Annual General Meeting. The members are requested to approve the resolution No.4 in the Notice.

In terms of provisions of the Section 152(6) of the Companies Act, 2013, Mr. Sundeep V Bambolkar, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. The profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is included in the Annual Report.

No Director was appointed or has resigned during the year under consideration.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year 6 (Six) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days. Details of the Board Meeting are given in the Report on Corporate Governance.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Audit Committee, CSR Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, KMP and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Information Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014.

1. The Board Affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The percentage increase in the remuneration of Company Secretary in the financial year was 4.8%.
3. The percentage increase in the median remuneration of employees in the financial year: **9.7%.**
4. Average percentage increase in salaries of non-managerial employees was **5.6%** as compared to average percentage increase in managerial remuneration which was **9.4%.**
5. Number of Permanent employees on the rolls of the company as on March 31, 2018: **5455 Nos**.
6. The Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company during the year under consideration:

Name of Director	*Remuneration Paid (₹)*	*Median Remuneration (₹)*	*Ratio*
Mr. Suresh G Kare (Executive Chairman)	24000000	229956	1:104
Ms. Aditi Panandikar (Managing Director)	17677940	229956	1:77
Mr. Sundeep V Bambolkar (Jt. Managing Director)	16257500	229956	1:71
Mr. Sharad P Upasani (Independent Director)	430000	229956	1:1.87
Mr. D M Gavaskar (Independent Director)	410000	229956	1:1.78
Mr. Rajiv P Kakodkar (Independent Director)	395000	229956	1:1.72
Dr. Anil M Naik (Independent Director)	355000	229956	1:1.54
Dr. Anand M Nadkarni (Non Executive Director)	240000	229956	1:1.04

Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

i. that in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

ii. that they 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 profits of the Company for that year;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual accounts have been prepared on a 'going concern' basis;

v. that the company has laid down internal financial controls and such internal financial controls are adequate and operating effectively;

vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly basis specifying the upper ceiling as to amount of the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the prior approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars as required under the Companies Act, 2013 is furnished in **"Annexure D"** to this report.

Significant and Material Orders passed by the Regulators or Courts:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Statutory Auditors:

In terms of provisions of Section 139(1) of the Companies Act, 2013, M/s. Gokhale & Sathe, a firm of Chartered Accountants, bearing Firm Registration No. 103264W have been appointed as the Statutory Auditors of the Company for a period of 5 years at the 70th Annual General Meeting of the members of the company held on 09.08.2017 to hold office till the conclusion of the 75th AGM of the Company.

In terms of the Companies (Amendment) Act, 2017 and vide notification no S.O. 1833(E) dt. 7.5.2018, the Ministry of Corporate Affairs have done away with the requirement of ratification of the appointment of auditors, at each subsequent Annual General Meeting, by deleting the 1st Proviso to the sub-section (1) of Section 139 of the Companies act, 2013. Accordingly, the same is now onwards not required to be put up to the members for ratification.

M/s Gokhale & Sathe have confirmed that they continue to be eligible under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for continuing as Auditors of the Company.

Cost Auditors:

In terms of the order issued by the Central Government under Section 148 of the Companies Act, 2013 the Company was required to appoint cost auditors to get the audit of the cost records of the Company done by a member of the Institute of Cost Accountants of India (ICAI).

For FY 2017-2018, the Company had appointed M/s Sevekari Khare & Associates (Firm Registration No. 000084) to get the audit of the cost records done. They would be required to submit the reports by September 29, 2018.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Sevekari Khare & Associates, Cost Auditors for FY 2018-2019 is included at Item No. 6 of the Notice convening the Annual General Meeting.

Secretarial Audit:

The Secretarial Audit was carried out by M/s A Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) for the financial year 2017-2018. The Report given by the Secretarial Auditors is annexed as "**Annexure E**" and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board of Directors has appointed CS Ajit Sathe- Proprietor of M/s A Y Sathe & Co. Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) to undertake the Secretarial Audit of the Company.

Corporate Governance:

The Company complies with the Securities and Exchange Board of India (SEBI) guidelines on Corporate Governance. The Company has documented the internal policies on Corporate Governance. Several aspects of the Act, such as the Whistleblower Policy and Code of Conduct and Business Ethics, have been incorporated into our policies. Our Corporate Governance report for 2017-2018 forms part of this Annual Report. The Report is duly certified by the Statutory Auditors of the Company whose certificate is also annexed.

Extract of the Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure-F** and forms an integral part of this Report.

Particulars of Employees:

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in the Corporate Governance Report.

Employee Relations:

The employee relations at all levels and at all units continued to be cordial during the year.

Business Responsibility Report:

As mandated by the Securities and Exchange Board of India (SEBI), the Business Responsibility Report of the Company for the year ended March 31, 2018 is annexed as "**Annexure G**" and forms integral part of this Report.

Acknowledgement:

The Company has been able to operate efficiently through continuous improvement in all functions and areas by efficiently utilizing its resources. The Directors hereby wish to place on record their appreciation of the services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. The Directors also wish to place on record their word of sincere appreciation to the bankers & financial institutions, investors, vendors, customers, the medical profession and all other business associates for their continued support.

Cautionary Statement:

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

For and on behalf of the Board of Directors

SURESH G KARE
Chairman
DIN:00179220

Place : Mumbai
Date : May 30, 2018

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Annexure-A
to the Directors' Report

A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Rules 8(3) of the Companies (Account) Rules, 2014.

(a) Steps Taken or impact of conservation of energy during 2017-2018

1. Installation of LED lamps in various departments to save electricity.
2. Carried out Chillers Integration at Goa Plant. This has resulted in optimum utilization of existing chilling capacity.
3. Installation of 5 Star rating motors to major plant machineries and AHU motors to save electricity.
4. Installation of additional screw air compressors.
5. Condensate water recovery of process steam and utilized it as a feed water for Boiler.
6. Installation of Variable Frequency Drive (VFDs) to all air handling unit and plant machineries.
7. Installation of Energy Efficient pumping system for chilled water.
8. Maintenance of Power factor (PF) within limit resulting in PF incentive in the monthly electrical bills.

(b) Steps taken by the Company for utilizing alternative sources of energy.

Feasibility study undertaken for

1. Rain harvesting to save rain water.
2. Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.
3. Replacement of Vapour absorption chillers to screw chillers for saving of electric energy.
4. Installation of solar system to generate electricity for plant lighting purpose.

(c) The Capital investment on energy conservation equipments: ₹ 2.50 Crores

(d) Total energy consumption and energy consumption per unit of production:

FORM A

1. Power and Fuel Consumption

Particulars	Current year	Previous Year
1) Electricity		
a) Purchased Units (in lakhs)		
Total Amount (₹ lakhs)	319.26	286.04
Rate/Unit (₹)	2,162.61	1,936.10
	6.77	6.77
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	1,334.42	991.17
Units per litre of diesel oil (KWH)	3.06	2.74
Rate/Unit (₹)	18.22	20.17
ii) through steam turbine/generator		
Units	Nil	15.46
Units per litre of fuel oil/gas	Nil	7.58
Cost/Unit (₹)	Nil	49.04
2) Coal		
Qty	Nil	Nil
Total cost		
Average rate (₹)		
3) Furnace Oil		
Qty (Kilo litres)	591.44	501.02
Total Amount (₹ lakhs)	182.88	140.54
Average rate (₹)	30.92	28.05
4) Others/internal generation (briquettes, cashew seeds etc.)		
Quantity	Nil	Nil
Total Cost (₹ lakhs)	208.13	164.95
Rate/Unit	Nil	Nil

2. Consumption per unit of production

On account of the manufacture of products with varied pack size/units of measures, it is not practicable to express the consumption of power per unit of production.

B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption:

FORM B

Research and Development (R&D)

1. Specific areas in which Research and Development are carried out by the Company are:

   The Company has a state of the art R&D Centre at Rabale where it develops Finished Dosages and APIs, backed by a strong Analytical Research team. The Chemical Research Department

(CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs. The Finished Dosages research (F&D) develops formulations in various dosage forms like immediate release tablets, capsules, Multi Unit Pellet Systems (MUPS), Pulsatile Drug Delivery Systems, Sterile Ophthalmic Ointments, Ophthalmic Gels, Suspensions and Solutions, Extended Release Tablets with matrix technology.

The Formulation Research Centre is currently involved in development of several injectables and complex ophthalmic suspensions involving bio waiver strategies. The team has also successfully developed bioequivalent products with Narrow therapeutic indices for Europe & Australian markets. Development of anti-malarial products with inherently high in vivo variability is currently under process.

Extensive in vitro dissolutions and diffusion studies are carried out in order to arrive at discriminatory media for in vitro release testing.

The Analytical research team also has the expertise in the niche area of conducting studies on Extractables and Leachables for various dosage forms and in isolation and characterisation of unknown impurities in finished dosage forms.

With a technically strong R&D team of over 300 scientists in place, Indoco is a partner-of-choice for several large pharmaceutical companies for co-development and subsequent commercialisation for technologically complex products.

2. Benefits derived as a result of above efforts are

- Creation of the Company's own intellectual property which can be exploited commercially.
- Preventing competitors from blocking ideas for Novel manufacturing processes.
- R&D efforts gives an edge over the competitors in the market place in terms of early entry and better pricing.
- The ability to develop difficult-to-make, complex APIs by using the latest technologies is the key differentiating factor of our research.
- The Company's patent portfolio consists of

	Granted Patents	***Patent Application***
Formulation	4	21
API	20	64
Total	24	85

3. Future plan of action

Development of non-infringing API manufacturing processes, patentable Novel Drug Delivery System (NDDS) formulations, filing Para IV and 505(b)2 applications using new technology platforms. Developing an expertise in the analytical methods development for offering value added services for Isolation and Characterization of Impurities, Extractables, Leachables, Polymorphism and Lyophilization studies.

4. Expenditure on R & D:

Sr. No.	Particulars	Current Year ₹ Crores	Previous Year ₹ Crores
1.	Building	–	–
	Equipment & Other Capital Expenditure	**2.91**	10.98
	Total Capital Expenditure	**2.91**	10.98
2.	R&D Employee Cost	**22.71**	19.99
	Other R&D Cost*	**30.78**	31.72
	Total Recurring Expenditure	**53.49**	51.71
3.	**Total R&D Expenditure**	**56.40**	62.69
4.	Total R&D expenditure as a % of total Gross Sales (Net of Returns)	**5.50%**	5.90%

*Other Research & Development Expenses includes Chemicals / Materials consumed, Electricity, Travel, Repairs, Insurance Premium and such other similar expenses.

Technology absorption, adaptation and innovation:

1. During the year the following processes were successfully implemented:

   a. **Mirabegron**: A commercially feasible and economically viable route for Mirabegron synthesis was developed at the R&D and successfully scaled up at the plant level. Process validation is completed and product is ready for commercial distribution.

   b. **Dorzolamide Hydrochloride**: A cost effective synthesis process is designed at R&D to reduce the raw material consumption. This process is successfully scaled up and validated at plant. This product is being commercially distributed.

   c. **Aripiprazole**: Cost effective synthetic process is developed and scaled up at plant. Validation is successfully completed.

   d. **Metoprolol Succinate**: Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.

   e. **Posaconazole**: Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a)	Technology Imported	None
b)	Year of import	N.A.
c)	Has technology been fully absorbed	N.A.
d)	If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company participates in International Conferences and exhibitions in US, Europe, Japan and other countries. Such participation helps in expanding the Company's network of customers.

During the year, the Company continued with its efforts of filing own Dossiers in Europe through DCP (Decentralization Procedure) route and filing own ANDAs with USFDA. The product basket has been expanded and scope of services offered is also extended to analytical and synthesis of impurities and reference standards. The Company plans to move up in the value chain by offering new products/services and expanding into newer territories.

(b) Total foreign exchange used and earned:

Sr. No.	*Particulars*	*2017-2018 (₹ crores)*	*2016-2017 (₹ crores)*
1.	Total foreign exchange earned	**376.23**	450.69
2.	Total foreign exchange used	**114.34**	114.14

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Annexure-B
to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities

A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy:

The detailed policy is available on the Company Website at: **http://www.indoco.com/csr-policy.asp**

Composition of the CSR Committee:

Dr. Anil M Naik (Independent Director)

Ms. Aditi Panandikar (Managing Director)

Mr. Sundeep V Bambolkar (Jt. Managing Director)

Average net profit of the Company for last three financial years: ₹ 100.04 crores

Prescribed CSR Expenditure

Two percent of the Average Net Profit as detailed above:	₹	2.00 crores
Carry Forward from FY 2016-2017	₹	0.31 crores
Total CSR Expenditure for FY 2017-2018	₹	**2.31 crores**

Details of CSR spend for the financial year:

A	**Total amount spent for the financial year:**	₹	**0.24 crores**
B	**Amount unspent, if any:**	₹	2.07 crores

The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent.

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

Sl. No	*Project / Activities*	*Sector*	*Location*	*Amount Budgeted (₹ Lakhs)*	*Amount Spent (₹ Lakhs)*	*Cumulative Spent upto Reporting Period (₹ Lakhs)*	*Amount Spent: Direct or through Implementing Agency*
1	Rotary Club Thane North	Preventive Healthcare	Thane	14.00	13.00	13.00	Direct
2	Harmal Panchakroshi Shikshan, Mandal	Promoting Education	Goa	16.83	1.75	1.75	Direct
3	Bahurangee Bahar Project	Promoting Education	Maharashtra	1.52	1.52	1.52	Direct
4	Pro Seed Foundation	Promoting Education	Delhi	2.50	2.50	2.50	Direct

Sl. No	*Project / Activities*	*Sector*	*Location*	*Amount Budgeted (₹ Lakhs)*	*Amount Spent (₹ Lakhs)*	*Cumulative Spent upto Reporting Period (₹ Lakhs)*	*Amount Spent: Direct or through Implementing Agency*
5	Muskan Foundation for People with Multiple Disabilities	Promoting Education	Mumbai	2.40	2.20	2.20	Direct
6	Child Care Foundation	Promoting Education	Goa	2.00	2.00	2.00	Direct
7	Bharati Vidyapeth Dental College	Promoting Education	Sangali	2.00	1.00	1.00	Direct
	Total			**41.25**	**23.97**	**23.97**	

Summary of CSR Expenditure Incurred

Year	*Amount Required to be spent on CSR*	*Amount Budgeted*	*Amount Spent*
	₹ crores		
2015-2016	1.53	1.65	0.89
2016-2017*	2.53	2.71	2.22
2017-2018**	2.25	0.41	0.24

* Includes an amount of ₹ 0.64 crores b/f from FY 2015-2016

** Includes an amount of ₹ 0.31 crores b/f from FY 2016-2017

Annexure C
to the Directors' Report

FORM AOC-1

Statement containing sailent features of the Financial Statement of Subsidiaries

(Pursuant to first provisio to sub-section(30 of Section 129 read with Rule 5, of the Companies (Account) Rules, 2014

CIN	**U93000MH1995PTC086174**	
Name of the Subsidiary	Xtend Industrial Designers and Engineers Pvt. Ltd	Indoco Remedies Singapore Pte. Ltd.
Reporting period for the subsidiary	April 1, 2017 – March 31, 2018	April 1, 2017- March 31, 2018
Reporting Currency	INR (₹) (in Lakhs)	USD ($) (in Lakhs)
Equity Share Capital	202.70	0.26
Reserves and Surplus	(0.59)	(0.28)
Total Assets	319.24	0.04
Total Liabilities	319.24	0.04
Investments	Nil	Nil
Turnover	Nil	Nil
Profit / (Loss) before Taxation	(0.91)	(0.07)
Provision for Taxation	0.66	–
Profit/(Loss) after Taxation	(1.57)	(0.07)
Proposed Dividend	–	–
% of shareholding	100%	100%

Annexure-D
to the Directors' 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 arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

   The Company has not entered into any transaction which is not on arms length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the party with which contract is entered into	*Principal terms and conditions*			*Date of Approval*	*Amount paid as Advance*
			₹		
Suresh G Kare (HUF)	Godown Rent	Yearly	3,00,000	26-05-2017	NIL
A K Services	Commission & Brokerage	Yearly	74,64,366	26-05-2017	NIL
A K Services	Godown Rent	Yearly	42,51,000	26-05-2017	NIL
A K Services	C & F Operation Expenses	Yearly	40,81,187	26-05-2017	NIL
A K Services	Interest on Security Deposit	Yearly	75,000	26-05-2017	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Consultancy Charges	Yearly	2,92,50,665	26-05-2017	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Loan Repayment to Indoco	Yearly	84,78,153	26-05-2017	NIL
Indoco Singapore Pte ltd	Subscription to share capital	One time	3,22,650	10-03-2016	NIL

Annexure-E
to the Directors' Report

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 Personnel) Rules, 2014]

To,
The Members,
Indoco Remedies Limited
Indoco House, 166, CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai – 400098,
Maharashtra, India

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practising Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indoco Remedies Limited (CIN-L85190MH1947PLC005913)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **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 thereunder;

(iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;

(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;

(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;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further capital under the regulations during the period under review];**

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**;

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

(g) 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 **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]**;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review];** and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review]**;

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

a) Drugs and Cosmetics Act, 1940.

b) Narcotic Drugs and Psychotropic Substances Act, 1956.

c) Petroleum Act, 1934.

d) The Medical & Toilet Preparations (Excise Duties) Act, 1955.

e) The Boilers Act, 1923.

I have relied on information / records produced by the Company during the course of my audit and the reporting is limited to that extent.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

I 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 the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that 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 laws, rules, regulations and guidelines.

I further report that,

During the audit period, there were no instances like:

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

(ii) Redemption / buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations

For A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
(Proprietor)
FCS No.2899
COP No. 738

Date: May 28, 2018

Place: Mumbai

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Annexure to the Secretarial Audit Report

To,
The Members,
Indoco Remedies Limited,

Our Secretarial Audit Report for the financial year March 31, 2018 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed 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, standards are the responsibility of management. Our examination was limited to the verification of procedures 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 A. Y. Sathe & Co.
Company Secretaries

CS Ajit Sathe
(Proprietor)
FCS No.2899
COP No. 738

Date: May 28 , 2018

Place: Mumbai

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Annexure-F
to the Directors' Report

Extract of Annual Return

As on the financial year ended on March 31, 2018

{Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014}

FORM MGT-9

I. REGISTRATION AND OTHER DETAILS :

i	CIN	L85190MH1947PLC005913
ii	Registration Date	August 23, 1947
iii	Name of the Company	Indoco Remedies Limited
iv	Category/sub Category of Company	Company Limited by shares/ Non-govt. Company
v	Address of the Registered Office and contact Details	Indoco House, 166 CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400098 Mr. Jayshankar Menon - Company Secretary. Email: **compliance.officer@indoco.com** Tel: 022 26541851-55 Website: www.indoco.com
vi	Whether Listed Company	Yes
vii	Name. Address and contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd Unit: Indoco Remedies Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083 Tel: 022-49186270 Email: **rnt.helpdesk@linkintime.co.in** Website: www.linkintime.co.in

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:-

Sl No.	*Name and Description of main products/services*	*NIC Code of the Product/service*	*%to total turnover of the company*
1.	Manufacture of Pharmaceutical Products	2100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	*Name and address of the Company*	*CIN/GLN*	*Holding/ Subsidiary / Associate*	*% of shares held*	*Applicable Section*
1.	Xtend Industrial Designers and Engineers Pvt. Ltd	U93000MH1995PTC086174	Subsidiary	100%	2(87)(ii)
2	Indoco Remedies Singapore Pte. Ltd	201542731W	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	*No. of shares held at the beginning of the year*				*No. of shares held at the end of the year*				*% change during the year*
	Demat	*Physical*	*Total*	*% of Total Shares*	*Demat*	*Physical*	*Total*	*% of Total Shares*	
A. Promoters									
(1) Indian									
a) Individual/HUF	19871714		19871714	21.56	19871714		19871714	21.56	–
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp	15771755		15771755	17.12	15771755		15771755	17.12	–
e) Banks/FI									
f) Any Other (PAC)	18824577		18824577	20.43	18602277		18602277	20.19	(0.24)
Sub-Total (A)(1)	**54468046**		**54468046**	**59.11**	**54245746**		**54245746**	**58.87**	**(0.24)**
(2) Foreign									
a) NRIs- Individuals									
b) Other Individuals									
c) Bodies Corp									
d) Banks/FI									
e) Any Other									
Sub-total									
Sub-Total (A)(2)									
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**54468046**		**54468046**	**59.11**	**54245746**		**54245746**	**58.87**	**(0.24)**
Public Shareholding									
1. Institutions									
a) Mutual Funds	7813752		7813752	8.48	9134709		9134709	9.91	1.43
b) Venture Capital Funds									
c) Alternate Investment Funds	–		–	–	1957230		1957230	2.12	2.12
d) Foreign Venture Capital Investors									
e) Foreign Portfolio Investors	11771030		11771030	12.77	4107846		4107846	4.46	(8.31)
f) Financial Institutions / Banks	6862		6862	0.01	51828		51828	0.06	0.05
g) Insurance Companies									
h) Provident Funds / Pension Funds									
i) Any Other									
Sub-total (B) (1)	**19591644**		**19591644**	**21.26**	**15251613**		**15251613**	**16.55**	**(4.71)**
2. Central Government/State Government									
IEPF	–		–	–	56018		56018	0.06	0.06
Sub-total (B) (2)	–		–	–	**56018**		**56018**	**0.06**	**0.06**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
3. Non Institutional									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	7027449	859995	7887444	8.56	7822974	797895	8620869	9.35	0.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6484191	604725	7088916	7.69	8821056	604725	9425781	10.23	2.54
b) NBFC registered with RBI									
c) Employee Trust									
d) Overseas Depositories									
e) Others (specify)									
a) HUF	221553		221553	0.24	304720		304720	0.33	0.09
b) Non Resident Indians	203002		203002	0.22	240918		240918	0.26	0.04
c) Clearing Member	96161		96161	0.10	466167		466167	0.51	0.40
d) Bodies Corporate	2593589		2593589	2.82	3538523		3538523	3.84	1.03
Sub total (B)(3)	**16625945**	**1464720**	**18090665**	**19.63**	**21194358**	**1402620**	**22596978**	**24.52**	**4.89**
Total Public shareholding (B)= (B)(1) + (B)(2) + (B)(3)	**36217589**	**1464720**	**37682309**	**40.89**	**36501989**	**1402620**	**37904609**	**41.13**	**0.24**
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B)	**90685635**	**1464720**	**92150355**	**100.00**	**90747735**	**1402620**	**92150355**	**100.00**	

ii) Shareholding of Promoters & Promoter Group

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in share holding 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	
1	Suresh G Kare	4060408	4.41	Nil	4060408	4.41	Nil	Nil
2	Suresh G Kare (HUF)	273500	0.30	Nil	273500	0.30	Nil	Nil
3	Aruna S Kare	4794714	5.20	Nil	4794714	5.20	Nil	Nil
4	Aditi Panandikar	5559013	6.03	Nil	5559013	6.03	Nil	Nil
5	Madhura Ramani	5184079	5.63	Nil	5184079	5.63	Nil	Nil
6	Shanteri Investment Pvt. Ltd	15771755	17.12	Nil	15771755	17.12	Nil	Nil
7	SPA Holdings Pvt. Ltd	18335000	19.90	Nil	18335000	19.90	Nil	Nil
8	Laxmi V Bambolkar	144000	0.16	Nil	144000	0.16	Nil	Nil
9	Ramnath G Kare	34200	0.04	Nil	33800	0.04	Nil	–
10	Sharada R Kare	35800	0.04	Nil	32500	0.04	Nil	–
11	Milind S Panandikar	7500	0.01	Nil	7500	0.01	Nil	Nil

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in share holding 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	
12	Sudha M Pai	–	–	Nil	10727	0.01	Nil	0.01
13	Pratima Ajit Vaidya	–	–	Nil	26550	0.03	Nil	0.03
14	Mahika M Panandikar	–	–	Nil	6100	0.01	Nil	0.01
15	Rohan Anup Ramani	–	–	Nil	6100	0.01	Nil	0.01
16	Suman P Naik	230800	0.25	Nil	–	–	Nil	(0.25)
17	Rajendra M Pai	10727	0.01	0.0037	–	–	Nil	(0.01)
18	Ajit M Vaidya	26550	0.03	Nil	–	–	Nil	(0.03)

iii) Change in Promoters'/ Promoter Group Shareholding (please specify, if there is no change)

Sl. No	Shareholder's name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in share holding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the company				No of shares	% of total shares of the Company
1	Suresh G Kare	4060408	4.41			No change	4060408	4.41
2	Suresh G Kare (HUF)	273500	0.30			No change	273500	0.30
3	Aruna S Kare	4794714	5.20			No change	4794714	5.20
4	Aditi Panandikar	5559013	6.03			No change	5559013	6.03
5	Madhura Ramani	5184079	5.63			No change	5184079	5.63
6	Shanteri Investment Pvt. Ltd	15771755	17.12			No change	15771755	17.12
7	SPA Holdings Pvt. Ltd	18335000	19.90			No change	18335000	19.90
8	Laxmi V Bambolkar	144000	0.16			No change	144000	0.16
9	Milind S Panandikar	7500	0.01			No change	7500	0.01
10	Ramnath G Kare	34200	0.04	15-05-2017	(400)	Sale	33800	0.03
11	Sharada R Kare	35800	0.04	14-04-2017	(500)	Sale	35300	0.04
				17-04-2017	(500)	Sale	34800	0.04
				24-04-2017	(750)	Sale	34050	0.04
				15-05-2017	(250)	Sale	33800	0.04
				17-05-2017	(650)	Sale	33150	0.04
				02-05-2017	(650)	Sale	32500	0.03
12	Ajit M Vaidya	26550	0.03	02-05-2017	(26550)	Transmission	–	–
13	Pratima A Vaidya	–	–	02-05-2017	26550	Transmission	26550	0.03
14	Rajendra M Pai	10727	0.01	28-03-2018	(10727)	Transmission	–	–
15	Sudha M Pai	–	–	28-03-2018	10727	Transmission	10727	0.01
16	Mahika Milind Panandikar	–	–	01-01-2018	6100	Purchase	6100	0.005
17	Rohan Anup Ramani	–	–	01-01-2018	6100	Purchase	6100	0.005
18	Suman P Naik	230800	0.25	22-09-2017	(230800)	Transmission	–	–
	Total:	**54468046**	**59.11**		**(222200)**		**54245746**	**58.87**

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	*Shareholder's name*	*Shareholding at the beginning of the year*		*Date*	*Increase / (Decrease) in shareholding*	*Reason*	*Shareholding at the end of the year*	
		No. of shares	*% of total shares of the company*				*No of shares*	*% of total shares of the Company*
1	Reliance Capital Trustee Ltd A/C Reliance Growth Fund	–	–	27-10-2017	724425	Purchase	724425	0.79
				15-12-2017	1000041	Purchase	1724466	1.87
				26-01-2018	1640950	Purchase	3365416	3.65
2	DSP Blackrock Small Cap Fund	2924233	3.17	No change			2924233	3.17
3	Barclays Merchant Bank (Singapore Ltd)	2781226	3.02	01-12-2017	(5530)	Sale	2775696	3.01
				26-01-2018	(94470)	Sale	2681226	2.91
				02-02-2018	(41554)	Sale	2639672	2.86
				09-03-2018	(68534)	Sale	2571138	2.79
				16-03-2018	(12308)	Sale	2558830	2.78
4	DSP Blackrock AIF Pharma Fund	979472	1.06	07-04-2017	67123	Purchase	1046595	1.14
				14-04-2017	15000	Purchase	1061595	1.15
				21-04-2017	13272	Purchase	1074867	1.17
				28-04-2017	250000	Purchase	1324867	1.44
				09-06-2017	177298	Purchase	1502165	1.63
				23-02-2018	63706	Purchase	1565871	1.70
				02-03-2018	35471	Purchase	1601342	1.74
				09-03-2018	97519	Purchase	1698861	1.84
				16-03-2018	12240	Purchase	1711101	1.86
5	Ashish Agarawal	–	–	16-03-2018	1392281	Purchase	1392281	1.51
6	IDFC Classic Equity Fund	–	–	07-04-2017	202086	Purchase	202086	0.22
				05-05-2017	86300	Purchase	288386	0.31
				12-05-2017	102340	Purchase	390726	0.42
				26-05-2017	960000	Purchase	1350726	1.47
				02-06-2017	237063	Purchase	1587789	1.72
				09-06-2017	71099	Purchase	1658888	1.80
				23-06-2017	200000	Purchase	1858888	2.02
				30-06-2017	11526	Purchase	1870414	2.03
				07-07-2017	35725	Purchase	1906139	2.07
				21-07-2017	(3501)	Sale	1902638	2.06
				01-09-2017	(200)	Sale	1902438	2.06
				06-10-2017	5000	Purchase	1907438	2.07
				27-10-2017	(56800)	Sale	1850638	2.01
				03-11-2017	(4000)	Sale	1846638	2.00
				10-11-2017	(2938)	Sale	1843700	2.00
				17-11-2017	(298888)	Sale	1544812	1.68
				01-12-2017	(6812)	Sale	1538000	1.67
				15-12-2017	(31687)	Sale	1506313	1.63
				22-12-2017	(15013)	Sale	1491300	1.62
				29-12-2017	(41861)	Sale	1449439	1.57
				05-01-2018	(6000)	Sale	1443439	1.57
				12-01-2018	(92000)	Sale	1351439	1.47
				26-01-2018	(56981)	Sale	1294458	1.40

Sl. No	Shareholder's name	Shareholding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the company				No of shares	% of total shares of the Company
7	Mangeshi Investment Pvt. Ltd	1167300	1.27	No change			1167300	1.27
8	UTI Mid Cap Fund	1813942	1.97	07-04-2017	(39777)	Sale	1774165	1.93
				05-05-2017	(93757)	Sale	1680408	1.82
				19-05-2017	(12663)	Sale	1667745	1.81
				26-05-2017	(951459)	Sale	716286	0.78
				02-06-2017	(4728)	Sale	711558	0.77
				23-06-2017	(8317)	Sale	703241	0.76
				07-07-2017	(2044)	Sale	701197	0.76
				14-07-2017	37111	Purchase	738308	0.80
				28-07-2017	41	Purchase	738349	0.80
				04-08-2017	15480	Purchase	753829	0.82
				15-09-2017	7718	Purchase	761547	0.83
				22-09-2017	164	Purchase	761711	0.83
				29-09-2017	11625	Purchase	773336	0.84
				06-10-2017	1060	Purchase	774396	0.84
				13-10-2017	65474	Purchase	839870	0.91
				26-01-2018	(1393)	Sale	838477	0.91
				02-02-2018	(8337)	Sale	830140	0.90
				09-02-2018	27046	Purchase	857186	0.93
9	Kunal Ashok Kare	633874	0.69	07-04-2017	500	Purchase	634374	0.69
10	Salil Ashok Kare	633873	0.69	No change			633873	0.69

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors/KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Co.	No of shares	% of total shares of the Co
	Directors				
1	**Mr. Suresh G Kare- Chairman**				
	At the beginning of the Year	4060408	4.41		
	At the end of the year			4060408	4.41
2	**Ms. Aditi Panandikar - Managing Director**				
	At the beginning of the Year	5559013	6.03		
	At the end of the year			5559013	6.03
3	**Mr. Sundeep V Bambolkar - Jt. Managing Director**				
	At the beginning of the Year	465000	0.50		
	At the end of the year			465000	0.50
	KMP				
1	**Mr. Mandar Borkar - Chief Financial Officer**				
	At the beginning of the Year	216	–		
	At the end of the year			216	–
2	**Mr. Jayshankar Menon - Company Secretary**				
	At the beginning of the Year	NIL	NIL		
	At the end of the year			NIL	NIL

V. INDEBTEDNESS

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

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
Working Capital	5,285.73	6,512.34		11,798.07
Term Loan	16,117.89	–		16,117.89
ii) Interest due but not paid				
iii) Interest accrued but not due	93.21	–		93.21
Total (i+ii+iii)	**21,496.83**	**6,512.34**		**28,009.17**
Change in Indebtedness during the financial year				
• Additional	3,967.00	–		3,967.00
• Reduction	3,376.07	345.62		3,721.69
Net Change	**590.93**	**(345.62)**		**245.31**
Indebtedness at the end of the financial year				
i) Principal Amount				
Working Capital	4,787.56	6,166.72		10,954.28
Term Loan	17,206.99	–		17,206.99
ii) Interest due but not paid				
iii) Interest accrued but not due	81.11	–		81.11
Total : (i+ii+iii)	**22,075.66**	**6,166.72**		**28,242.38**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Chairman, Managing Director, Jt. Managing Director:

(₹ Lakhs)

Sl. No	*Particulars of Remuneration*	*Executive Chairman*	*Managing Director*	*Jt. Managing Director*	*Total Amount*
		Mr. Suresh G Kare	*Ms. Aditi Panandikar*	*Mr. Sundeep V Bambolkar*	
1	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	180.00	134.02	121.65	435.67
	Value of perquisites u/s 17(2) Income Tax Act, 1961	–	17.76*	15.93*	33.69*
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		–	–	–
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission/Incentive	60.00	25.00	25.00	110.00
5.	Others, please specify				
	Total (A) (1+4)*	**240.00**	**176.78**	**162.58**	**579.36***
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)*				**565.16**

* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

B. Remuneration to other directors:

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Sharad Upasani	Mr. D M Gavaskar	Mr. Rajiv Kakodkar	Dr. Anil Naik	Dr. Anand Nadkarni	
	Independent Directors						
	Fee for attending board committee meetings	4.30	4.10	3.95	3.55	–	**15.90**
	Commission						
	Others, please specify						
	Total (1)	**4.30**	**4.10**	**3.95**	**3.55**	–	**15.90**
	Other Non Executive Directors						
	Fee for attending board committee meetings					2.40	**2.40**
	Commission						
	Others, please specify						
	Total (2)					**2.40**	**2.40**
	Total (B)=(1+2)	**4.30**	**4.10**	**3.95**	**3.55**	**2.40**	**18.30**
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013						**56.52**

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

(₹ Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel	Key Managerial Personnel
		Mr Mandar Borkar Chief Financial Officer+	Mr Jayshankar Menon Company Secretary++
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	43.16	23.20
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	6.78	1.49
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	**NIL**	**NIL**
2.	Stock Option	**NIL**	**NIL**
3.	Sweat Equity	**NIL**	**NIL**
4.	Performance Incentive	**NIL**	**NIL**
5.	Others, please specify	**NIL**	**NIL**
	Total:	**49.94**	**24.70**

\+ CFO since 09/08/2018
++ CS since 01/09/2018

VII. PENALITIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
B. DIRECTORS					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA

◆◆◆

Annexure-G
to the Directors' Report

Business Responsibility Report

Section A : General Information about the Company

1	Corporate Identity Number (CIN)	L85190MH1947PLC005913
2	Name of the Company	Indoco Remedies Limited
3	Registered Address	Indoco House, 166 CST Road, Kalina, Santacruz (East) Mumbai 400098
4	Website	www.indoco.com
5	Email id	compliance.officer@indoco.com
6	Financial Year Reported	April 1, 2017 to March 31, 2018
7	Sector(s) that the Company is engaged in	**Industrial Group:** 210 **Description**: Manufacture of Pharmaceuticals (As per National Industrial Classification 2008 (NIC) by the Ministry of Statistics and Programme Implementation)
8	List three key products that the Company manufactures	1. Febrex Plus 2. Cyclopam 3. Sensodent-K
9	Total Number of locations where business activity is undertaken by the Company	
	(i) Number of International Locations	The Company has presence in over 55 countries across the world
10	Markets Served by the Company (Local/ State/National/International	In addition to serving the Indian Market, the Company exports to over 55 countries worldwide

Section B : Financial Details of the Company

1	Paid up capital (INR)	18.43 crores
2	Total Turnover (INR)	1098.20 crores
3	Total Profit After Tax (INR)	41.20 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	Indoco spent an amount of ₹ 23.97 Lakhs for the year ended March 31, 2018 which is 0.58% of profit after tax
5	List of activities in which expenditure in 4 above has been included	Refer to Principle 8 under Section E below

Section C: Other Details

1	Does your Company have subsidiary Companies	Yes
2	Does the subsidiary companies participate in BR Initiatives of the parent company	No
3	Does any other entity that the Company does business with participate in the BR initiatives of the Company	No

Section D: BR Information

1	Details of Director responsible for BR	
	a) Details of Director responsible for BR	
	DIN	00176613
	Name	Mr. Sundeep V Bambolkar
	Designation	Jt. Managing Director
	b) Details of BR Head	
	DIN	00176613
	Name	Mr. Sundeep V Bambolkar
	Designation	Jt. Managing Director
	Telephone Number	022 -26541851
	e-mail id	compliance.officer@indoco.com
2	Principle-wise BR Policy	

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the Policy been formulated with the relevant Stakeholders	All Policies have been approved by the Board and have formulated in consultation with the management of the Company and is approved by the Board								
3	Does the Policy conform to National/ International Standards	The policies are broadly based on the National Voluntary Guidelines on social responsibilities and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the Policy been approved by the Board	All Policies are approved by the Board and have been signed by the Managing Director								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy	The Board has appointed Mr. Sundeep V Bambolkar- Jt. Managing Director to oversee policy implementation								
6	Indicate the link for the policy to be viewed online	www.indoco.com								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders	YES								
8	Does the Company have an in-house structure to implement the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to policy	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal/external agency	Y	Y	Y	Y	Y	Y	-	Y	Y

2a	If answer to Sl. No. 1 against any principle is "No", please explain why									
No	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done in the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done in the next 1 year	-	-	-	-	-	-	-	-	-
6	Any Other Reason	-	-	-	-	-	-	*	-	-
		*. The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time in a responsible manner about measures to be taken by the government to address issues related to pharmaceutical industry. Hence no need has been felt to formulate a specific policy for the same								
3	Governance Related to BR									
	Indicate the frequency with which the Board of Directors assess the BR performance of the Company- within 3 months, 3-6 months, Annually, More than a Year	Annually								
	Does the Company publish a BR or Sustainability Report? What is the hyper link for viewing this report? How frequently is it published	The Company does not publish a BR or Sustainability Report. Details pertaining to Corporate Social Responsibility (CSR) activities have been given in the CSR Report given in Annexure 'B' to the Directors Report								

Section E: Principle-wise performance

Principle 1

1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. The Company firmly believes in transparent, fair and ethical business practice. The Company has a Code of Conduct for Employees and Directors as well as a Code for Independent Directors. The Company also has following Policies in place: (a)Whistleblower Policy (b) Prevention of Sexual harassment. These Policies lay down the rules and procedures ways of which the employees can report any suspected wrongdoing or fraudulent business practices without fear of reprisals, thereby helping Indoco uphold its high standards.

2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year the Company did not receive any stakeholder complaints.

Principle 2

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a) **PG Visc eye drops – An eye drop for dry eye having HP Guar Gum as a unique excipient (same as Systane Ultra on Alcon). Polyquaternium based least irritation based Buffered eye drop solution.**

b) **Spear Ointment – Policresulen and Cinchocinae ointment – Solid Liquid Base (SLB) polyol based anorectal ointment with body temperature melting ointment base which is most important character required for anorectal ointment.**

c) **Methycal 2000 tabs – Tablet with Vitamin D. Tablet with a protective film coat enrobed by the other ingredients to stabilize and not hampering its vivo delivery.**

2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company manufactures and distributes a wide range of formulations, generics and active pharmaceutical ingredients. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad based impact on energy and water consumption. However, the Company takes several measures to reduce the consumption of energy and water.

3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company chooses its suppliers through strictly laid down procedures. Material is procured from approved vendors. The Company conducts surprise audits of the vendors to ensure quality. Company also enters into long term contracts with transporters for the movement of goods.

4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company procures goods and services from local vendors in and around the factory locations. The Company also provides technical support cum operational knowledge for improvement in the vendor value chain and safety standards.

5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, about 20% of waste water generated is recycled.

Principle 3

1 Please indicate the Total number of employees.

5,455 permanent employees as on March 31, 2018.

2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.

958 employees hired on temporary/contractual/casual basis as on March 31, 2018.

3 Please indicate the Number of permanent women employees.

500 Permanent employees as on March 31, 2018.

4 Please indicate the Number of permanent employees with disabilities

To avoid discrimination, Indoco does not record any information regarding employee disabilities.

5 Do you have an employee association that is recognized by management

Yes, Indoco has One employee association at Goa for permanent workmen employed.

6 What percentage of your permanent employees is members of this recognized employee association?

About 9% of the permanent employees are members of the recognised employee association.

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

NIL

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees **: More than 70% of employees are imparted training in safety.**

Permanent Women Employees: **100% of permanent employees are trained in safety. The Company makes no discrimination while imparting training to women employees vis-a-vis their male employees.**

Casual/Temporary/Contractual Employees: **100% in operating functions are imparted training.**

Employees with Disabilities : **Indoco makes no discrimination while imparting training employees with disabilities.**

Principle 4

1 Has the company mapped its internal and external stakeholders? Yes/No

Yes

2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Indoco has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. Indoco through the Suresh Kare Indoco Foundation identifies their needs and addresses them to the extent possible.

Principle 5

1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Policy covers the Company, its subsidiaries and all suppliers and contractors. The Companies code of conduct and human resource practices cover most of these aspects. The company does not hire child labour or forced labour and never discriminates between its employees.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No Stakeholder complaints were received during the year under consideration.

Principle 6

1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs /others.

The Policy covers the Company, its subsidiaries and all contractors working within the Company premises.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Efforts are directed towards energy conservation by reducing and eliminating waste.

3 Does the company identify and assess potential environmental risks? Y/N

Yes. Risk mitigation strategies and contingency measures are reviewed every year.

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

At present the Company does not have any Project related to Clean Development Mechanism.

5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.

Installation of Energy Efficient pumping system for chilled water.

Carried out Chillers Integration at Goa Plant. This has resulted in optimum Utilization of Existing Chilling Capacity.

Installation of LED lamps in various departments to save electricity.

6 Are there Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes.

7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the year the Company has received 1 Show Cause Notice from the H. P State Pollution Control Board. The Company has taken the necessary steps to comply with the requirements.

Principle 7

1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Bombay Chamber of Commerce

Indian Drug Manufacturers' Association

Indo German Chamber of Commerce

Pharmexcil

2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has advocated measures to be taken in order to address basic issues related to improvement of public health. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.

Principle 8

1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Indoco focuses on responsible business practices. The main areas are skill development, employability training, education and healthcare.

2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Indoco conducts assessment through employee volunteerism of its CSR initiatives through feedback from the beneficiaries of projects undertaken.

3 Have you done any impact assessment of your initiative?

Yes.

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

These are detailed in Annexure B of the Board Report.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Most of our programmes are participatory in nature and focus on institutional development and capacity building.

Principle 9

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

NIL

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company follows all laws with respect to product labelling and display of product information.

3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

No

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Consumer surveys are regularly carried out by the Company at the Doctor level.

◆◆◆

Annexure to the Directors' Report
Report on Corporate Governance for the year ended March 31, 2018

(Pursuant to the Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Indoco's Philosophy on Code of Governance:

Indoco fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, Indoco focuses its energies in safeguarding the interests of its stakeholders by utilizing its resources for maximum benefits.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates, but also to implement the best international practices in that regard.

BOARD OF DIRECTORS

Composition and Size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board's functions of governance from management. As at March 31, 2018 in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman – Mr. Suresh G Kare, comprises of seven other directors, out of which four directors are Independent Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies.

The day-to-day management of the Company is conducted by the Chairman, Managing Director and Joint Managing Director subject to the supervision, direction and control of the Board of Directors.

The Directors are not related to each other in terms of the definition of "relative" under the Companies Act, 2013, except Ms. Aditi Panandikar, Managing Director who is the daughter of Mr. Suresh G Kare, Chairman.

The Composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2018 is as under:

Name of Director	*Category of Directorship*	*Number of other Directorship*		*Number of Chairmanship/ Membership in committees of other companies ***	
		Of Indian Public Limited Companies	*Of other Companies**	*Chairman*	*Member*
Mr. Suresh G Kare	Promoter & Chairman	1	2	Nil	Nil
Ms. Aditi Panandikar	Promoter & Managing Director	Nil	2	Nil	Nil
Mr. Sundeep V Bambolkar	Joint Managing Director	Nil	2	Nil	Nil
Mr. D M Gavaskar	Independent Non-Executive	1	3	1	1
Mr. Rajiv P Kakodkar	Independent Non-Executive	1	Nil	Nil	Nil
Mr. Sharad P Upasani	Independent Non-Executive	2	Nil	2	2
Dr. Anil M Naik	Independent Non-Executive	2	2	Nil	Nil
Dr. Anand Nadkarni	Non Executive	Nil	Nil	Nil	Nil

* *Include Directorships in Private Limited / Section 8 Companies.*

** *Represents Membership/Chairmanship of Audit Committee / Stakeholders Relationship Committee/Nomination and Remuneration Committee/ CSR Committee in other Companies.*

Note:

a. None of the Directors of the Company were members of more than 10 committees or acted as Chairperson of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

b. None of the Directors held directorship in more than 10 Public Limited Companies.

c. None of the Independent Directors of the Bank served as Independent Director in more than 7 listed companies.

Brief profiles of all the Directors are available on the website of the Company at **http://www.indoco.com/directors.asp**

BOARD MEETINGS:

During the year, the Board met six times on May 26, 2017, August 9, 2017, September 20, 2017, November 7, 2017, January 25, 2018 and March 7, 2018. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis. None of the Non-executive Directors held any equity shares of the Company during the financial year ended March 31, 2018.

Attendance of each Director at the Board Meetings held in financial year 2017-2018 and at the last Annual General Meeting of the Company:

Name of the Director	*No. of Board Meetings held during the year*	*No. of Board Meetings attended*	*Attendance at the last AGM held on August 09, 2017*
Mr. Suresh G Kare	6	6	Present
Ms. Aditi Panandikar	6	6	Present
Mr. Sundeep V Bambolkar	6	6	Present
Mr. D M Gavaskar	6	6	Present
Mr. Rajiv P Kakodkar	6	5	Present
Mr. Sharad P Upasani	6	6	Present
Dr. Anil M Naik	6	5	Present
Dr. Anand Nadkarni	6	6	Present

FAMILIARIZATION PROGRAMME FOR DIRECTORS

At the time of appointment of a Director, a formal letter of appointment is given explaining the role, duties and responsibilities expected of him as a director of the Company. He is also explained the Compliance required from him under the Companies Act, 2013, Listing Regulations and other various statues and an

affirmation is obtained. As part of the Agenda of the Board Meeting, presentations are regularly made to the Independent Directors on various matters covering the Company, industry, regulatory updates, strategy, finance and also the role, rights, responsibilities of the independent Directors.

COMMITTEES OF THE BOARD:

Currently, the Board has the following Committees

- Audit Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Nomination and Remuneration Committee
- Executive Committee of Directors

The Board decides the terms of reference of these Committees.

a) AUDIT COMMITTEE:

Composition:

The Audit Committee comprises of following 5 members, out of whom 4 are independent directors and one is the Joint Managing Director:

1. Dr. Anil M Naik – Chairman (Independent Director)
2. Mr. D M Gavaskar – Member (Independent Director)
3. Mr. Rajiv P Kakodkar – Member (Independent Director)
4. Mr. Sharad P Upasani – Member (Independent Director)
5. Mr. Sundeep V Bambolkar – Member (Jt. Managing Director)

Terms of reference:

The terms of reference of the Audit Committee are wide covering the matters specified under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provisions contained in Section 177 of the Companies Act, 2013 and they can be broadly stated as follows:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.

b) Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.

c) Reviewing with the management the quarterly financial statements before submission to the board for approval.

d) Reviewing the adequacy of internal control systems and internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

e) Discussing with internal auditors any significant findings and follow-up thereon.

f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal financial control systems of a material nature and reporting the matter to the Board.

g) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

h) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

i) Scrutiny of corporate loans and investments.

j) Approval or subsequent modification of transactions with related parties.

k) Valuation of the undertaking or asset of the company wherever it is necessary.

l) Monitoring the end use of funds raised through public offers and related matters.

m) In addition to the above, all items listed in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Meetings and attendance:

During the financial year the Audit Committee met Five times: on May 26, 2017, August 9, 2017, November 7, 2017, January 25, 2018 and March 7, 2018. The attendance of the Members of the Committee at the said Meetings were as follows:

Name of the Director	*No. of Audit Meetings held during the year*	*No. of Audit Meetings attended*
Dr. Anil M Naik	5	4
Mr. D M Gavaskar	5	5
Mr. Rajiv P Kakodkar	5	4
Mr. Sharad P Upasani	5	5
Mr. Sundeep V Bambolkar	5	5

The maximum gap between any two meetings was less than one hundred and twenty days.

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

The Statutory Auditors of the company were present at Five (5) audit committee meetings held during the year.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

b) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of:

1. Mr. Rajiv P Kakodkar, Chairman (Independent Director)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member – (Jt. Managing Director)

Terms of reference:

The Committee looks into the redressal of shareholders/investors' complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of share certificates, transfer of shares, etc. The Committee overseas the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement of the quality of service.

Meetings and attendance:

During the financial year 2017-18 Four (4) Committee Meetings were held: on May 26, 2017, August 9, 2017, November 20, 2017 and January 25, 2018. The attendance of the Members of the Committee at the said Meetings were as follows:

Name of the Director	*No. of Meetings held during the year*	*No. of Meetings attended*
Mr. Rajiv P Kakodkar	4	4
Ms. Aditi Panandikar	4	4
Mr. Sundeep V Bambolkar	4	4

Mr. Jayshankar Menon, Company Secretary, acts as the Compliance Officer of the Company.

Details of Shareholders Complaints:

Particulars	*No. of complaints*
Investor complaints pending as at April 1, 2017	–
Investor complaints received during the year ended on March 31, 2018 (The complaints pertained to revalidation of dividend warrants and non-receipt of Annual Reports)	2
Investor complaints resolved during the year ended March 31, 2018	2
Investor complaints pending as on March 31, 2018	–

c) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

The Committee comprises of:
Ms. Aditi Panandikar, Chairperson (Managing Director)
Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)
Dr. Anil M Naik, Member (Independent Director)

Terms of reference:

The CSR committee will provide guidelines and assistance in order to implement the CSR activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013. The guidelines are framed so as to cover the compliances under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is updated on the company website and can be accessed at : **www.indoco.com**

Meetings and attendance:

During the financial year 2017-18, Two (2) CSR Committee Meetings were held: on May 26, 2017 and November 7, 2017. The attendance of the Members of the Committee at the said Meetings were as follows:

Name of the Director	*No. of Meetings held during the year*	*No. of Meetings attended*
Ms. Aditi Panandikar	2	2
Mr. Sundeep V Bambolkar	2	2
Dr. Anil M Naik	2	1

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

d) NOMINATION AND REMUMERATION COMMITTEE:

The Committee comprises of:

1. Dr. Anil M Naik, Chairman (Independent Director)
2. Mr. Rajiv P Kakodkar, Member (Independent Director)
3. Mr. Sharad P Upasani , Member (Independent Director)

The terms of reference of the Nomination and Remuneration Committee are wide covering the matters specified under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013. They can be broadly stated as follows:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- To identify persons who may be appointed in senior management in accordance with the criteria laid down.
- To carry out evaluation of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- To recommend & review remuneration package of Executive Directors
- To approve & evaluate the performance of Executive Directors & Senior Management
- To approve formulating the compensation plans, policies and programs of the Company.

Meetings and attendance:

During the financial year 2017-18, one meeting on May 26, 2017 was held to approve the remuneration of Executive Director.

Name of the Director	*No. of Meetings held during the year*	*No. of Meetings attended*
Dr. Anil M Naik	1	–
Mr. Rajiv P Kakodkar	1	1
Mr. Sharad P Upasani	1	1

There were no pecuniary relationships and transactions of the Non - Executive Directors vis-à-vis the Company.

e) EXECUTIVE COMMITTEE OF DIRECTORS:

The Committee comprises of:

1. Mr. Suresh G Kare (Chairman)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member – (Jt. Managing Director)

Terms of reference:

The Committee looks into the day to day operations of the Company.

Meetings and attendance:

During the financial year 2017-18, Nine (9) Executive Committee Meetings were held: on April 7, 2017, June 7, 2017, July 11, 2017, August 28, 2017, September 23, 2017, December 5, 2017, January 9, 2018, February 5, 2018 and March 15, 2018. All the directors were present at these Meetings.

INDEPENDENT DIRECTORS MEETING

During the year, separate meetings of the Independent Directors were held on November 7, 2017 and March 7, 2018 without the attendance of non-independent directors and members of the management.

Name of the Director	*No. of Meetings held during the year*	*No. of Meetings attended*
Dr. Anil M Naik	2	2
Mr. Sharad Upasani	2	2
Mr. D M Gavaskar	2	2
Mr. Rajiv P Kakodkar	2	1

The Independent Directors met interalia to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation has been started to improve Board effectiveness, maximize strength and tackle weaknesses. The criteria for evaluation included:

- Setting up of annual goals
- Periodic review of corporate strategy
- Display of leadership qualities
- Development of Policies and strategic plans aligned with the vision and mission of the company
- Establishment of an effective organization structure to ensure there is management focus on key functions

- Whether information provided to the Board is appropriate, timely and unbiased
- Whether relationships and communications with shareholders are well managed
- Whether directors effectively probe the information resented by the management

REMUNERATION TO DIRECTORS:

Remuneration Policy:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

Individual Directors including the Chairman of the Board, were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Chairman and the Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

The Executive Directors were paid remuneration as approved by the Board and the members in General Meeting. The remuneration comprises of salary, perquisites, allowances and commission/ performance incentive.

The Non-Executive Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board or Committee thereof.

Information as per Rule 5(2) of Chapter XIII the Companies (Appointment and Remuneration) of Management Personnel Rules 2014

1) Executive Directors:

Name of Director	*Salary*	*Benefits & Perquisites*	*Commission / Performance Linked Incentives*	*Stock Options*	*Total*
	₹	₹	₹	₹	₹
Mr. Suresh G Kare	18000000	–	6000000	Nil	**24000000**
Ms. Aditi Panandikar	13401880	1776060	2500000	Nil	**17677940**
Mr. Sundeep V Bambolkar	12164500	1593000	2500000	Nil	**16257500**

2) Non Executive Directors:

Name of Director	*Sitting fees (₹)*
Mr. Sharad P Upasani	4,30,000/-
Mr. D M Gavaskar	4,10,000/-
Mr. Rajiv P Kakodkar	3,95,000/-
Dr. Anil M Naik	3,55,000/-
Dr. Anand Nadkarni	2,40,000/-

Notes:

- The sitting fees indicated above includes fees paid for attending Meetings of the Board and Committees.
- There is no severance fee payable.

3) **Key Managerial Personnel (KMP):**

Name of KMP	Salary ₹	Benefits & Perquisites ₹	Commission / Performance Linked Incentives ₹	Stock Options	Total ₹
Mr. Mandar Borkar*	4315814	678329	Nil	Nil	**4994143**
Mr. Jayshankar Menon	2320352	149400	Nil	Nil	**2469752**

* Employed for part of the year

Subsidiary Companies:

Following Companies are subsidiaries of the Company

Name	*Percentage of Holding*
Xtend Industrial Designers & Engineers Pvt. Ltd	100%
Indoco Remedies Singapore Pte Ltd.	100%

As there was no business activity, the Company during the year has applied to the Registrar of Companies for striking off the names of following Companies

- Indoco Pharmchem Limited - 100% subsidiary
- Indoco Analytical Solutions LLP - Associate LLP

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website**: http://www.indoco.com/policies/related_party_transaction_policy.pdf**

DISCLOSURES:

1) There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc., during the year, that may have the potential conflict with the interests of the Company at large.

2) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

3) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

4) All mandatory requirements as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 have been complied with by the Company.

5) The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

6) In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Managing Director and the Joint Managing Director have made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

GENERAL BODY MEETINGS:

Corporate Identity Number (CIN): **L85190MH1947PLC005913**.
The Company is registered at Mumbai in the State of Maharashtra, India.

Annual General Meeting:

The details of the last three Annual General Meetings held:

Financial Year	AGM	Date	Time	Location of the AGM
2016-17*	70th	August 09,2017	10.30 am	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051
2015-16**	69th	July 29, 2016	11.30 am	
2014-15*	68th	July 30, 2015	11.30 am	

* *No Special Resolutions was passed at the AGM*

** *One Special Resolutions was passed at the AGM- Consent to the Company to keep the Register and Index of Members Register and copies of all Annual Returns, at the office of the Registrar and Share Transfer Agent of the Company viz. Link Intime India Pvt. Ltd.*

MEANS OF COMMUNICATION:

Financial Results

The quarterly and annual financial results are generally published in Economic Times, Maharashtra Times, Business Standard, Herald and Navhind. The results are also displayed on Company's website: **www.indoco.com**. The official news releases are also displayed on the website of the Company.

Since the half-yearly financial results are published in leading newspapers and displayed on the website, the same are not mailed to the shareholders of the Company.

Presentation to Institutional Investors/Analysts

Tele-conferences were held with Institutional Investors/Analysts at the end of every quarter after the declaration of the Quarterly Results. The Company also regularly met Institutional Investors during the year.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date & Time	Tuesday, September 11, 2018 at 10.30 A.M.
Venue	MIG Cricket Club MIG Colony, Bandra East Mumbai 400051
Financial Year	April 1, 2017 to March 31, 2018
Date of Book closure	September 04, 2018 to September 11, 2018 (both days inclusive)
Dividend Payment Date	On or after September 15, 2018

Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted wef May 15, 2015 a "Code of Conduct to Prevent Insider Trading ".

The code is posted on the Company Website. The Company keeps the Code updated as per the requirements of SEBI from time to time**. http://www.indoco.com/inv-policies.asp**

Code of Conduct:

The Company has adopted a Code of Conduct for Directors and all Employees which is hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes Whistle Blower provisions, where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

The Managing Director of the Company has given a declaration of due compliance with Code of Conduct by the Directors and Senior Management.

Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The annual listing fees have been paid upto March 31, 2019 and there is no outstanding payment towards the Exchanges, as on date.

Stock Code

Bombay Stock Exchange	532612
National Stock Exchange of India Limited	INDOCOEQ

MARKET PRICE DATA

The High and Low prices of the Company's share (of the face value of ₹ 2/- each) from April, 2017 till March, 2018 are as below:

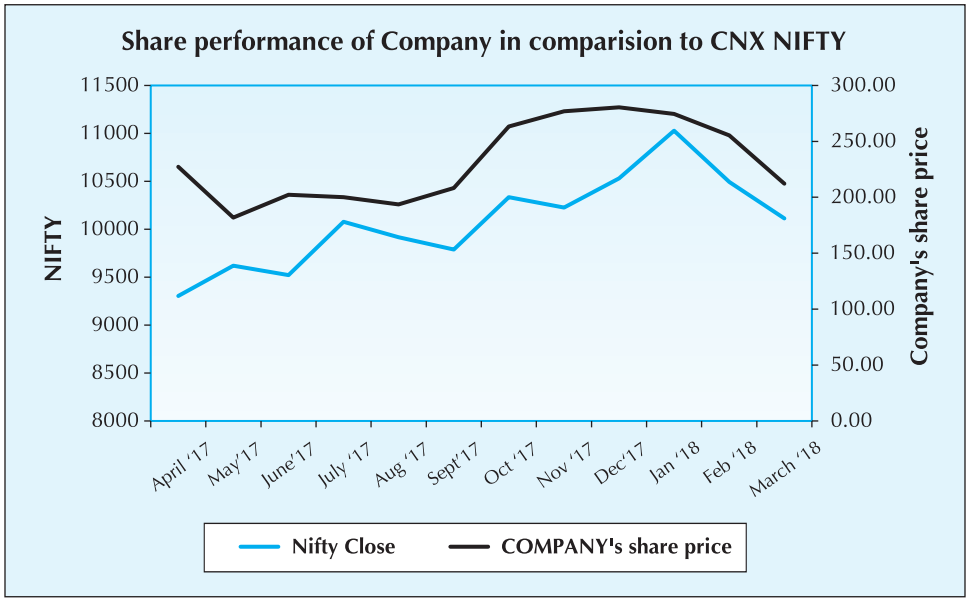
National Stock Exchange of India Limited (NSE)

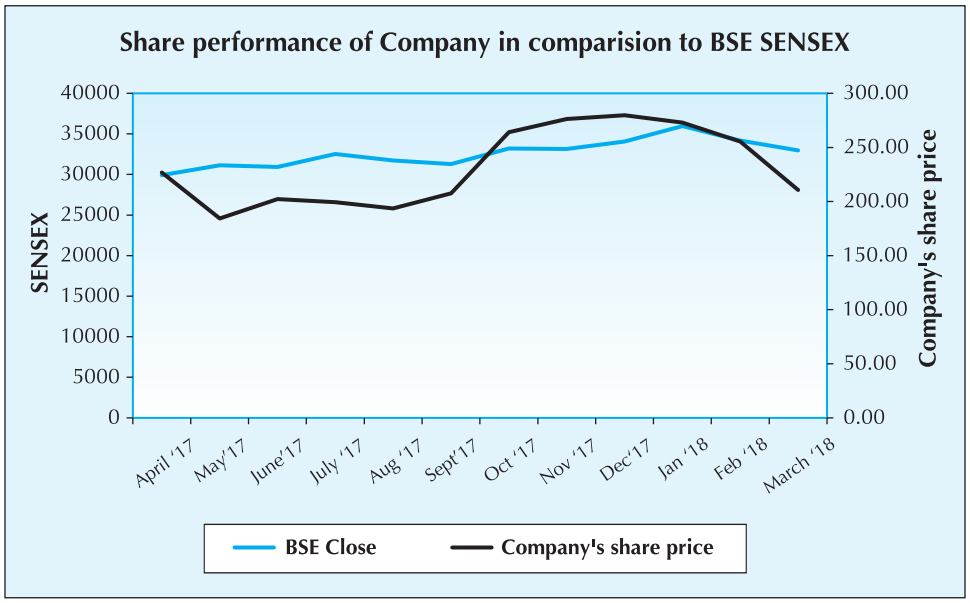
Month	*IRL Share Price*			*No. of Shares traded during the month*	*Turnover*
	High ₹	*Low* ₹	*Close* ₹		*₹ Lakhs*
April '17	266.00	208.50	227.25	4195976.00	9838.66
May'17	249.80	178.10	181.85	2524072.00	5294.20
June'17	209.50	180.80	202.30	960759.00	1855.80
July '17	212.60	193.00	200.05	1031099.00	2087.88
August '17	211.00	181.50	193.65	1539576.00	3042.86
September'17	214.00	189.50	208.40	700839.00	1402.09
October '17	278.00	205.00	263.25	1669586.00	4117.46
November '17	314.00	251.10	276.95	6678903.00	18721.10
December'17	298.75	257.40	280.45	3403814.00	9467.32
January '18	317.40	255.00	274.55	6673173.00	19412.38
February '18	282.00	245.95	255.25	1699864.00	4512.09
March '18	263.70	208.00	212.15	3202259.00	7743.26

Bombay Stock Exchange Limited (BSE)

Months	*IRL Share Price*			*No. of Shares traded during the month*	*Turnover*
	High ₹	*Low* ₹	*Close* ₹		*₹ Lakhs*
April '17	265.70	209.00	226.75	626280.00	1463.24
May'17	250.70	179.00	184.35	668558.00	1409.64
June'17	208.00	181.00	202.30	278323.00	529.04
July '17	230.20	194.00	199.35	82252.00	167.47
August '17	209.30	180.25	193.70	379474.00	731.72
September'17	214.00	189.70	207.50	79754.00	160.36
October '17	277.00	206.20	264.00	756926.00	1906.12
November '17	314.00	251.00	276.30	2149210.00	5954.51
December'17	297.90	259.95	279.75	2132787.00	5791.46
January '18	317.00	257.30	273.05	2549425.00	7158.90
February '18	281.00	248.05	255.40	315786.00	839.26
March '18	263.00	208.00	210.75	1063703.00	2577.63

Performance of Indoco share price to broad based index –Nifty, BSE Sensex:





Distribution of Shareholding as on March 31, 2018

No. of Equity shares held	*No. of shareholders*	*% of total shareholders*	*No. of shares held*	*% of shareholding*
1 to 1000	14116	91.69	2489674	2.71
1001 to 2000	499	3.24	750275	0.81
2001 to 3000	204	1.33	526816	0.57
3001 to 4000	101	0.66	359325	0.39
4001 to 5000	79	0.51	369209	0.40
5001 to 10000	152	0.99	1152755	1.25
10001 to ***	244	1.58	86502301	93.87
Total	**15395**	**100.00**	**92150355**	**100.00**

Shareholding Pattern as on March 31, 2018

Category	*No. of shares held*	*Percentage of shareholding*
Promoter & Promoter Group		
Indian		
Individuals	19871714	21.56
Bodies Corporate	15771755	17.12
Person Acting in Concert	18602277	20.19
Total (A)	**54245746**	**58.87**
Public Shareholdings		
Institutions		
Mutual Funds/UTI	9134709	9.91
Foreign Portfolio Investors	3563911	3.87
Foreign Institutional Investor	543935	0.59
Financial Institutions / Banks	51828	0.06
Alternate Investment Funds	1957230	2.12
Government Companies	56018	0.06
Non Institutions		
Other Bodies Corporate	3538523	3.84
NRI & Foreign National	240918	0.26
Clearing Members	466167	0.51
Public & Other (incl HUF)	18351370	19.91
Total (B)	**37904609**	**41.13**
Total (A+B):	**92150355**	**100.00**

Disclosure of information on pledged shares:

The details of shares pledged by promoter are as follows:

Name of Promoter/ Promoter Group	*No. of shares held*	*No. of shares pledged*	*% of total shares pledged to total no of shares held by entity in the Company*	*% of shares pledged to the total no of outstanding shares of the Company*
NIL	**NIL**	**NIL**	**NIL**	**NIL**

Details showing Shareholding of more than 1% of the Capital as on March 31, 2018

Sl. No	Name of Shareholder	Number of Shares	% of Capital
1	SPA Holdings Pvt. Ltd	18335000	19.90
2	Shanteri Investment Pvt. Ltd	15771755	17.11
3	Ms. Aditi Panandikar	5559013	6.03
4	Ms. Madhura Ramani	5184079	5.62
5	Ms. Aruna S Kare	4794714	5.20
6	Mr. Suresh G Kare	4060408	4.41
7	Reliance Capital Trustee Co Ltd A/c Reliance Growth Fund	3365416	3.65
8	DSP Blackrock Small Cap Fund	2924233	3.17
9	Barclays Merchant Bank (Singapore) Ltd	2558830	2.78
10	DSP Blackrock AIF Pharma Fund	1711101	1.86
11	Mr. Ashish Agarwal	1392281	1.51
12	IDFC Mutual Fund (Various Funds)	1294458	1.40
13	Mangeshi Investment Pvt. Ltd.	1167300	1.27

ADR/GDR:

The Company has not issued any ADR/GDR.

Dematerialisation Information:

The shares of your Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). The ISIN of the company is INE873D01024.

Dematerialisation of shares:

As on March 31, 2018, the number of shares of the Company in the demat form is as shown below:

Total No. of Shares of the Company	**92150355**
No. of Shares in demat mode	90747735
% to Total No. of Shares of the Company	98.48%
Total No. of Shareholders of the Company	**15395**
No. of Shareholders with dematerialsed shares	15323
% to Total No. of Shareholders	99.53%

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares and avail various benefits of dealing in securities in electronic/dematerialised form. For any clarification, assistance or information, please contact the Registrars and Share Transfer Agents of the Company. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (I) Limited (CDSL).

The break-up of shares in physical and demat form as on March 31, 2018 is given below:

	No. of Shares	*% of Total Shares*
No. of shares in physical form	1402620	1.52
No. of shares in demat form		
(1) With NSDL	85815338	93.13
(2) With CDSL	4932397	5.35
Total No. of Shares	**92150355**	**100.00**

Share Transfer System

The share transfer, transmission, consolidation, sub-division and matters related thereto are delegated to a Stakeholder Relationship committee. The requests are processed within 7 days of lodgment. In case of requests for dematerialisation of shares, if the documents are clear in all respects, the requests are processed and confirmation given by Company's Registrars to the Depository i.e. NSDL or CDSL within 7 days.

Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd
Address : C-101,247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.
e-mail : **rnt.helpdesk@linkintime.co.in**
Phone No. : 022-49186000
Fax : 022-49186270

Address for correspondence:

Shareholders may address their communication to Company's Registrars and Share Transfer Agent or the Secretarial Department of the Company at the following address:

(1) **Link Intime India Private Limited**
Unit: Indoco Remedies Limited
C-101, 247 Park
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083

Contact Person: Mr. Sharad Patkar

Tel. No.: +91 -22-49186000

Email id: **rnt.helpdesk@linkintime.co.in**

(2) **Secretarial Department**
Indoco Remedies Limited
Indoco House, 166 CST Road,
Kalina, Santacruz (East),
Mumbai – 400098

Contact Person: Mr. Jayshankar Menon

Tel No.: +91- 22-26541851-55

Email id: **compliance.officer@indoco.com**

Nomination Facility:

Shareholders holding physical shares may send their nominations in prescribed form 2B to the Company. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) for availing the nomination facility.

UNPAID/ UNCLAIMED DIVIDENDS

The Company is required to transfer dividends which have remained unpaid /unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before it is transferred to the Investor Education and Protection Fund.

The due dates for transfer to IEPF of dividends remaining unclaimed / unpaid since 2010-11 are given below:

Financial year	*Unclaimed dividend amount as on 31.03.2018 (in ₹)*	*Due date for transfer to IEPF*
2010-2011 - Final	1,78,088.00	02.09.2018
2011-2012 - Final	3,85,220.50	04.09.2019
2012-2013 - Final	3,60,681.20	04.09.2020
2013-2014 – Final	3,15,770.00	04.09.2021
2014-2015 – Final	3,86,384.00	04.09.2022
2015-2016 - Interim	6,98,612.60	15.04.2023
2015-2016 - Final	74,269.60	03.10.2023
2016-2017 - Final	4,72,598.40	13.09.2024

Plant Locations:

1) L-14, Verna Industrial Estate,
Verna - Goa 403 722

2) L-32, 33, 34 Verna Industrial Estate,
Verna - Goa 403722

3) R-104 Rabale
TTC Industrial Area,
MIDC Thane Belapur Road
Navi Mumbai
Maharashtra 400701

4) A-26,27,28/1, 28/2
MIDC Industrial Estate,
Patalganga, Village Kaire
Dist Raigad,
Maharashtra 410220

5) B- 20 MIDC, Waluj,
Aurangabad,
Maharashtra 431133

6) Village Katha, P.O. Baddi
Tehsil Nalagarh, Dist.: Solan,
Himachal Pradesh-173205

7) Unit No. 3, Village Katha,
Pargana Dharampur, Tehsil Nalagarh,
Dist.: Solan, Himachal Pradesh-173205

R & D Center:
R-92/93, Rabale TTC Industrial Area
MIDC Thane Belapur Road
Navi Mumbai 400 701

Clinical Research Organization:
Anacipher Clinical Research
3rd & 4th Floor Mirakamshetty Mall
Ramnathpur, RR District, Hyderabad 500013

Registered Office:
Indoco Remedies Limited
Indoco House, 166 CST Road,
Kalina, Santacruz (East),
Mumbai 400 098.
Tel: +91- 22-2654 1851- 55
Fax: +91-22 – 66936241

Presently the Company complies with the following discretionary requirements of Regulation 27(1), specified in "Part E" of Schedule II of the Listing regulations:

a) Company has appointed separate persons to the Post of Chairman and Managing Director

b) Internal Auditor reports to the Audit committee.

The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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Certificate of Compliance with the Corporate Governance

requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

to the Members of Indoco Remedies Limited

We have examined the compliance of conditions of corporate governance by Indoco Remedies Limited ("the Company") for the year ended on March 31, 2018 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GOKHALE & SATHE**
Chartered Accountants
Firm Registration No:103264W

RAHUL JOGLEKAR
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

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Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Aditi Panandikar, Managing Director and Mandar Borkar, Chief Financial Officer of Indoco Remedies Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there are no
   a) significant changes in internal control during the year, if any;
   b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
   c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

ADITI PANANDIKAR
Managing Director
DIN: 00179113

MANDAR BORKAR
Chief Financial Officer

Place : Mumbai
Date : May 30, 2018

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Managing Director's Certification
Declaration on Code of Conduct

to the Members of Indoco Remedies Limited

This is to inform that the Company has adopted a Code of Conduct for its Board Members and all Employees. The Code is posted on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018 received from the Employees, Management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

ADITI PANANDIKAR
Managing Director
DIN: 00179113

Place : Mumbai
Date : May 30, 2018

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Management Discussion and Analysis

a) Industry Structure and Development:

The pharma industrys' total business for the year 2017 was valued at ₹ 2244 billion approximately as per India Brand Equity Foundation (IBEF) and expected to grow at CAGR of 20% plus over a period of five years. Indian pharma industry's near-to medium-term growth challenges have escalated over the last year, given the adverse macro developments in two of its key growth engines, e.g., US generics and domestic formulations market.

The Indian Pharmaceutical market (IPM) is valued at ₹ 1193 billion as on March 31, 2018 as per All India Organization of Chemists and Druggists (AIOCD) and accounts for around 1.4% of the global pharmaceutical industry in value terms and 20% in volume terms. The IPM is a highly fragmented market and grew by 5.8% over last year. The top ten companies, including domestic and MNCs make up for more than one third of the market and is dominated by branded generics.

The IPM size is expected to grow at 9-12% CAGR between the years 2016-21. The growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanization, increasing healthcare insurance, active patient awareness etc. As the industry was moving towards normalcy post the impact of the Fixed Dose Combinations (FDCs) ban, the market was affected on account of GST implementation with effect from July 1, 2017.

Besides the domestic market, Indian pharma companies have export revenues of ₹ 1174 billion for the year 2017, from sale of Finished Dosages (FDFs), Active Pharmaceutical Ingredients (APIs) and Contract Research and Manufacturing Services (CRAMS) in global markets (Source: IBEF).

The outlook for Regulated Markets has been marred by a combination of Regulatory overhang, escalated price erosion, consolidation in the distribution channel, growing competitive intensity and higher R&D investments.

Indian companies present in Emerging markets were impacted too. Some companies witnessed pressures owing to slower product approval rate in the region, including South Africa. The currencies of major countries witnessed sharp depreciation, leading to challenges in pricing of products in these price sensitive markets.

b) Opportunities and Threats:

While the underlying demand drivers for India and global markets continue to remain broadly intact, the operating environment will become significantly tougher for quite a few sub-scale business models, as the sector profitability comes under pressure. The same is already getting reflected in the steady decline in return ratios and shareholder value destruction across a broad spectrum of Indian pharma companies. It appears that this is the toughest operating environment the Indian pharma industry has faced in a very long time.

In global markets, the government in several countries has been taking cost effective measures in order to curtail healthcare expenses by focusing on speedy introduction of generic drugs into the market. However, following an ever evolving Good Manufacturing Practices (GMP) will be an important criterion for companies in order to survive and grow in the regulated markets.

For the US market, Indian companies are developing niche portfolios in segments like, injectables, dermatology, biosimilars and complex generics.

c) Financial Performance:

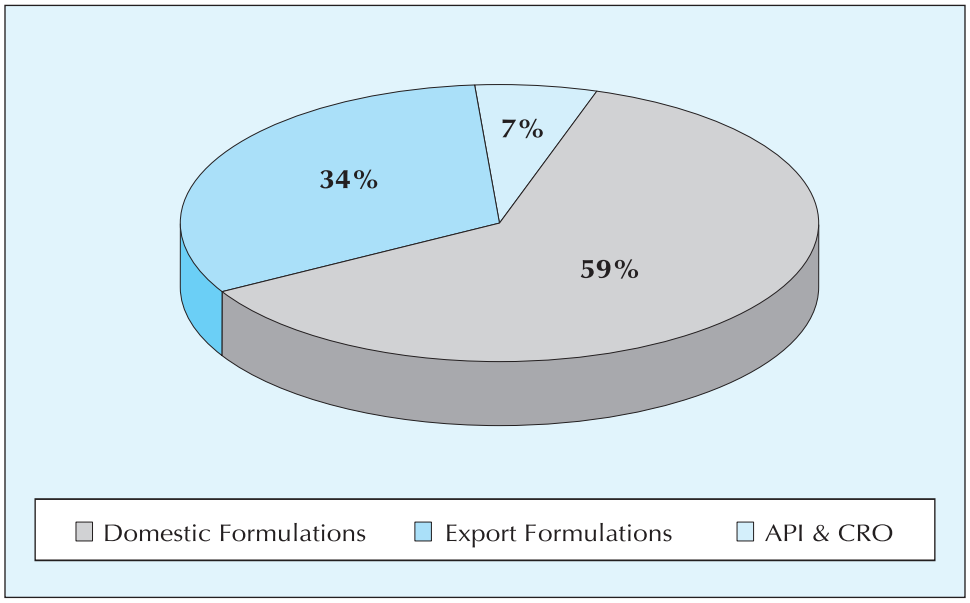
The sales of Indoco's domestic formulation business for the year ended March 31, 2018 were flat at ₹ 59498 Lakhs, as against ₹ 58501 Lakhs last year and of International formulations business were at ₹ 34733 Lakhs, as against ₹ 41439 Lakhs, last year. Overall, the Net Sales of the Company was at ₹ 101731 Lakhs, as against ₹ 106665 Lakhs last year.

Segment wise revenue details are as follows:

(₹ In Lakhs)

Particulars	2017-18	2016-17	Growth%
Domestic Formulation Business	59498	58501	1.7
International Formulation Business			
- Regulated Markets	27564	35125	(21.5)
- Emerging Markets	7169	6314	13.5
APIs	6087	6144	(0.9)
CRO / Anacipher	1413	580	143.6
Net Sales	**101731**	**106665**	**(4.6)**

Segment wise revenue contribution is as follows:



Other operating income in the current year is at ₹ 24.3 crores, as compared ₹ 27.4 crores to the previous year. Material consumption to sales is 34.3 % at ₹ 349.4 crores, as compared to 35.8 % at ₹ 381.6 crores previous year. Staff cost to sales is 21.7 % at ₹ 220.3 crores, as compared to 20.3 % at ₹ 216.0 crores previous year. Recurring R&D expenses to net sales are 5.3 % at ₹ 53.5 crores, as compared to 4.8 % at ₹ 51.7 crores previous year.

Other expenses to sales are at 27.9 % at ₹ 283.5 crores, as compared to 27.0 % at ₹ 288.1 crores previous year. Finance cost to sales is at 2.3 % at ₹ 23.5 crores, as compared to 0.6 % at ₹ 6.2 crores previous year. Operating profit is at ₹ 97.1 crores compared to ₹ 138.9 crores previous year. Depreciation was at ₹ 67.7 crores, as against ₹ 63.3 crores in the previous year. Profit Before Tax is at ₹ 48.4 crores, as compared to ₹ 91.3 crores in the previous year. Profit After Tax was ₹ 41.2 crores, as against ₹ 77.4 crores in the previous year. Basic & Diluted Earnings Per Share (EPS) for the year is ₹ 4.47, as against ₹ 8.40 in the previous year (both after and before the extra-ordinary items). Outstanding long term debt as on March 31, 2018 was ₹ 123.3 crores, as compared to ₹ 132.3 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 139.4 crores, as compared to ₹ 189.6 crores in the previous year. During the year, an amount of ₹ 32.78 crores was contributed to the national exchequer by way of payment of income tax and ₹ 6.33 crores by way of sales tax. Net worth of the Company as on March 31, 2018 is ₹ 675.5 crores, as against ₹ 651.9 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.18, as compared to 0.20 in the previous year. Return on net worth was 6.1 % as on March 31, 2018, against 11.9 % as on March 31, 2017.

d) Business Overview

Domestic Business

Indoco's domestic formulations business has a pan India presence with contribution of 34%, 29%, 19% and 18% respectively from South, West, East and North regions. The Company caters to various doctor specialties and generates more than 70 million prescriptions annually from approx. 3,10,000 doctors across India (as per IMS Prescription Data).

Performance of key therapy areas are as follows:

(₹ In Lakhs)

Therapy	*Cont %*	*2017-18*	*2016-17*	*Gwth %*
Respiratory	17.3	10,336	10,324	0.1
Stomatologicals	17.3	10,305	10,015	2.9
Anti- Infectives	15.5	9,262	9,421	-1.7
Gastrointestinal	13.8	8,222	7,971	3.2
Vitamin / Minerals / Nutrients	7.1	4,247	3,779	12.4
Ophthal / Otologicals	6.1	3,625	3,362	7.8
Pain / Analgesics	5.9	3,508	4,132	-15.1
Gynaecology	5.2	3,120	3,050	2.3
Dermatology	4.7	2,813	2,596	8.4
Anti-Diabetic	4.0	2,380	2,215	7.4

(Source: Internal Data)

The Company enjoys a good position in the domestic market with 39 products ranking amongst the top 5 positions in their respective sub-segments, details of which are given below:

Product	*Rank*	*Broad Therapy*	*Market Share % (Respective Sub-segments)*
Sensodent-K	1	Stomatologicals	96.5
Sensoform	1	Stomatologicals	64.4
Sensodent-KF	1	Stomatologicals	26.3
Snowdent	1	Stomatologicals	40.4
Kidodent	1	Stomatologicals	55.1
Carmicide	1	Gastro Intestinal	78.8
Lignox	1	Pain/Analgesics	28.0
Karvol Plus	1	Respiratory	52.7
Renolen	1	Ophthalmological	62.3
Homide	1	Ophthalmological	80.1
Methycal	2	Vitamins/Minerals/Nutrients	12.3
Rexidin M	2	Stomatologicals	37.3
Dentogel	2	Stomatologicals	15.0
MCBM 69	2	Vitamins/Minerals/Nutrients	13.7
Cital	2	Urology	30.4
Tobaren DM	2	Ophthal/Otologicals	20.2
Cital UTI	2	Urology	18.3
Cyclopam	3	Gastro Intestinal	7.1
Rexidin	3	Stomatologicals	15.8
Cloben G	3	Derma	14.1
ATM	3	Anti-Infectives	6.0
Febrex Plus	3	Respiratory	15.5
Tuspel	3	Respiratory	9.0

Product	*Rank*	*Broad Therapy*	*Market Share % (Respective Sub-segments)*
Otorex	3	Otologicals	13.4
SM Fibro	4	Vitamins/Minerals/Nutrients	10.3
Apispur	4	Vitamins/Minerals/Nutrients	3.5
Carmicide Drops	4	Gastro Intestinal	5.6
Cyclomeff	4	Gastro Intestinal	2.3
Nosic	4	Gastro Intestinal	4.9
Obi X	4	Anti-Obesity	9.3
Cital-H	4	Urology	5.4
Vepan	4	Anti-Infectives	11.5
Scabex	4	Derma	13.5
Dexoren	4	Ophthal / Otologicals	4.4
KG Low	5	Anti-Obesity	8.2
Hemsyl	5	Blood Related	10.6
Oxipod	5	Anti-Infective	5.7
T-Lac	5	Pain/Analgesics	1.4
Mofloren-D	5	Ophthalmological	9.5

(Source : AWACS)

Domestic Marketing Divisions:

Indoco:

Indoco is the largest domestic marketing division and enjoys a strong image amongst its targeted specialities, viz., General Practitioners, Paediatricians, Gynaecologists and Consultant Physicians. With an overall significant prescription growth of 6%, the division has acquired a prominent position within its covered market with prescription penetration/market share of around 6.4% as per Strategic Marketing Solutions and Research Centre (SMSRC). Moreover, double digit prescription growth is recorded by the division within specialties like Paediatricians, Gynaecologists and Consultant Physicians.

Many brands like Cyclopam, Cital, Cloben-G, Carmicide, Oxipod and Karvol Plus are amongst the top prescribed brands in their respective category. Oxipod is among the top 5 Cefpodoxime brands in the country and is growing by 19% in prescriptions. In keeping with the divisional perspective, successful new launches like Cital UTI, Clobitra, Alt-FM have further enhanced the presence of the division within the growth market of product life cycle and has led to higher pedestal within the targeted specialty segments.

Spade:

Spade being the second largest domestic marketing division of Indoco, is dedicated to ENT Surgeons and Paediatricians in addition to its strong equity with General Practitioners and Consulting Physicians. The portfolio of Spade consists of a robust Respiratory and Anti-Infective products along with Otologicals category of products.

Febrex Plus tablets and ATM group have out-performed the competition and have grown at higher rates than their respective therapies and competitors. Febrex Plus is the second largest brand in its category. ATM, which is the second largest brand for the division, has consolidated its third rank in the Azithromycin market. In the recent years, with its determined efforts, the division has been able to develop Bactogard as its third largest brand in the Anti-infective category. The division also achieved leadership position in prescriptions for Otorex in the largest prescribing speciality i.e., ENT Surgeons.

Warren NxGen:

Warren NxGen is one of the divisions, which gives an edge to the overall Corporate image, making it to the number one position within the Stomatological market. The division caters to over 80% of Dentists across India along with specific focus created towards Oncologists and ENTs.

Warren NxGen enters top 10 players in a highly competitive covered market, which includes Anti-infective, Pain Management, Anti-Oxidant and Stomatologicals. The division has moved up 4 ranks and presently is ranked 9th within its CVM and is driven towards creating awareness for Oral Health & Oral Cancer across all age groups and all economic strata. Warren NxGen is planning to tie up with the Community Dentistry Department of various dental colleges to serve the underprivileged population in rural India as a part of its Pledge to Fight Oral Cancer among the Indian population.

Many initiatives have been taken up to identify various oral diseases/disorders at early stage, by conducting scientific sessions for Doctors, patient awareness posters and free check-up camps. Special focus will be provided for development of strong portfolio for ENTs and Oncologists, as they also play a vital role in ensuring good oral hygiene. The division will be empowering special clinics, which will be well equipped to identify oral problems at early stage.

Warren ACE:

Warren Ace is ranked number one in dental care products within its covered market and has maintained its leadership position across India.

Warren Ace team caters to almost 45,000 dentists across India and is a pioneer in sensitivity segment with well-known brands like Sensodent-K and Sensoform.

Apart from its two legacy brands viz. Sensodent-K and Sensoform, the division has created certain other brands like, Rexidin Plus, Senolin SF, Acecloren, etc., along with successful launch of new brands like, T-Lac (Ketorolac Mouth Dissolving Tablets) and Sensodent K Plus (Advanced Toothpaste for Sensitivity and Demineralization) having excellent growth opportunity.

Considering the growth prospects in the Dental segment and equity of Warren as a leader, the division is first in the market to identify and cater to prescriptions, as well dispensing need of Dentists.

Spera:

Spera, a speciality oriented division caters to Gynaecologists with its Pan India coverage, focusing on Women's Health. The Product mix includes, pregnancy care and lifestyle management. Spera gained three ranks and enters top 10 players in a highly competitive covered market and is now ranked 9th within its covered market. Participation at National & Regional Conferences is garnering attention of the Key Opinion Leaders (KOLs), which will help in the long run to enhance the division market share. Spera is steadily increasing its prescription share from Gynaecologists. Increase in its overall penetration within Gynaecologists is evident from its progressive and growing prescription trend.

Indoco Focus:

Creation of a sizeable prescriber base within Consulting Physicians by Focus division denotes success in terms of its penetration within its major focused specialty.

With introduction of Zilenta and Zilenta M range, the division has been able to enhance its presence within Anti-diabetic therapy.

Presently, the prescription reach of overall covered market of Focus division is around 30% within Diabetologist specialty, thereby offering considerable market opportunity to the division. Current prescriber base of around 11% within Diabeto specialty and per capita R_x response of 2.5 for the division, necessitates a planned focused approach towards this specialty.

In keeping with the corporate objective to enhance its presence within chronic segment, a clearly defined focused approach, in terms of portfolio and resources aligned towards Diabetologists and Endocrinologists along-with Consulting Physicians, is adopted to drive the division's growth.

Indoco CND:

CND division is stepping into the seventh year of its launch with renewed vigor and zeal and has been making very good inroads in the cardio-diabetic market. Top brands like J-Ring, Calaid, etc., are growing well.

Indoco CND caters to super-specialists like Cardiologists, Diabetologists, Endocrinologists, Nephrologists and high end Consulting Physicians to strengthen the Company's presence in fast growing chronic segment.

The division's foray in the Gliptins market, through the launch of Teneligliptin brand, J-Ring / J-Ring M / J-Ring M Forte is doing well and has given the desired upward thrust during the year.

CND division's portfolio has all the right products, more than 70% of them being in the High Value - High Growth segment. Many scientific and non-scientific activities and participation at national conferences like CSI, RSSDI and APICON have further helped the division to get closer towards realization of its set objectives, one being due recognition of Indoco CND's product range by high end CPs / Cardiologists and Diabetologists.

Warren Excel and Warren Vision:

These two dedicated ophthalmic divisions provide quality offerings for use in surgery, as well as therapeutic management of ophthalmic diseases / disorders.

The focus is on quality along with technological superiority. The ingredients and packaging materials are from world class sources, formulated in state- of-the-art plants offering global quality for the Indian masses.

The wide range extends from lubricants /tear substitutes, anti-infectives, ophthalmic anti-oxidants, NSAIDs, Anti–glaucoma and Anti-allergics. The Mofloren group is the largest contributor to the division's sales.

Few brands that are ranked amongst top 5 in their respective categories are, Homide, Renolen, Dexoren, Dexoren-S, Mofloren – D, B-Floren, Mofloren – BF, Mofloren – LP, Clygan, Sensochek, Tobaren – DM, Irisol Plus and Blu Dye.

Institution :

The Institution Division covers Central Health Departments, viz., ESI, Railways, Defence and State Health Departments, viz., DHS and Municipal Corporations. In addition, the division deals with Government and Semi Government PSUs like BHEL, BEL, HAL, ONGC and Port Trust. Indoco is registered in almost all the Government institutions in India and participate in annual and local tenders for Branded and Proprietary products. The division's Managers are in constant touch with the Authorities in adding proprietory products with various formularies which fetches good business.

New Product Launches:

A defined and selective approach is adopted to identify molecules for new launches, in keeping with the division objective and to enhance presence within growth phase of product life cycle. In this regard, products like Cital UTI, D-Chiro Plus, belonging to sub chronic segment, were launched to augment the product portfolio offering among gynaecologists. Furthermore, new products belonging to chronic therapy, i.e., Zilenta range and J-Ring range were launched to penetrate strongly within Diabetologist and Cardiologist specialties. Yet another set of new products launched as co-prescription / supportive therapy to super specialty were Praztac and Trucharge. Product augmentation was done suitably in case of anti-obesity range. Effervescent sachet form of anti-obesity brands –Durashape, Kg Low, Obi-X were launched for better patient compliance.

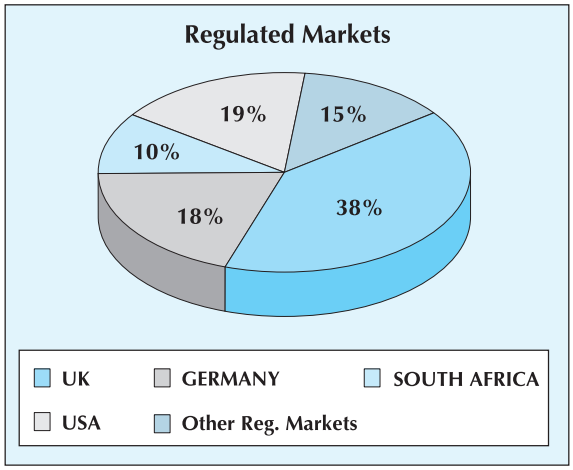
During the year, the Company launched 9 new products across various therapeutic categories, details of which are as follows :

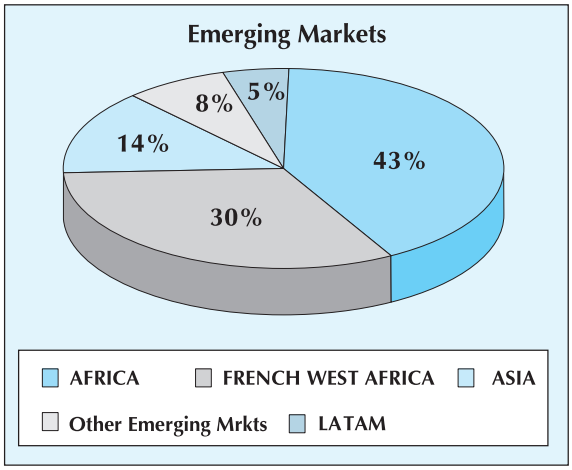
Product	*Division*	*Therapy*
D-Chiro Plus Tablets, 10s	Spera	Gynaec.
Aziltence-40 Tablets, 10s	CND	Cardiac
Aziltence-80 Tablets, 10s	CND	Cardiac
Bactogard-CV 100 Ds, 30 Ml	Spade	Anti-Infectives
KG-Low Sachet, 4.5 Gm	Spera	Vitamins / Minerals / Nutrients
Durashape Sachet, 4.5 Gm	Indoco Focus	Vitamins / Minerals / Nutrients
Obi-X Sachet, 4.5 Gm	CND	Vitamins / Minerals / Nutrients
PGVISC Eye Drops, 10 Ml	Excel	Ophthal / Otologicals
Trucharge Capsules, 10s	Indoco Focus	Vitamins / Minerals / Nutrients

International Business

The Company's International Business is spread across geographies. With world class R&D centre, a full-fledged CRO and state-of-the-art manufacturing facilities, Indoco is one of the most preferred partner by the generic companies. Company's strategy to focus on the niche segments of ophthalmics and injectables for US market, filing of dossiers in its own name in EU and brand building in Emerging markets will help the Company to achieve a sustainable growth. International business will continue to remain a thrust area for the Company.

Country Wise / Region wise Sales Contribution





US

The US Government policy is centered around reduction in prices and bringing manufacturing back to America in order to create jobs for Americans. Additionally, there are strong headwinds due to regulatory action from United States Food and Drug Administration (USFDA). The year gone by also witnessed hike in GDUFA fees, which is seen as a major challenge for the mid-sized India based companies. Citing high workload, the USFDA has increased the fee for processing Abbreviated New Drug Applications (ANDAs), Drug Master Files (DMFs) and manufacturing facility registration and listing fees. At the same time, the USFDA has also made it clear that they have zero tolerance for manufacturing deficiencies.

To overcome challenges in US market, Indoco has formulated strategies with focus on niche molecules, availing services of regulatory experts to assure the plants' GMP compliance and working on a product mix to have fine balance between the products with backward integration and low volume products with good margins.

Status of ANDAs:

Particulars	*Through Watson (Actavis)*	*Own Filings*	*Through Other Customers*	*Total*
Approvals till date	3	3	4	10
Filed but pending approval	18	14	6	38
Total	**21**	**17**	**10**	**48**

For Goa Plant II, post the warning letter from USFDA, all the updates of the commitments were submitted to the agency and remediation actions have been completed. The site now awaits a re-inspection by the USFDA.

The USFDA also inspected Goa Plant I (Solid Dosage) from 15th to 19th January'18 and issued 8 observations (483s), for which initial response was submitted within the stipulated time of 15 days. Further to this response, updates to FDA have been submitted in timely manner.

Europe

Inspite of rising competition and pricing pressure, business in Europe (EU) registered a double digit growth during the year. United Kingdom and Germany are still the major revenue generators in the region, followed by Spain and eastern EU countries. Considering the market complexities, the Company has decided to work on a product mix, which will maintain a good bottom line. Unfortunately, the growth momentum is disturbed due to regulatory overhang.

The MHRA inspection was scheduled from 14th to 16th March'18 at Goa Plant I. At the end of the inspection, the Company received 3 critical and 4 major observations. A response was sent to the MHRA within the stipulated time with an outline of compliance plan. MHRA sought further information, which is being responded to in a timely manner. Meanwhile, MHRA has issued a statement of non-compliance with EU GMP and restricted GMP Certificate permitting to manufacture and supply 50 SKUs critical to public health in the UK from Goa Plant I.

In addition to restricted supplies to UK from Goa Plant I, business to EU is serviced from Goa (Plant III) and Baddi (Plant I) as well. We are also getting our newly acquired facility at Baddi (Plant III) inspected by EU Regulatory Authority. This will ensure continued supplies to EU market, to a large extent.

The Company has taken concrete steps in shaping organization's culture to ensure that all data from its manufacturing sites is complete, consistent and accurate in all its forms, i.e., paper and electronic. The corrective actions are being implemented through a newly formed Compliance Cell headed by Chief Technical Officer (CTO). The Company has also engaged third party consultants and experts to correct the situation and comply with the expectations of USFDA and EU GMP guidelines.

South Africa, Australia and New Zealand:

Indoco is now recognized as a reliable partner by new pharma giants in South Africa, Australia and New Zealand territory. Aspen being the largest player in South Africa, other key companies are also on board by way of contract manufacturing at Indoco's manufacturing site and in-licensing of Indoco products. Efforts are being made to increase the proportion of trade business, which is growing, though on a small base.

Indoco appointed a distributor in New Zealand as a part of its strategy, so as to target tender business more aggressively, which will be beneficial for company in long term run.

Emerging Markets:

Indoco registered a good growth in Africa over previous year. In Kenya and Tanzania, secondary sales are showing growth on high base. Tanzania, Zambia, Botswana and Swaziland too have registered a very good growth. In French West Africa (FWA), Indoco is the latest entrant and is ranked 13th among the other Indian Companies. Antimalarials launched in FWA region have been showing positive trends. In Sri Lanka, the new distributor, Hemas Pharma has actively started distributing Indoco products and has ensured better product availability. Malaysia and Ukraine also registered good growth. The top 5 brands that have contributed to the sale of RoW are ABZ Group, Metcheck Group, Nosic Group, Flamar Group and Cital Group.

New Product Registrations are also showing a positive trend in the RoW Division.

Following is the summary of new products registration status:

New Products Registration	Dossiers Under Registration
528	447

API Business:

The Global Active Pharmaceutical Ingredients market is expected to reach $198.8 billion by 2022 with a CAGR of 6.4%.

Patent expiration of prominent drugs, robust government initiatives, regional penetration and increasing aging population are some of the factors that are driving the market growth. However, strict guidelines by Regulatory Authorities and fragmented market, are the factors that are hampering the API growth.

Indoco has made significant progress by establishing world class R&D and manufacturing facilities, which are approved by USFDA, EDQM, EU Authorities (French and Swiss), TGA Australia, Cofepris, PMDA, Japan and WHO-GMP.

USFDA inspections were successfully completed at Indoco's API manufacturing facilities at Patalganga and Rabale, Navi Mumbai. The inspection at Patalganga facility was from 7th to 11th May, 2018 and at Kilo Lab facility from 14th to 17th May, 2018. During the audit, the FDA inspected the entire quality management systems to ensure compliance with federal regulations. The inspection included a review of production facility, processes and procedures, training records, quality systems and control procedures.

The Kilo lab facility received zero 483s from the agency, while the Patalganga facility cleared the inspection with 3 observations; none of them are critical or pertain to data integrity.

Indoco received written confirmation (WC) from DCGI to export its APIs to EU markets for consumption in Europe.

With a good product mix of APIs in ophthalmics, anti-diabetic, anti-gout and other therapeutic categories, backed by DMFs and Certificates of Suitability (CEP), the Company is well positioned to register an impressive growth.

The Company offers full range of services with respect to API supplies in Regulated markets. New APIs are developed through non-infringing processes, which assure commercial viability and hassle free launch of the products. Construction of a new state of art API manufacturing facility will be completed before by end September, 2018 at Patalganga and will cater to the growing API demand for captive consumption as well as commercial sales.

Research and Development:

Indoco's state-of-the-art R&D centre, located at Rabale, Navi Mumbai has a team of around 300 scientists and is supported by latest analytical instrumentation and software. The research centre is equipped to handle development of APIs and Finished Dosages, backed by a strong analytical Research team. The Formulation Research centre is currently involved in development of several injectables and complex ophthalmic suspensions involving bio waiver strategies. The team has strong expertise in successfully responding to several queries from health authorities of the regulated markets. The Company has successfully developed bioequivalent products with narrow therapeutic indices for Europe and Australian markets. Development of anti-malarial products with inherently high in vivo variability is currently under process. Smooth technology transfer to the manufacturing sites is ensured by employment of QbD principles and risk assessments during development.

AnaCipher:

Analytical Research Services, Rabale

AnaCipher division provides complete analytical solution to pharmaceutical and chemical companies, in India and abroad.

AnaCipher analytical testing lab complies with all the cGLP norms along with advanced technologies and competent scientists to support the customer in solving their complex analytical problems to quality products to the market.

Following analytical solutions are offered with the state-of-the-art testing lab:-

- Extractable and Leachables (E&L) studies for manufacturing components, drug delivery devices and container-closure systems (CCS) in the drug product as per USP general chapters <1663> and <1664> along with risk assessment.
- Elemental impurities analysis as per ICH Q3D and USP general chapter <232> and <233>, Full elemental impurities screening qualitatively and quantitatively along with development and validation of methods using Inductively Coupled Plasma - Mass Spectrometry (ICP –MS).
- Full solid-state characterisation of drug substance, raw material, excipient and drug products with phase identification and quantification, polymorph identification and quantification, polymorph purity assessment, establishment of thermodynamic stability using instruments such as Powder X-ray diffraction (XRD), differential scanning calorimetry (DSC), thermogravimetric analysis (TGA), polarised light microscopy, infra-red spectroscopy (FTIR).
- Identification, isolation, synthesis and characterisation of impurities, degradation product and metabolites in drug substance and drug products using instruments such as Nuclear magnetic resonance (NMR), Infra-red spectroscopy (FTIR), Mass spectroscopy (LCMS and GCMS), UV-visible spectroscopy. Isolation of impurities by preparative and flash chromatography. Particle characterisation of drug substance for particle sizing, particle shape by image analysis, density and sieve testing.

Clinical Research Organisation (CRO), Hyderabad

AnaCipher CRO (a division of Indoco Remedies Ltd), is a Clinical Research Organisation, specialized in Bio-Availability and Bio-Equivalence (BA / BE) studies. The state-of-the-art-facility is spread over 30,000 sq. ft. area and is located in Hyderabad, India. AnaCipher CRO has been successfully audited by major regulatory agencies like, Drug Controller General of India (DCGI), World Health Organization (WHO), United States Food and Drugs Administration (USFDA), National Agency for Medicines and Health Products Safety (ANSM France), The Netherlands, UK's Medicines and Healthcare Products Regulatory Agency (UK-MHRA), Thailand FDA, Chile ANAMED, etc. The centre is equipped with 98-beds, monitoring stations, phlebotomy stations, four-bed ICU, state-of-the-art analytical lab and capabilities of eCTD (Electronic Common Technical Document) submission.

AnaCipher has a database of more than 12,000 healthy human volunteers and has tied up for the implementation of a 'Common Volunteer Database Management System' to track volunteers cross participation across all the CROs. The facility offers a complete range of BA/BE services, such as,

bioavailability, bioequivalence, pharmacokinetic, steady state studies, food effect studies, taste evaluation formulation studies, single and multiple dose studies. The scope of these studies include study design, protocol preparation, subject selection, pharmacokinetic and statistical data evaluation, study result reporting and archival of study documents, in accordance with applicable regulations. 51 more studies are added this year making a total of 514 bioequivalence and pharmacokinetic studies conducted at this facility so far by generic pharma companies based in Europe and America.

AnaCipher has procured Oracle Clinical/RDC CTMS system for effective management of study data. An independent Quality Assurance (QA) department performs regular quality assessments of the facilitie's services to ensure compliance with all regulatory agencies and international GCP regulations such as ICH. AnaCipher has been recently audited by NABL in October 2017 and issued accreditation until 2019.

Regulatory Affairs:

Indoco's regulatory team comprises of 35 subject matter specialists, who are engaged in submissions and approvals of Dossiers & Drug Master Files to Regulatory Authorities across the globe, including the regulated markets of US, Europe, Canada, Australia, New Zealand and Brazil. Regulatory submissions in different emerging markets are pursued aggressively, which has resulted in registrations of more than 700 products through 45 countries till date.

The Company is equipped with eCTD software (compliant to country specific requirements) and software for Structured Product Labelling (SPL) for US submissions.

Electronic submissions of DMFs and Dossiers are done through Electronic Submission Gateway (ESG) to USFDA and through Common European Submission Platform (CESP) to EDQM and other European National Competent Authorities (NCA).

Intellectual Property Rights (IPR):

During the year, the Company (F&D) was granted two patents by the Indian Patent Office and one by United States Patents Office for formulation of Olopatadine, Gliclazide, and Brinzolamide respectively. The Company was also granted three patents by Indian Patents Office for manufacturing processes of three APIs, viz., Febuxostat, Rufinamide and Lacosamide.

Patent Applications	*Total*	*India*	*PCT*	*Europe*	*USA*	*Japan*
Filed (F&D)	21	15	2	2	2	0
Filed (APIs)	64	38	17	4	4	1

Of the patent applications filed, 4 are granted for Finished Dosage forms and 20 are granted for APIs.

Indoco's R&D efforts received due recognition with the 'Best Process Patent Award for the year 2016-2017' for five Indian patents granted related to 'Process for the preparation of Tapentadol', 'Process for the preparation of Aminoindane compound', 'Process for preparation of Pyrazole derivatives', 'Preparation of phenylacetic acid derivative' and 'Preparation of Substituted 1H-imidazo[4,5-c] quinoline'. This award was presented at Indian Drug Manufacturers Association's 56th Annual Day celebrations held on January 20, 2018.

e) Human Resources:

The Human Resource (HR) Team has upgraded the Human Resource Management System (HRMS) Portal 'SAMWAD', which was launched last year, with additional features like Employee Information, Online Recruitment module, Performance Management Systems (PMS), Online Investment Declaration etc.

The Human Resource Management System (HRMS) Portal "SAMWAD", which was launched in the year 2016 for Head Office and R&D Centre had features like Employee Information, Online Recruitment Module, Performance Management Systems (PMS), Online Investment Declaration was successfully tested at the Company's manufacturing location in Patalganga. Going forward, the HR team intends to implement this at all manufacturing locations and at the CRO in Hyderabad.

Under the mentoring and coaching initiative, towards building leaders from within, the GEMS (Guiding, Empowering, Mentoring, Supporting) toppers of 2015-17 batch will be undergoing their Management Development Program (MDP) for a period of 1 year beginning from April 2018.

With a view to create a healthy and stress free working environment, HR has initiated IMPACT (Indoco's Management Program for Achieving Competitive Talent), an internal training program on various soft skill modules to promote learning within the organization. A group of potential trainers have been identified and trained to impart and share their knowledge with all employees across locations.

Impact which was initiated last year for a healthy, stress free work environment has successfully completed three (3) soft skills modules on Stress Management, Emotion Regulations and Motivation for employees at Head Office, Rabale and Patalganga. The Human Resource team now intends to extend this training to its manufacturing units in Goa, Baddi, Waluj and CRO at Hyderabad.

CLIMB (Cluster of Learning at Indoco for Mutual Benefit), an initiative taken by HR, brings together employees from various departments for cross functional, knowledge sharing, team building and sharing their individual expertise gained in their respective functional areas.

Under the CLIMB initiative, various inbound, as well, as outbound training programs were conducted related to Personal Finance, GST, Strength and Meditation, Investment Options like MFs and NPS, Living a Holistic Life through Yoga, wherein employees from cross functional departments would gain knowledge and share their views in the above fields.

To further sharpen the collective leadership skills of the senior management, a multifactor leadership questionnaire (MLQ) assessment was conducted during the year.

Engagement activities for employees were conducted at various locations like Annual Dussehra Pooja, Diwali Fun Fiesta, Women's Day and Carnival a fun fare to celebrate the Company's Annual Day, in order to strengthen culture and shared values. To bring in better co-ordination between various departments, the Human Resource Team has launched ME2WE initiative, wherein a group of 15-20 employees from cross functional departments are formed as a team which competes with another cross functional team for various Team building activities, Quiz, Games etc.,

f) **Future Outlook:**

The Company's Domestic business continues to focus on brand building, new product launches, thrust on sub-chronic (Speciality) segment and penetration in the North and East Region.

Going forward, the Company's business from US is expected to grow speedily as ANDAs will be commercialized at regular intervals after resolution of USFDA's warning letter. Reinstatement of the MHRA compliance certificate for Goa Plant I and EU approval of newly acquired solid dosages manufacturing facility at Baddi (Plant III) will also boost the EU business. Indoco is also consolidating its position in the Emerging Markets through active brand promotion. Robust pipeline in multiple dosage forms will enable the Company to have an upper edge over its competitors in the international business.

Expertise in Research & Development, backward integration in API in select products, own CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to generic companies worldwide.

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Independent Auditors' Report
to the Members of Indoco Remedies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Indoco Remedies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone 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 Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting policies generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone 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 March 31, 2018, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Other Matters

Corresponding figures for the year ended March 31, 2017 have been audited by another auditor who expressed an unmodified opinion dated May 26, 2017 on the standalone Ind AS financial statements of the Company for the year ended March 31, 2017.

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.
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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;

e) on the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

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

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 47 to the standalone Ind AS financial statements.

   ii. the Company did not have any long-term contracts including derivative contracts in respect of which there were any material foreseeable losses.

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

   iv. the disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

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ANNEXURE A

to Independent Auditors' Report

as required by the Companies (Auditor's Report) order, 2016

(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2018)

As required by the Companies (Auditor's Report) Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, on the basis of the checks as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company:

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

   (b) As explained to us, the company has a regular programme of physical verification of fixed assets by the management so as to cover all the fixed assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties which have been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

2. In our opinion and according to the information and explanations provided to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. In our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account.

3. The Company has granted an unsecured loan to one party covered in the register maintained under Section 189 of the Act.

   a) In our opinion and according to the information and explanations provided to us, the rate of interest and other terms and conditions on which the loan had been granted to party covered in the register maintained under Section 189 of the Act were, prima facie, not prejudicial to the interest of the Company.

   b) In the case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated.

   c) There is no overdue amount in respect of the loan granted to the body corporate listed in the register maintained Section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

5. In our opinion and according to the information and explanation given to us The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value Added tax, Cess and any other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable

(b) According to the information and explanation given to us there are no dues of customs duty and service tax that have not been deposited on account of any dispute. However, according to the information and explanation given to us the following dues of income tax, central excise and sales tax have not been deposited by the Company on account of disputes:

Sr. No.	*Particulars*	*Financial year to which matter pertains*	*Forum where dispute is pending*	*Amount (Rupees in lakhs)*
1	Income Tax Act, 1961	2007-08	DCIT(TDS), Mumbai	0.59
		2008-09	DCIT(TDS), Mumbai	0.11
		2009-10	DCIT(TDS), Mumbai	7.37
		2010-11	DCIT(TDS), Mumbai	4.45
		2011-12	DCIT(TDS), Mumbai	0.58
		2012-13	DCIT(TDS), Mumbai	0.39
		2013-14	DCIT(TDS), Mumbai	0.60
		2014-15	DCIT(TDS), Mumbai	1.47
		2015-16	DCIT(TDS), Mumbai	0.15
2	Central Excise Act, 1944	1995-96	CESTAT	0.66
		1997-98	Divisional Dy. Comn. Boisar	3.40
		1997-98	Honbl. Supreme Court	2.92
		1997-98	Div. Dy. Comn. Mumbai	0.98
		1998-99	Div. Dy. Comn. Boisar	1.64
		2005-06	Div. Dy. Comn. Goa	1.25
		2006-07	CESTAT	91.97
		2007-08	Comm.- Service tax, Mumbai	247.21
		Various	CESTAT	11.20
		2010-14	Principal Comm. of Central Excise, Raigad	139.78
3	Sales Tax	2005-09	The Commercial Tax Officer, Nacharam Circle, A.P.	94.90
		2007-08	Commissioner Goa Sales Tax	9.03
		2009-10	Commissioner Goa Sales Tax	11.18
		2012-13	The Commercial Tax Officer, Nacharam Circle, A.P.	24.60
		2013-14	The Commercial Tax Officer, Nacharam Circle, A.P.	91.29

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holder.

9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under audit.

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

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

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

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

16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

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ANNEXURE - B
to Independent Auditors' Report
as required by Sec. 143(3) of Companies Act 2013

(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2018)

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 Indoco Remedies Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone 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 Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

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Balance Sheet
As at March 31, 2018

(₹ lakhs)

	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	44,101.06	39,275.48
(b) Capital Work in Progress	3	7,577.64	4,032.85
(c) Intangible Assets	4	4,771.64	4,699.54
(d) Intangible Assets under Development	4	5,978.17	5,030.30
(e) Financial Assets			
(i) Investments	5a	261.43	282.12
(ii) Loans	6	106.77	180.12
(iii) Other Financial Assets	7	1,600.97	1,669.04
(f) Deferred Tax Assets (Net)	8	3,135.43	2,763.43
(g) Income Tax Assets (Net)	9	306.56	424.74
(h) Other Non Current Assets	10	2,244.96	4,348.08
Total, Non current Assets		70,084.63	**62,705.70**
Current Assets			
(a) Inventories	11	19,323.06	18,504.34
(b) Financial Assets			
(i) Investments	5b	–	–
(ii) Trade Receivables	12	20,615.31	21,573.10
(iii) Cash and Cash Equivalents	13	795.72	5,992.07
(iv) Bank Balances other than (iii) above	14	385.00	247.60
(v) Loans	15	58.79	154.41
(vi) Other Financial Assets	16	198.87	1,291.19
(c) Other Current Assets	17	12,171.17	9,248.51
(d) Assets classified as held for sale	18	–	6.63
Total Current Assets		53,547.92	**57,017.85**
Total, Assets		1,23,632.55	**1,19,723.55**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,843.01	1,843.01
(b) Other Equity	20	65,712.87	63,344.94
Total Equity		67,555.88	**65,187.95**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	12,327.59	13,230.97
(ii) Other Financial Liabilities	22	711.49	698.24
(b) Provisions	23	1,266.19	1,124.56
(c) Other Non-Current Liabilities	24	250.00	444.67
Total, Non-Current Liabilities		14,555.27	**15,498.44**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	10,993.14	11,835.80
(ii) Trade Payables	26	14,944.47	16,417.38
(iii) Other Financial Liabilities	27	10,219.94	6,842.72
(b) Provisions	28	3,819.45	3,576.54
(c) Other Current Liabilities	29	1,544.40	364.72
Total, Current Liabilities		41,521.40	**39,037.16**
Total, Liabilities		56,076.67	**54,535.60**
Total, Equity and Liabilities		1,23,632.55	**1,19,723.55**

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Statement of Profit and Loss Account
For the year ended March 31, 2018

(₹ lakhs)

		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
	Income			
(a)	Revenue from Operations	30	1,04,157.40	1,09,406.31
(b)	Other Income	31	478.93	413.57
	Total Income (I)		1,04,636.33	1,09,819.88
	Expenditure			
(c)	Cost of Materials Consumed	32	27,812.73	28,077.38
(d)	Purchase of Stock in Trade	32	6,460.72	8,038.51
(e)	Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress	32	330.00	(155.90)
(f)	Excise Duty on Sale of Goods	32	336.04	2,200.56
(g)	Employee Benefit Expenses	33	22,033.86	21,604.79
(h)	R&D Expenses	34	5,348.97	5,171.04
(i)	Finance Costs	37	2,350.74	616.04
(j)	Depreciation and Amortization Expense	35	6,770.58	6,326.52
(k)	Other Expenditure	36	28,350.07	28,807.37
	Profit Before Tax		4,842.62	9,133.57
(l)	Provision for Tax	38		
	(a) Current		1,107.39	1,962.13
	(b) Deferred		(384.34)	(574.14)
	Total Taxes		723.05	1,387.99
	Profit for the year		4,119.57	7,745.58
(m)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit and loss			
	i) Remeasurements of post-employment benefit obligations	39	35.26	19.56
	ii) Income tax relating to this item	38	(12.32)	(6.77)
	Total Other Comprehensive Income		22.94	12.79
	Total Comprehensive income for the year		4,142.51	7,758.37
(n)	**Earnings Per Share**			
	Basic & Diluted (₹)	45	4.47	8.40

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Cash Flow Statement
For the year ended March 31, 2018

(₹ lakhs)

	Year ended March 31, 2018		Year ended March 31, 2017	
(A) Cash Flow from Operating Activities :				
Net Profit before tax and extraordinary item		4,842.62		9,133.57
Adjustments for :				
Depreciation and Amortisation Expense	6,770.58		6,326.52	
Profit on sale of Fixed Assets	(171.55)		(14.60)	
Profit on maturity of Investments	–		(82.86)	
Loss on sale of Fixed Assets	16.36		33.06	
Sundry Balance written back	(35.40)		(0.35)	
Provision for Doubtful Debts / Bad Debts	754.98		259.56	
Investment in Subsidaries Written off	9.90		–	
Dividend receivable from Subsidary Written off	14.01		–	
Interest Income	(221.03)		(233.27)	
Dividend received on Investments	(0.27)		(14.23)	
Unrealised Foreign Exchange (Gain) / Loss	727.94		(1,176.88)	
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,916.14		1,334.16	
		9,781.66		6,431.11
Operating Profit before Working Capital Change		14,624.28		**15,564.68**
Adjustments for:				
Decrease / (Increase) in Trade Receivables	(90.53)		(2,601.60)	
Decrease / (Increase) in Other Current Financial Assets	1,187.94		(910.57)	
Decrease / (Increase) in Other Current Assets	(2,922.64)		(1,675.15)	
Decrease / (Increase) in Inventories	(818.72)		(2,057.06)	
Decrease / (Increase) in Other Non Current Financial Assets	91.57		(1,245.84)	
Decrease / (Increase) in Other Non Current Assets	(169.71)		(116.24)	
Increase / (Decrease) in Trade Payables	(1,437.51)		3,316.40	
Increase / (Decrease) in Non Current Financial Liabilities	13.26		51.61	
Increase / (Decrease) in Non Current Provisions	176.89		421.99	
Increase / (Decrease) in Other Non Current Liabilities	(194.67)		122.68	
Increase / (Decrease) in Current Financial Liabilities	1,382.48		188.59	
Increase / (Decrease) in Current Provisions	242.91		247.96	
Increase / (Decrease) in Other Current Liabilities	1,179.68		(150.24)	
		(1,359.05)		(4,407.47)
Cash generated from Operations		13,265.23		**11,157.21**
Income Tax Paid (Net of Refund)		(989.21)		(2,376.51)
Net Cash generated from Operating Activities (A)		12,276.02		**8,780.70**

Cash Flow Statement
For the year ended March 31, 2018

... Contd. from previous page

(₹ lakhs)

		Year ended March 31, 2018		Year ended March 31, 2017	
(B)	**Cash Flow from Investing Activities**				
	Payment towards Capital Expenditure	(13,944.76)		(18,957.27)	
	Sale of Fixed Assets	218.48		71.66	
	Payment on purchases of Investments	(3.23)		(21.03)	
	Proceeds from sale of Investments	–		1,650.84	
	Bank Balance not considered as Cash & Cash Equivalents	(154.84)		(9.52)	
	Interest Received	288.29		197.37	
	Dividend received on Investments	0.27		14.23	
	Net Cash used in Investing Activities (B)		(13,595.79)		**(17,053.72)**
(C)	**Cash Flow from Financing Activities**				
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,902.11)		(1,308.95)	
	Dividend Paid	(1,773.08)		(241.84)	
	Proceeds from Long Term Borrowings	3,808.00		12,229.50	
	Repayment of Long Term Borrowings	(3,122.58)		(711.26)	
	Proceeds / (Repayment) from Short Term Borrowings	(886.81)		3,272.22	
	Net Cash inflow / (outflow) from Financing Activities (C)		(3,876.58)		**13,239.67**
	Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)		(5,196.35)		**4,966.65**
	Cash and Cash Equivalents at the beginning of the Financial Year		5,992.07		**1,025.42**
	Cash and Cash Equivalents at the end of the Financial Year (Refer Note 13)		795.72		**5,992.07**

Notes:
1. The above statement of Cash Flows should be read in conjunction with the accompanying notes.
2. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India
3. Figures in brackets indicate cash outgo.
4. Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Statement for Changes in Equity

For the year ended March 31, 2018

a. Equity Share Capital

(₹ lakhs)

	Note No	Amount
As at April 1, 2016	19	1,843.01
Changes in Equity Share Capital		–
As at March 31, 2017		**1,843.01**
Changes in Equity Share Capital		–
As at March 31, 2018		**1,843.01**

b. Other Equity

(₹ lakhs)

Particulars	*Note No.*	*Other Equity*					*Total Other Equity*
		Securities Premium	*Capital reserve*	*General reserve*	*Foreign Currency Monetary Item Translation Difference*	*Retained Earnings*	
Balance as at April 1, 2016	20	**6,420.93**	**0.02**	**24,317.64**	**(6.76)**	**25,069.81**	**55,801.64**
Profit for the year		–	–	–	–	7,745.58	7,745.58
Other comprehensive income for the year		–	–	–	–	12.79	12.79
Total Comprehensive income for the year		–	–	–	–	7,758.37	7,758.37
Dividends (including dividend distribution tax of ₹ 37.53 lakhs)		–	–	–	–	(221.83)	(221.83)
Transfer to General Reserve		–	–	1,500.00	–	(1,500.00)	–
Exchange gain/(loss) on translation during the year		–	–	–	6.76	–	6.76
Balance as at March 31, 2017		**6,420.93**	**0.02**	**25,817.64**	**–**	**31,106.35**	**63,344.94**
Balance as at April 1, 2017		**6,420.93**	**0.02**	**25,817.64**	**–**	**31,106.35**	**63,344.94**
Profit for the year		–	–	–	–	4,119.57	4,119.57
Other comprehensive Income for the year		–	–	–	–	22.94	22.94
Total comprehensive income for the year		–	–	–	–	4,142.51	4,142.51
Dividends (including dividend distribution tax of ₹ 300.16 lakhs)		–	–	–	–	(1,774.58)	(1,774.58)
Transfer to General Reserve		–	–	–	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	–	–	–
Balance as at March 31, 2018		**6,420.93**	**0.02**	**25,817.64**	**–**	**33,474.28**	**65,712.87**

The above statement of Changes in Equity should be read in conjunction with the accompanying notes. Remeasurement gain (net of tax) on defined benefit plan ₹ 22.94 Lakhs (Previous year ₹ 12.79 Lakhs) is recognised during the year as part of Retained Earnings.

Notes to Financial Statements
For the year ended March 31, 2017

Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets, Company has Three wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.), Indoco Pharmachem Ltd and Indoco Remedies Singapore PTE Ltd.

The Financial statements are approved for issued by the Board of Directors of the Company on May 30, 2018.

1. Significant Accounting Policies followed by the Company

a) Basis of Preparation

(i) *Compliance with Ind AS*

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

Effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First-time Adoption of Indian Accounting Standards,* with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

(iii) *Current non-current classification*

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months)and other criteria set out in the Schedule III to the Act.

(iv) *Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

b) Segment Reporting

The Company has only one business segment i.e. Pharmaceutical Products.

c) Foreign Currency Translation

(i) ***Functional and presentation currency***

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised as Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains/(losses).

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and other indirect taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Companies activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

(i) Revenue from services

Timing of recognition: Revenue from services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue*:* Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer, In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bill of lading / Airway Bill.

(iii) Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

(iv) Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

e) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

f) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

g) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

h) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i) Cash Flow Statements

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

j) Trade Receivables

Trade receivables are recognised at fair value

k) Inventories

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated' at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. A cost formula used is 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

l) Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

m) Derivatives and Hedging Activities

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

n) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset Class	*Useful Life*
Building and Premises – Office	60 years
Building and Premises – Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

o) Intangible Assets

(i) ***Computer software***

Costs associated with maintaining software programmes are recognised as expenses incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) ***ANDAs / DMFs / Dossiers***

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc., are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

(iii) ***Amortisation methods and periods***

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trade Mark/ Technical Knowhow 15 years
- Technical Knowhow 10 Years
- Computer software 3 years
- ANDA / DMF 3-5 years

p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

q) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

r) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

s) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate

required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

t) Employee Benefits

(i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits 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.

(ii) *Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees, up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) *Post-employment obligations*

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity

(b) Defined contribution plans such as provident fund and Superannuation

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of 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 discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

u) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(ii) Dividends to shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

v) Leases

Finance lease

Assets taken on lease by the company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease.

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

w) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed in the Note No-47

NOTE 2: Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Notes (Standalone)

on financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 3 : Property, Plant and Equipment

	Land	*Building & Premises*	*Plant & Machinery*	*Handling Equipments*	*Pollution Control Equipments*	*Laboratory Equipments*	*R&D Equipments*	*Plant - Utilities*	*Electrical Installations*	*Furniture & Fixtures*	*Office Equipments*	*Computers*	*Networking Instruments*	*Air conditioning units*	*Vehicles*	*Total*	*Capital Work in Progress*
Year ended March 31, 2017																	
Gross carrying amount																	
Opening gross carrying amount as at April 1, 2016	2,435.89	12,660.13	13,755.26	829.58	278.26	6,775.37	1,956.73	5,417.36	2,512.08	1,933.16	571.87	1,156.39	43.43	2,831.15	408.15	**53,564.81**	**581.89**
Additions	–	514.07	778.27	17.05	–	1,261.79	4.41	255.14	3.82	43.30	27.78	147.29	0.40	5.17	142.62	**3,201.11**	**9,783.98**
Assets capitalised during the year from CWIP	1,596.01	2,091.28	1,430.55	188.86	63.39	222.86	1.29	105.63	114.99	33.46	8.81	8.05	–	458.90	8.94	**6,333.02**	**(6,333.02)**
Disposals	–	–	(50.59)	–	–	(10.22)	(19.79)	(25.34)	–	–	–	–	–	(0.50)	(168.18)	**(274.62)**	**–**
Closing gross carrying amount	**4,031.90**	**15,265.48**	**15,913.49**	**1,035.49**	**341.65**	**8,249.80**	**1,942.64**	**5,752.79**	**2,630.89**	**2,009.92**	**608.46**	**1,311.73**	**43.83**	**3,294.72**	**391.53**	**62,824.32**	**4,032.85**
Accumulated depreciation																	
Opening accumulated depreciation	151.20	3,492.22	4,307.72	474.00	229.93	2,179.86	1,706.44	2,042.67	1,612.23	1,048.84	414.38	917.34	42.39	1,287.72	226.99	**20,133.93**	**–**
Depreciation charge during the year	32.54	415.07	1,004.51	44.40	48.65	785.77	56.21	413.26	217.19	151.98	50.62	113.00	0.06	220.98	45.16	**3,599.40**	**–**
Disposals	–	–	(19.62)	–	–	(7.01)	(18.64)	(13.69)	–	–	–	–	–	(0.34)	(125.19)	**(184.49)**	**–**
Closing accumulated depreciation	**183.74**	**3,907.29**	**5,292.61**	**518.40**	**278.58**	**2,958.62**	**1,744.01**	**2,442.24**	**1,829.42**	**1,200.82**	**465.00**	**1,030.34**	**42.45**	**1,508.36**	**146.96**	**23,548.84**	**–**
Net carrying amount	**3,848.16**	**11,358.19**	**10,620.88**	**517.09**	**63.07**	**5,291.18**	**198.63**	**3,310.55**	**801.47**	**809.10**	**143.46**	**281.39**	**1.38**	**1,786.36**	**244.57**	**39,275.48**	**4,032.85**
Year ended March 31, 2018																	
Gross carrying amount																	
Opening gross carrying amount	4,031.90	15,265.48	15,913.49	1,035.49	341.65	8,249.80	1,942.64	5,752.79	2,630.89	2,009.92	608.46	1,311.73	43.83	3,294.72	391.53	**62,824.32**	**4,032.85**
Additions	–	297.13	273.13	39.24	33.63	567.50	–	144.02	39.98	31.76	21.65	46.54	–	9.27	–	**1,503.85**	**10,682.36**
Assets capitalised during the year from CWIP	2.00	1,791.37	3,470.63	226.33	–	547.66	–	538.70	291.31	53.84	4.10	5.88	–	205.75	–	**7,137.57**	**(7,137.57)**
Disposals	–	–	(35.37)	–	–	–	–	–	–	–	(0.89)	-21.85	–	–	(120.28)	**(178.39)**	**–**
Closing gross carrying amount	**4,033.90**	**17,353.98**	**19,621.88**	**1,301.06**	**375.28**	**9,364.96**	**1,942.64**	**6,435.51**	**2,962.18**	**2,095.52**	**633.32**	**1,342.30**	**43.83**	**3,509.74**	**271.25**	**71,287.35**	**7,577.64**
Accumulated depreciation and impairment																	
Opening accumulated depreciation	183.74	3,907.29	5,292.61	518.40	278.58	2,958.62	1,744.01	2,442.24	1,829.42	1,200.82	465.00	1,030.34	42.45	1,508.36	146.96	**23,548.84**	**–**
Depreciation charge during the year	29.30	516.20	1,184.20	57.75	11.78	845.06	23.91	404.48	139.84	139.58	44.35	112.03	0.06	215.31	35.32	**3,759.17**	**–**
Disposals	–	(0.19)	(23.24)	–	–	–	–	–	–	–	(0.84)	(20.75)	–	–	(76.70)	**(121.72)**	**–**
Closing accumulated depreciation	**213.04**	**4,423.30**	**6,453.57**	**576.15**	**290.36**	**3,803.68**	**1,767.92**	**2,846.72**	**1,969.26**	**1,340.40**	**508.51**	**1,121.62**	**42.51**	**1,723.67**	**105.58**	**27,186.29**	**–**
Closing net carrying amount	**3,820.86**	**12,930.68**	**13,168.31**	**724.91**	**84.92**	**5,561.28**	**174.72**	**3,588.79**	**992.92**	**755.12**	**124.81**	**220.68**	**1.32**	**1,786.07**	**165.67**	**44,101.06**	**7,577.64**

(i) Leased Assets

Land includes the following amounts where the company is a leassee under a finance lease.

	March 31, 2018	*March 31, 2017*
Land		
Cost / Deemed Cost (Gross)	**2,229.53**	2,229.33
Accumulated Amortisation	**(213.04)**	(183.74)
Net carrying amount	**2,016.49**	**2,045.59**

The lease term in respect of assets acquired under finance lease is 95 years. Renewal shall be based on further terms and payment of premium as may be decided / determined by lessor.

(ii) Capital Work in Progress

Capital work in progress mainly comprises :

a. Sterile plant at Goa (F.Y. 2016-17)

b. New plant at Patalganga

c. Regular Capex for new projects

(iii) Property, Plant and Equipment pledged as security

Refer to note 48 for information on Property, Plant and equipment pledged as security by the company.

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 4 : Intangible Assets

Particulars	*Trade Mark*	*Computer Software **	*Technical Knowhow*	*ANDAs,DMFs, Dossiers*	*Total*	*Intangible Assets under development*
Year ended March 31, 2017						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2016	1,032.30	854.32	1.15	8,705.73	**10,593.50**	**4,897.93**
Additions	–	291.17	–	–	**291.17**	**3,372.39**
Intangible Assets Capitalised	–	–	–	3,240.02	**3,240.02**	**(3,240.02)**
Closing gross carrying amount	**1,032.30**	**1,145.49**	**1.15**	**11,945.75**	**14,124.69**	**5,030.30**
Accumulated amortisation						
Opening accumulated amortisation	798.84	638.76	1.09	5,259.34	**6,698.03**	**–**
Amortisation for the year	48.78	115.55	–	2,562.79	**2,727.12**	**–**
Closing accumulated amortisation	**847.62**	**754.31**	**1.09**	**7,822.13**	**9,425.15**	**–**
Net carrying amount	**184.68**	**391.18**	**0.06**	**4,123.62**	**4,699.54**	**5,030.30**
Year ended March 31, 2018						
Gross carrying amount						
Opening gross carrying amount	1,032.30	1,145.49	1.15	11,945.75	**14,124.69**	**5,030.30**
Additions	–	113.60	–	–	**113.60**	**3,917.79**
Intangible Assets Capitalised	–	–	–	2,969.92	**2,969.92**	**(2,969.92)**
Closing gross carrying amount	**1,032.30**	**1,259.09**	**1.15**	**14,915.67**	**17,208.21**	**5,978.17**
Accumulated amortisation						
Opening accumulated amortisation	847.62	754.31	1.09	7,822.13	**9,425.15**	**–**
Amortisation for the year	48.78	178.74	–	2,783.90	**3,011.42**	**–**
Closing accumulated amortisation	**896.40**	**933.05**	**1.09**	**10,606.03**	**12,436.57**	**–**
Closing net carrying amount	**135.90**	**326.04**	**0.06**	**4,309.64**	**4,771.64**	**5,978.17**

** Computer software also consists of capitalised development costs being an internally generated intangible asset.*

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 5(a) : Non-current Investments

Particulars	*March 31, 2018*	*March 31, 2017*
Unquoted (at Cost) :		
Trade Investment		
Investments in Equity Instruments		
In Subsidiary Companies		
(i) Xtend Industrial Designers & Engineers P. Ltd. [20,27,025 Equity Shares of ₹ 10/- each (Previous Year 25,025 Equity Shares of ₹ 10/- each)]	242.32	42.12
(ii) Indoco Pharmchem Ltd. [Refer Note below (Previous Year-50,000 Shares of ₹ 10 each)]	–	5.00
(iii) Indoco Remedies Singapore PTE Ltd [26,038 Shares of USD 1 each (Previous Year-21,038 Shares of USD 1 each)]	17.01	13.79
In Associate Company		
(iv) Indoco Analytical Solution LLP (Refer Note below) (Contribution from Indoco Remedies Ltd.)	–	4.90
Investments in Preference Shares		
In Subsidiary Company		
(v) Xtend Industrial Designers & Engineers P. Ltd. (Previous Year - 20,02,000 7% redeemable non convertible Preference Shares of ₹ 10.00 each and also includes Preference dividend of ₹ 14.01 lakhs which is accrued but not paid)	–	214.21
	259.33	280.02
Non-Trade Investment		
Investments in Equity Instruments		
Other than Subsidiary Companies		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	0.10	0.10
	2.10	2.10
Total, Non Current Financial Investments	**261.43**	**282.12**

Note : These entities have been applied for striking off with the Registrar of Companies and final strike off order is awaited.

Note 5(b) : Current Financial Investments

Particulars	*March 31, 2018*	*March 31, 2017*
Unquoted : (at cost)		
National Spot Exchange	466.47	466.47
	466.47	**466.47**
Total	466.47	**466.47**
Less : Provision for diminution in value of investment	(466.47)	(466.47)
Total, Current Financial Investments	–	–

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 6 : Non Current Financial Assets - Loans

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured, Considered Good		
Loan to Employees	**106.77**	180.12
Total, Non Current Financial Assets - Loans	**106.77**	**180.12**

Note 7 : Non Current Other Financial Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Deposit - Others	**272.66**	247.27
Tender Deposits	**43.06**	24.65
Margin money against L/C	**1,285.25**	1,397.12
Total, Non Current Other Financial Assets	**1,600.97**	**1,669.04**

Note 8 : Deferred Tax Assets (Net)

Particulars	*March 31, 2018*	*March 31, 2017*
Mat Credit Entitlement	**5,620.74**	6,242.20
Deferred Tax (Net)		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	**(4,024.49)**	(4,337.13)
ii) On deferred Revenue Expenses	**–**	(440.31)
	(4,024.49)	(4,777.44)
Deferred Tax Assets		
i) On employee benefit obligations	**1,237.97**	986.81
ii) On provision for doubtful debts	**138.21**	150.42
iii) On provision for doubtful advances	**163.00**	161.44
	1,539.18	1,298.67
Total, Deferred Tax Assets (Net)	**3,135.43**	**2,763.43**

Movement in Deferred Tax Assets (Net)

Particulars	*MAT Credit Entitlement*	*Deferred Tax Assets*				*Deferred Tax Liabilities*			*Net Total*
		Employee benefit obligation	*Provisions*	*Other Items*	*Total*	*Property, Plant and equipment and investment property*	*Financial assets at fair value through profit or loss*	*Total*	
At April 1, 2016	4,833.21	875.87	290.54	1.54	1,167.95	3,702.69	102.41	3,805.10	2,196.06
(Charged)/credited:									
to profit or loss	1,408.99	104.17	21.32	(1.54)	123.95	634.44	337.90	972.34	560.60
to other comprehensive income	–	6.77	–	–	6.77	–	–	–	6.77
At March 31, 2017	**6,242.20**	**986.81**	**311.86**	**–**	**1,298.67**	**4,337.13**	440.31	**4,777.44**	**2,763.43**
(Charged)/credited:									
to profit or loss	(621.46)	238.84	(10.65)	–	228.19	(312.64)	(440.31)	(752.95)	359.68
to other comprehensive income	–	12.32	–	–	12.32	–	–	–	12.32
At March 31, 2018	**5,620.74**	**1,237.97**	**301.21**	**–**	**1,539.18**	**4,024.49**	–	**4,024.49**	**3,135.43**

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 9 : Income Tax Assets (Net)

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	424.74	10.36
Add:: Taxes paid (net)	989.21	2,376.51
Less : Current Tax payable for the year	(1,107.39)	(1,962.13)
Closing balance	**306.56**	**424.74**

The following table provides the details of income tax assets and liabilities as of March 31, 2018 and March 31, 2017

	March 31, 2018	*March 31, 2017*
Income Tax Assets	306.56	424.74
Income Tax Liabilties	–	–
Net current income tax assets / (liability) at the end	**306.56**	**424.74**

Note 10 : Other Non Current Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Capital Advance	1,518.50	3,791.33
Pre-Paid Expenses	8.38	17.76
Sales Tax Receivable	715.13	535.64
Advance - Others	2.95	3.35
Total, Other Non Current Assets	**2,244.96**	**4,348.08**

Note 11 : Inventories

Particulars	*March 31, 2018*	*March 31, 2017*
Raw and Packing Materials	9,941.06	8,704.00
Work in Progress	2,778.85	3,350.03
Finished Goods	4,542.65	4,171.51
Stock in Trade	1,346.09	1,476.05
Stores and Spares	714.41	802.75
Total, Inventories	**19,323.06**	**18,504.34**

Amounts recognised in profit or loss

Provision for write-downs of inventories amounted to INR 920.97 lakhs (March 31, 2017 – INR 918.43 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

Note 12 : Trade Receivables

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	**5,933.49**	5,201.95
Considered Doubtful	**395.52**	434.64
	6,329.01	5,636.59
Less: Provision for doubtful debts	**(395.52)**	(434.64)
	5,933.49	5,201.95
Other Debts - Considered Good	**14,681.82**	16,371.15
Total, Trade receivables	**20,615.31**	**21,573.10**
Current Portion	**20,615.31**	21,573.10
Non-current Portion	**–**	–

Break-up of security details

Particulars	*March 31, 2018*	*March 31, 2017*
Secured, considered good	–	–
Unsecured, considered good	**20,615.31**	21,573.10
Considered Doubtful	**395.52**	434.64
Total	**21,010.83**	**22,007.74**
Allowance for doubtful trade receivables	**(395.52)**	(434.64)
Total, Trade receivables	**20,615.31**	**21,573.10**

Refer Note 46 for information about credit risk and market risk of trade receivables.

Note 13 : Cash and Cash Equivalents

Particulars	*March 31, 2018*	*March 31, 2017*
Cash and Cash Equivalents		
(i) Cash on hand	**15.27**	21.44
(ii) Balances with Banks		
In Current Accounts	**708.75**	834.87
In EEFC Accounts	**3.81**	1,424.09
In Fixed Deposit	**67.89**	3,711.67
Total, Cash and Cash Equivalents	**795.72**	**5,992.07**

Note 14 : Bank Balances Other than Cash & Cash Equivalents

Particulars	*March 31, 2018*	*March 31, 2017*
In Earmarked Accounts		
Unpaid Dividend Accounts	**29.14**	27.67
Fixed Deposits	**52.78**	67.25
Margin Accounts	**303.08**	152.68
Total, Bank Balances Other than Cash & Cash Equivalents	**385.00**	**247.60**

Note 15 : Current Financial Assets - Loans

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured, Considered Good		
Loan to subsidaries	**14.22**	99.00
Loan to Employees	**44.57**	55.41
Total, Current Financial Assets - Loans	**58.79**	**154.41**

Note 16 : Current Financial Assets - Others

Particulars	*March 31, 2018*	*March 31, 2017*
Tender Deposits	**11.37**	19.84
Mark to Market Gain (Net) on financial instruments	**174.86**	1,271.15
Insurance claim receivable	**12.35**	–
Franking Advance	**0.29**	0.20
Total, Current Financial Assets - Others	**198.87**	**1,291.19**

Note 17 : Other Current Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Advances to Suppliers	**862.35**	791.52
Pre-paid Expenses	**455.51**	484.37
Employee Advances	**47.29**	465.63
Receivable - Others	**2.61**	1.08
Balance with Statutory / Government Authorities	**10,803.41**	7,505.91
Total, Other Current Assets	**12,171.17**	**9,248.51**

Note 18 : Assets classified as held for sale

Particulars	*March 31, 2018*	*March 31, 2017*
Land	**–**	1.80
Building	**–**	4.83
Total, Assets classified as held for sale	**–**	**6.63**

In the year 2015-16 , the directors of Indoco Remedies Ltd. decided to sell a factory building located at MIDC Tarapur, Maharashtra, India. The sale has been completed during the current financial year.

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Note 19 : Equity Share Capital

Particulars	*March 31, 2018*	*March 31, 2017*
Authorised		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	**2,500.00**	**2,500.00**
Issued,Subscribed and Paid up:		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	**1,843.01**	1,843.01

A) Reconciliation of number of ordinary shares outstanding	*March 31, 2018 Equity Shares*		*March 31, 2017 Equity Shares*	
	Number	*(₹ lakhs)*	*Number*	*(₹ lakhs)*
Shares outstanding at the beginning of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01
Less : Adjustments	–	–	–	–
Add: Issue of Bonus shares	–	–	–	–
Less: Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01

B)	**Details of Shares held by each shareholder holding more than 5% shares**	*March 31, 2018*		*March 31, 2017*	
		No of Shares held @ ₹ 2/- per share	*% holding in that class of Shares*	*No of Shares held @ ₹ 2/- per share*	*% holding in that class of Shares*
	Equity Shares with voting rights :				
i)	Spa Holdings Pvt Ltd	**1,83,35,000**	**19.90%**	1,83,35,000	19.90%
ii)	Shanteri Investment Pvt Ltd	**1,57,71,755**	**17.12%**	1,57,71,755	17.12%
iii)	Aditi Panandikar	**55,59,013**	**6.03%**	55,59,013	6.03%
iv)	Madhura Ramani	**51,84,079**	**5.63%**	51,84,079	5.63%
v)	Aruna Suresh Kare	**47,94,714**	**5.20%**	47,94,714	5.20%

C) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2018, the amount of ₹ 1.00 per share on the face value of ₹ 2 is proposed to the equity shareholders of the Company (Previous year - ₹ 1.60 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

Note 20 : Other Equity

Particulars	*March 31, 2018*	*March 31, 2017*
Capital Reserve	**0.02**	0.02
Securities Premium Reserve	**6,420.93**	6,420.93
Foreign Currency Monetary Item Translation Difference a/c	–	–
General Reserve	**25,817.64**	25,817.64
Retained Earnings	**33,474.28**	31,106.35
Total, Other Equity	**65,712.87**	**63,344.94**

(i) Capital Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	**0.02**	0.02
Additions	–	–
Closing balance	**0.02**	**0.02**

(ii) Securities Premium Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	**6,420.93**	6,420.93
Additions	–	–
Closing balance	**6,420.93**	**6,420.93**

(iii) Foreign Currency Monetary Item Translation Difference a/c

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	–	(6.76)
Transactions during the year	–	6.76
Closing balance	–	–

(iv) General Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	**25,817.64**	24,317.64
Add : Transferred from Surplus in Statement of Profit & Loss	–	1,500.00
Closing balance	**25,817.64**	**25,817.64**

Note 20 : Other Equity: *Contd.*

(v) Retained Earnings

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	**31,106.35**	25,069.81
Add : Net Profit for the Year	**4,119.57**	7,745.58
Add : Other Comprehensive Income for the year	**22.94**	12.79
Amount available for appropriation	**35,248.86**	32,828.18
Less : Transferred to General Reserve	**–**	(1,500.00)
Less : Dividend paid	**(1,474.42)**	(184.30)
Less : Dividend Tax	**(300.16)**	(37.53)
Closing balance	**33,474.28**	**31,106.35**

Nature of reserves

(a) Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Note 21 : Non-Current Financial Liabilities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2018*	*March 31, 2017*
Secured			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	**8,904.62**	9,812.32
Indian rupee loan	Note No. 21 (ii)	**8,279.40**	6,275.05
Vehicle Loan from Bank	Note No. 21 (iii)	**22.97**	30.52
Interest accrued but not due	Note No. 27	**42.25**	55.48
Total, Non Current Financial Liabilities - Borrowings		**17,249.24**	**16,173.37**
Less: Current maturities of long-term debt (included in note 27)		**(4,879.40)**	(2,886.92)
Less: Interest accrued (included in note 27)		**(42.25)**	(55.48)
Total, Non-current borrowings (as per balance sheet)		**12,327.59**	**13,230.97**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Buidling situated at HB : 211, Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

Note 21 : Non-Current Financial Liabilities - Borrowings: *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-. Amount disbursed ₹ 16,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal installments of ₹ 83,33,000/- each and 60th installment of ₹ 83,53,000/- commencing from December 14, 2019, ending on December 14, 2024
	Rate of Interest	7.9% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-. Amount disbursed ₹ 33,01,70,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 equal monthly installments of ₹ 58,33,333.33 each and last installment of ₹ 58,33,333.53 ending on December 19, 2021.
	Rate of Interest	9% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.

Note 21 : Non-Current Financial Liabilities - Borrowings: *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 16 equal monthly installments of ₹ 3,95,83,333/- each ending on July 20, 2020.
	Rate of Interest	9.50 % p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722.
21(iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

Note 22 : Non Current Other Financial Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured		
Security Deposit Payable	**707.02**	697.18
Deposit Others	**4.47**	1.06
Total, Non Current Other Financial Liabilities	**711.49**	**698.24**

Note 23 : Non Current Provisions

Particulars	*March 31, 2018*	*March 31, 2017*
Provision for Employee Benefit		
Leave Obligations (refer note no. 39)	**668.95**	679.31
Gratuity (refer note no. 39)	**597.24**	445.25
Total, Non Current Provisions	**1,266.19**	**1,124.56**

Note 24 : Other Non Current Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Advance Received	**250.00**	420.00
Car Sale Advance	**–**	24.67
Total, Other Non Current Liabilities	**250.00**	**444.67**

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Note 25 : Current Financial Liabiltities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2018*	*March 31, 2017*
Secured (Refer Note below)			
Loans from Banks			
Cash Credit Facility	Note No. 25 (i)	**2,287.56**	2,785.73
Foreign Currency Export Packing Credit	Note No. 25 (ii)	**2,000.00**	2,000.00
Working Capital Demand Loan	Note No. 25 (iv)	**500.00**	500.00
Interest accrued		**38.86**	37.73
Unsecured			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 25 (ii)	**866.72**	1,212.34
Packing Credit in Rupee	Note No. 25 (iii)	**800.00**	–
Working Capital Demand Loan	Note No. 25 (iv)	**1,900.00**	1,900.00
Short Term Loan	Note No. 25 (v)	**2,600.00**	3,400.00
Total, Current borrowings (as per balance sheet)		**10,993.14**	**11,835.80**

Note : Cash Credit ,Foreign Currency Export Packing Credit , Packing Credit in Rupee and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

Note No.	*Type of Loan*	*Repayment and Rate of Interest*
25 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.25 % p.a. to 10.50 % p.a. (Previous year @ 11 % p.a. to 11.50 % p.a.)
25 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 60 BPS to 200 BPS. (Previous year LIBOR + 50 BPS to 60 BPS)
25 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.50 % p.a. (Previous Year NIL)
25 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.65 % p.a. to 8.20 % p.a. (Previous year 8.05 % p.a. to 9.10 % p.a.)
25 (v)	Short Term Loan	Is repayable on demand and carries interest @ 7.85 % p.a. to 8.15 % p.a (Previous year 8.15% p.a. to 9.10 % p.a.)

Note 26 : Trade Payables

Particulars	*March 31, 2018*	*March 31, 2017*
Trade payables		
Acceptances	**2,040.77**	733.25
Other than Acceptances	**12,903.70**	15,684.13
Total, Trade Payables	**14,944.47**	**16,417.38**

Note 27 : Current Other Financial Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Secured		
Term Loans from Banks		
Indian Rupee loan	**2,308.95**	1,650.00
Vehicle Loan	**10.38**	10.38
Foreign Currency loan -ECB / FCNR(B)	**2,560.06**	1,226.54
Interest accrued	**42.25**	55.48
Unpaid Dividends	**29.14**	27.67
Unsecured		
Other Current Liabilities	**5,269.16**	3,872.65
Total, Current Other financial liabilities	**10,219.94**	**6,842.72**

Note 28 : Current Provisions

Particulars	*March 31, 2018*	*March 31, 2017*
Provision for Employee Benefit		
Leave Obligations (refer note no. 39)	**162.99**	173.23
Gratuity (refer note no. 39)	**674.05**	658.37
Bonus	**940.08**	895.24
Others		
Sales Return	**2,042.33**	1,849.70
Total, Provisions	**3,819.45**	**3,576.54**

(i) Information about individual provisions and significant estimates

Sales Returns

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,000.49 lakhs as at March 31, 2018 (March 31, 2017 - INR 1,808.64 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

(ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

Particulars	*Sales Return*
As at April 1, 2017	**1,849.70**
Charged/(credited) to profit or loss	
provision for current year	2,000.49
provision of earlier years utilised as against returns of current year	(1,807.86)
As at March 31, 2018	**2,042.33**

Notes (Standalone)
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Note 29 : Other Current Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Car Sale Advance	**12.41**	34.50
Statutory Dues	**1,531.99**	330.22
Total, Other Current Liabilities	**1,544.40**	**364.72**

Note 30 : Revenue from operations

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Sale of Product		
Domestic Sales	**61,888.60**	60,983.71
[Including excise duty of ₹ 336.04 Lakhs (Previous year ₹ 2,200.56 Lakhs)]		
Export Sales	**34,826.07**	38,955.67
	96,714.67	99,939.38
Sale of Services		
Export Services	**3,569.73**	6,112.98
Domestic Services	**1,446.25**	613.02
	5,015.98	6,726.00
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	**1,086.23**	1,175.91
Export Incentives	**1,314.77**	1,551.18
Scrap Sale	**25.75**	13.84
	2,426.75	2,740.93
Total, Revenue from Operations (Gross)	**1,04,157.40**	**1,09,406.31**

Critical judgements in calculating amounts

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,000.49 lakhs as at March 31, 2018 (March 31, 2017 - INR 1,808.64 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

Note 31 : Other Income

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Interest Received	**221.03**	233.27
Sundry Balance w/back	**35.40**	0.35
Sundry Receipts	**50.68**	68.26
Dividend Received	**0.27**	14.23
Profit on Sale of Fixed Assets	**171.55**	14.60
Profit on Sale of Investment	**–**	82.86
Total, Other income	**478.93**	**413.57**

Notes (Standalone)
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Note 32 : Cost of Materials Consumed

	Apr'17-Mar'18	Apr'16-Mar'17
Cost of Material Consumed		
Opening Stock	8,704.00	7,233.38
Add : Purchases	29,049.79	29,548.00
Less : Closing Stock	(9,941.06)	(8,704.00)
	27,812.73	28,077.38
Purchase of Stock in Trade	6,460.72	8,038.51
Excise Duty on Sale of Goods	336.04	2,200.56
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	4,171.51	5,351.36
Op.Stock - Stock in Trade	1,476.05	1,085.74
Op.Stock - WIP	3,350.03	2,404.59
	8,997.59	8,841.69
Inventories at the end of the year		
Cl.Stock - Finished Goods	(4,542.65)	(4,171.51)
Cl.Stock - Stock in Trade	(1,346.09)	(1,476.05)
Cl.Stock - WIP	(2,778.85)	(3,350.03)
	(8,667.59)	(8,997.59)
Net (Increase) / Decrease	330.00	(155.90)
Total, Cost of material consumed	**34,939.49**	**38,160.55**

Note 33 : Employee Benefits Expense

Particulars	Apr'17-Mar'18	Apr'16-Mar'17
Salaries, Wages and Bonus	18,998.33	18,096.56
Contribution to Provident and Other Funds	1,758.43	1,535.12
Staff Welfare Expenses	1,277.10	1,973.11
Total, Employee benefit expense	**22,033.86**	**21,604.79**

Note 34 : Research & Development Expenses

Particulars	Apr'17-Mar'18	Apr'16-Mar'17
R&D Employee Cost	2,270.70	1,999.46
Other R&D Expenses	3,078.27	3,171.58
Total, Research & Development Expenses	**5,348.97**	**5,171.04**

Notes (Standalone)
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Note 35 : Depreciation and amortisation expenses

Particulars	*Note No*	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Depreciation of Property, Plant and Equipment	3	**3,759.17**	3,599.40
Amortisation of Intangible Assets	4	**3,011.41**	2,727.12
Total, Depreciation and amortisation expenses		**6,770.58**	**6,326.52**

Note 36 : Other Expenses

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Consumable Stores	**318.78**	269.72
Job Work Charges	**951.16**	814.99
Power and Fuel	**2,662.48**	2,312.39
Rent, Rates, Taxes	**512.66**	491.87
Insurance	**136.41**	188.35
Repairs :		
Building	**62.40**	98.83
Plant and Machinery	**960.51**	664.86
Others	**1,280.56**	1,135.30
	2,303.47	1,898.99
Packing and Delivery Expenses	**3,073.62**	3,070.25
Analytical Expenses	**1,224.98**	1,456.03
Turnover and Additional Tax	**58.50**	364.44
Advertising and Sales Promotion Expenses	**3,485.70**	4,188.06
Commission and Incentives on sales	**3,509.05**	2,769.88
Travelling, Conveyance and Motor Car Expenses	**5,739.89**	6,248.58
Legal and Professional Fees	**872.21**	793.80
Director's Sitting Fees	**18.30**	12.40
Postage, Telephone and Telex Expenses	**148.17**	323.34
Printing and Stationery Expenses	**394.37**	482.88
Payments to Auditors (refer note no. 36(a))	**7.12**	9.60
Loss on sale of Assets	**16.36**	33.06
Provision for Doubtful Debts	**297.34**	258.32
Investments in Subsidaries/Associates written off	**9.90**	–
Bad Debts written off		
Bad Debts written off	**794.09**	197.96
Less : Transfer from Provision for Doubtful Debts	**(336.45)**	(196.72)
	457.64	1.24
Corporate Social Responsibility (refer note no. 36(b))	**23.97**	221.83
Miscellaneous Expenses	**2,127.99**	2,597.35
Total, Other expenses	**28,350.07**	**28,807.37**

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 36(a) : Details of payments to Auditors

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Payment to Auditors		
As Auditor :		
Audit Fees	**6.00**	6.00
Tax Audit Fees	**–**	2.75
In other capacities :		
Company law matters	**–**	0.35
Certification fees	**1.03**	0.50
Re-imbursement of expenses	**0.09**	–
Total, payment to Auditors	**7.12**	**9.60**

Note 36(b) : Corporate social responsibility expenditure

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Contribution to :		
Promoting Education	**10.97**	152.29
Preventive Healthcare	**13.00**	36.00
Sponsorship of Food Distribution vehicle	**–**	17.10
Paediatric Physiotherapy Center	**–**	7.18
Plantation of trees	**–**	6.10
Machines for Vocational Training	**–**	1.28
Sponsorship	**–**	0.85
Preventive Sanitation	**–**	1.03
Total, Corporate social responsibility expenditure	**23.97**	**221.83**
Amount required to be spent as per Section 135 of the Act *	**225.00**	252.93
Amount spent during the year on		
(i) Construction/acquisition of an asset	**–**	**–**
(ii) On purposes other than (i) above	**23.97**	**221.83**

Note 37 : Finance Cost

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Interest Expense	**2,252.07**	1,664.43
Other Financial charges	**135.97**	119.77
Exchange Gain / Loss (Net)	**530.71**	(859.94)
	2,918.75	**924.26**
Less : Amount capitalised (see note below)	**(568.01)**	(308.22)
Total, Finance Cost expensed in Profit or Loss	**2,350.74**	**616.04**

Note : Finance Cost incurred on various projects is capitalised.

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 38 : Income Tax expense

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
(a) Income tax expense		
Current Tax	**1,107.39**	1,962.13
Deferred tax	**(993.48)**	841.62
MAT Credit Adjustments	**621.46**	(1,408.99)
Total deferred tax expense/(benefit)	**(372.02)**	(567.37)
Income Tax expense	**735.37**	**1,394.76**
Income tax expense is attributable to:		
Profit from continuing operations	**735.37**	1,394.76
Profit from discontinued operation	**–**	–
	735.37	**1,394.76**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Profit from continuing operations before income tax expense	**4,842.62**	9,133.57
Profit from discontinuing operation before income tax expense	**–**	–
	4,842.62	**9,133.57**
Tax at the Indian tax rate of 34.608% (2016-2017 – 34.608%)	**1,675.93**	**3,160.95**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	**(863.63)**	(1,206.32)
Effect of non-deductible expenses	**(654.12)**	228.50
Other items	**(44.27)**	3.34
Adjustments of MAT of Previous period	**621.46**	(791.71)
Income tax expense	**735.37**	**1,394.76**

Note 39 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under :

(i) Leave obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 162.99 lakhs (March 31, 2017 – INR 173.23 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Post-employment obligations

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(iii) Defined contribution plans

a. Provident Fund

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary plus DA and VDA as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1,130.81 lakhs (March 31, 2017 – INR 1,119.77 lakhs).

b. Superannuation

The Company contributed INR 66.24 lakhs (March 31, 2017 - INR 61.72 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

Note 39 : Employee benefit obligations: *Contd.*

Balance sheet amounts – Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	Present value of obigation	*Fair value of plan assets*	*Net amount*
April 1, 2016	**1,228.16**	**(367.17)**	**860.99**
Current service cost	202.71	–	202.71
Interest expense/(income)	97.76	(29.23)	68.53
Total amount recognised in profit or loss	**300.47**	**(29.23)**	**271.24**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	11.35	11.35
(Gain)/loss from change in financial assumptions	42.93	–	42.93
Experience (gains)/losses	(73.84)	–	(73.84)
Total amount recognised in other comprehensive income	**(30.91)**	**11.35**	**(19.56)**
Employer contributions	–	(9.05)	(9.05)
Benefit payments	(88.26)	88.26	–
March 31, 2017	**1,409.46**	**(305.84)**	**1,103.62**

	Present value of obigation	*Fair value of plan assets*	*Net amount*
April 1, 2017	**1,409.46**	**(305.84)**	**1,103.62**
Current service cost	231.21	–	231.21
Past Service Cost	14.90	–	14.90
Interest expense/(income)	107.97	(23.43)	84.54
Total amount recognised in profit or loss	**354.08**	**(23.43)**	**330.65**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.53	14.53
(Gain)/loss from change in financial assumptions	(33.17)	–	(33.17)
Experience (gains)/losses	(16.62)	–	(16.62)
Total amount recognised in other comprehensive income	**(49.79)**	**14.53**	**(35.26)**
Employer contributions	–	(127.72)	(127.72)
Benefit payments	(172.52)	172.52	–
March 31, 2018	**1,541.23**	**(269.94)**	**1,271.29**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2018	*March 31, 2017*
Present value of funded obligations	**1,541.23**	1,409.46
Fair value of plan assets	**(269.94)**	(305.84)
Deficit of funded plan	**1,271.29**	1,103.62
Unfunded plans	**–**	–
Deficit of gratuity plan	**1,271.29**	**1,103.62**

Note 39 : Employee benefit obligations: *Contd.*

(iv) Post-Employment benefits (gratuity)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2018	*March 31, 2017*
Discount rate	**7.87%**	7.66%
Attrition rate	**2.00%**	2.00%
Salary growth rate	**5.00%**	5.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		*Increase in assumption*		*Decrease in assumption*	
	March 31, 2018	*March 31, 2017*	*March 31, 2018*	*March 31, 2017*	*March 31, 2018*	*March 31, 2017*
Discount rate	**1%**	1%	**–**	–	**143.06**	135.12
Discount rate	**-1%**	-1%	**169.16**	160.20	**–**	–
Salary growth rate	**1%**	1%	**172.41**	162.94	**–**	–
Salary growth rate	**-1%**	-1%	**–**	–	**147.94**	139.48
Attrition rate	**1%**	1%	**38.72**	33.02	**–**	–
Attrition rate	**-1%**	-1%	**–**	–	**45.09**	38.66

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) The major categories of plans assets are as follows:

	March 31, 2018	*March 31, 2017*
Gratuity :		
Unquoted		
Insurance fund	**269.94**	305.84
Total	**269.94**	**305.84**

(vii) Maturity profile of projected benefit obligation (from fund) :

	March 31, 2018	*March 31, 2017*
1st following year	**98.83**	83.24
2nd following year	**77.99**	50.41
3rd following year	**92.16**	99.39
4th following year	**149.79**	93.11
5th following year	**94.99**	130.29
Sum of years 6 to 10	**560.57**	501.79
Sum of years 11 and above	**3,270.99**	2,999.87

Note 40 : Lease

Operating Lease

The Company has not entered into non-cancelleable operating lease.

Finance Lease

Particulars	*March 31, 2018*	*March 31, 2017*
Due within one year	**9.91**	9.91
Due in a period between one year and five years	**39.63**	39.63
Due after five years	**824.94**	834.85
Total, Finance Lease	**874.48**	**884.39**

Note 41 : Fair value measurement

Financial instruments by category	*March 31, 2018*		*March 31, 2017*	
	FVPL	*Amortised Cost*	*FVPL*	*Amortised Cost*
Financial Assets				
Investments				
Equity instruments	**2.10**		2.10	
Trade receivables		**20,615.31**		21,573.10
Non Current Other Financial assets		**1,600.97**		1,669.04
Cash and cash equivalents		**795.72**		5,992.07
Bank balances other than cash and cash equivalents		**385.00**		247.60
Current Other Financial Assets		**198.87**		1,291.19
Total, Financial Assets	**2.10**	**23,595.87**	**2.10**	**30,773.00**
Financial Liabilities				
Bank Borrowings		**28,242.37**		28,009.17
Non Current Other Financial Liabilities		**711.49**		698.24
Current Other Financial Liabilities		**5,298.30**		3,900.32
Trade Payables		**14,944.47**		16,417.38
Total, Financial Liabilities	**–**	**49,196.63**	**–**	**49,025.11**

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Note 41 : Fair value measurement: *Contd.*

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	*March 31, 2018*			*March 31, 2017*		
	Level			*Level*		
	I	*II*	*III*	*I*	*II*	*III*
Financial Assets						
Investments						
Equity instruments		**2.10**			2.10	
Trade receivables			**20,615.31**			21,573.10
Non Current Other Financial assets			**1,600.97**			1,669.04
Cash and cash equivalents			**795.72**			5,992.07
Bank balances other than cash and cash equivalents			**385.00**			247.60
Current Other Financial Assets			**198.87**			1,291.19
Total, Financial Assets	**–**	**2.10**	**23,595.87**	**–**	**2.10**	**30,773.00**
Financial Liabilities						
Bank Borrowings			**28,242.37**			28,009.17
Non Current Other Financial Liabilities			**711.49**			698.24
Current Other Financial Liabilities			**5,298.30**			3,900.32
Trade Payables			**14,944.47**			16,417.38
Total, Financial Liabilities	**–**	**–**	**49,196.63**	**–**	**–**	**49,025.11**

Note 42 : Capital Management

(a) Risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The Company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

	March 31, 2018	*March 31, 2017*
Net Debt	**27,446.65**	22,017.10
Equity	**67,555.88**	65,187.95
Net debt to equity ratio	**40.6%**	**33.8%**

(b) Dividends

	March 31, 2018	*March 31, 2017*
(i) Equity shares Final dividend for the year ended March 31, 2017 of INR 1.60 (March 31, 2016 – INR 0.20) per fully paid share	**1,474.42**	184.30
(ii) Dividends not recognised at the end of the reporting period In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 1.00 per fully paid equity share (March 31, 2017 – INR 1.60). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**921.50**	1,474.42

Note 43 : Segment Information

(a) Description of segments and principal activities

The Company has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis

(b) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

Particulars	*March 31, 2018*	*March 31, 2017*
Total adjusted EBITDA	**13,485.01**	**15,662.56**

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	*Note No*	*March 31, 2018*	*March 31, 2017*
Total adjusted EBITDA		**13,485.01**	**15,662.56**
Finance costs	23	**2,350.74**	616.04
Other Income	17	**(478.93)**	(413.57)
Depreciation and amortisation expense	21	**6,770.58**	6,326.52
Profit before income tax from continuing operations		**4,842.62**	**9,133.57**

(c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Geographical :

Particulars	*March 31, 2018*			*March 31, 2017*		
	India	*Outside India*	*Total*	*India*	*Outside India*	*Total*
Revenue from External Customers	**63,334.85**	**38,395.80**	**1,01,730.65**	61,596.73	45,068.65	**1,06,665.38**
Non Current Assets (*)	**64,673.47**	**–**	**64,673.47**	57,386.25	–	**57,386.25**

*** Excluding financial assets, deferred & current tax assets**

Product :

	March 31, 2018	*March 31, 2017*
Revenue from Product	**96,714.67**	99,939.38
Revenue from Services	**5,015.98**	6,726.00
Total, Revenue	**1,01,730.65**	**1,06,665.38**

Note 44 : Events occurring after the reporting period

Other events

Refer to note 42 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting

Note 45 : Earnings Per Share

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Basic & Diluted Earnings Per Share		
Total Operations		
Net Profit for the year	**4,119.57**	7,745.58
Weighted average numbers of equity shares	**9,21,50,355**	9,21,50,355
Basic & Diluted Earnings Per Share (₹ 2/-)	**4.47**	**8.40**

Note: 46- FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in lakhs)

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Short Term Borrowings	**10,993.14**	11,835.80
Long Term Borrowings	**17,249.24**	16,173.37
Total Borrowings	**28,242.38**	**28,009.17**
% of Borrowings out of above bearing variable rate of Interest	**38.92%**	42.26%

Note: 46- FINANCIAL RISK MANAGEMENT: *Contd.*

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

	2017-18	2016-17
50 BPS increase would decrease the Profit before Tax by	54.97	59.18
50 BPS decrease would (increase) the Profit before Tax by	(54.97)	(59.18)

Market Risk- Foreign currency risk.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the Company to foreign currency risk to minimise the risk of imports, the Company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	96.00	USD	116.15
Forward Contract to Buy USD	USD	26.70	USD	13.50
Forward Contract to Sell EURO	EURO	119.50	EURO	90.80
Forward Contract to Sell GBP	GBP	144.65	GBP	81.75
Forward Contract to BUY GBP	GBP	1.00	GBP	15.70
Swaps				
FCNR (B)	USD	65.40	USD	74.74
ECB	USD	–	USD	–
ECB	GBP	53.38	GBP	61.00

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Note: 46- FINANCIAL RISK MANAGEMENT: *Contd.*

(b) Particulars of foreign currency exposures as at the reporting date

As at March 31, 2018 *(Foreign currency in lakhs)*

Particulars	*USD*	*EURO*	*GBP*	*AUD*
Trade Receivables	97.19	68.89	42.92	3.34
Trade Payables	13.15	33.08	0.04	–
Loans Taken - Short Term & long Term	108.10	–	54.38	–
Cash & Bank Balances	–	0.05	–	–

As at March 31, 2017 *(Foreign currency in lakhs)*

Particulars	*USD*	*EURO*	*GBP*	*AUD*
Trade Receivables	145.50	50.52	57.97	7.35
Trade Payables	2.47	–	–	–
Loans Taken - Short Term & long Term	99.24	5.00	76.70	–
Cash & Bank Balances	15.17	3.47	2.47	

(c) Foreign Currency Risk Sensitivity

A change of 5% in foreign currency would have following Impact on Profit before Tax

	2017-18		*2016-17*	
	5 % increase	*5 % Decrease*	*5 % increase*	*5 % Decrease*
USD	**17.49**	**(17.49)**	51.15	(51.15)
EURO	**37.60**	**(37.60)**	15.10	(15.10)
GBP	**(292.30)**	**292.30**	(3.24)	3.24
AUD	**3.51**	**(3.51)**	7.71	(7.71)
CHF	**–**	**–**	(2.03)	2.03
Increase / (Decrease) in profit or loss	**(233.70)**	**233.70**	**68.69**	**(68.69)**

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,

Note: 46- FINANCIAL RISK MANAGEMENT: *Contd.*

- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables

	As at March 31, 2018	*As at March 31, 2017*
Not due	**11,275.03**	10,800.37
0-3 Months	**3,133.27**	4,179.09
3 - 6 Months	**273.52**	1,391.71
6 Months and above	**6,329.01**	5,636.57
Total	**21,010.83**	**22,007.74**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

	As at March 31, 2018	*As at March 31, 2017*
Opening Provision	**434.64**	373.04
Add :- Additional provision made	**297.34**	258.32
Less : - Provision written off	**336.46**	196.72
Less : - Provision reversed	**–**	–
Closing Provisions	**395.52**	**434.64**

Liquidity Risk

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 and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Note: 46- FINANCIAL RISK MANAGEMENT: *Contd.*

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, 2018	*As at March 31, 2017*
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	**14,086.00**	6,461.91
Expiring beyond one year (bank loans)	–	–

The bank over draft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

(ii) Maturity patterns of Borrowings

	As at March 31, 2018				*As at March 31, 2017*			
	0-1 Years	*1-5 Years*	*> 5 years*	*Total*	*0-1 Years*	*1-5 Years*	*> 5 years*	*Total*
Long term borrowings (Including current maturity of long term debt)	**4,921.64**	**11,794.26**	**533.34**	**17,249.24**	2,942.40	13,230.97	–	**16,173.37**
Short term borrowings	**10,993.14**	–	–	**10,993.14**	11,835.80	–	–	**11,835.80**
Total	**15,914.78**	**11,794.26**	**533.34**	**28,242.38**	**14,778.20**	**13,230.97**	–	**28,009.17**

(iii) Maturity Patterns of other Financial Liabilities

As at March 31, 2018	*0-3 Months*	*3-6 Months*	*Beyond 6 Months*	*Total*
Trade Payable	13,315.22	100.60	186.46	13,602.28
Trade Payable related to Capital goods	97.27	32.31	1,212.61	1,342.19
Other Financial liability (Current and Non Current)	6,561.51	1,222.14	3,147.78	10,931.43
Total	19,974.00	1,355.05	4,546.85	25,875.90

As at March 31, 2017	*0-3 Months*	*3-6 Months*	*Beyond 6 Months*	*Total*
Trade Payable	15,356.21	30.19	485.89	15,872.29
Payable related to Capital goods	429.57	55.67	59.85	545.09
Other Financial liability (Current and Non Current)	4,370.89	415.09	2,754.98	7,540.96
Total	20,156.67	500.95	3,300.72	23,958.34

Note 47:

Contingent Liabilities not provided for:

		As at March 31, 2018	As at March 31, 2017
A)	Matters under dispute		
i)	Sales Tax (₹ 309.65 lakhs has been paid under protest Previous year ₹ 210.79 lakhs) **	850.56	441.79
ii)	Excise / Service Tax ***	499.76	501.01
iii)	Income Tax *	9.54	15.72
B)	Bank Guarantees	202.79	205.00
C)	Letters of Credit	1,595.24	2,242.57
D)	Estimated amount of contracts remaining to be executed on Capital Account , net of advances of ₹ 1,731.96 lakhs (Previous year ₹ 3,734.47 lakhs)	2,110.43	4,911.15
E)	Corporate Guarantee given to Bank on behalf of the Subsidiary	–	200.00

Legal Case –

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

A CFA has filed a case against the company for recovery of the amount adjusted against credit note of ₹ 1.49 Lakhs the Company has disputed the Claim.

The Company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹ 2.23 lakhs.

*** Income Tax demand comprises of**

a) TDS of ₹ 9.54 Lakhs (Previous year – ₹ 15.72 Lakhs) for Short Deduction appearing in traces.

**** Sales Tax demand comprises of**

a) ₹ 809.00 Lakhs (Previous year – ₹ 421.58 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Company has filed an appeal before High Court which is yet to be heard.

b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Commissioner.

c) ₹ 21.35 Lakhs (Previous year – ₹ Nil) in respect of order from sales tax dept, Seemandhra for classification dispute. The Company has preferred an appeal before High Court which is yet to be heard.

*****Excise Duty / Service tax demand comprises of**

a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).

b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).

c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.

d) Company has Filed an appeal before CESTAT for valuation of physician sample ₹ NIL (Previous year – ₹ 1.25 Lakhs).

Note 47: *Contd.*

e) Company appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).

f) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).

g) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.

h) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).

i) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).

j) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before Commissioner of Central Excise Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

Note 48:

Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Current Assets		
Financial Assets		
Floating Charge		
Receivables	**20,615.31**	21,573.10
Non Financial Assets		
Floating Charge		
Inventories	**19,323.06**	18,504.34
Total, Current Assets Pledged as security	**39,938.37**	**40,077.44**
Non Current Assets		
First Charge		
Land & Building	**3,569.89**	3,671.61
Furniture, fittings and equipment	**627.44**	1,134.12
Plant and machinery	**21,200.56**	16,527.15
Others	**2,878.08**	2,305.83
Total, non-current assets Pledged as security	**28,275.97**	**23,638.71**
Total, assets pledged as security	**68,214.34**	**63,716.15**

*The assets pledged does not include capital work in progress

Note 49

Related Party Disclosure as required by Ind AS 24

I. Related Parties

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	I) Xtend Industrial Designers & Engineers Pvt Ltd. II) Indoco Remedies Singapore PTE Ltd. III) Indoco Pharmchem Limited
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	Indoco Analytical Solution LLP
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G Kare, Mrs. Aruna S Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik	
(D)	(i) Key Management Personnel : Mr. Suresh G Kare, Ms. Aditi Panandikar, Mr. Sundeep V Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S Kare, Mrs. Madhura Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o, Indoco Remedies Singapore Pte Ltd	

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 49: *Contd.*

II. Transactions in respect of which disclosures to be made

(₹ in lakhs)

Particulars of transaction		*Enterprises that control or are controlled by reporting company*	*Associates and Joint Ventures of reporting company*	*Individuals owning and having control over the reporting company and their relatives*	*Key Management personnel and their relatives*	*Enterprises controlled by key management personnel*
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Purchases or sales of fixed assets	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Rendering or receiving of services	C.Y.	292.51	-	-	-	115.46
	P.Y	161.18	-	-	15.49	111.33
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y	-	-	-	-	-
Remuneration paid	C.Y	-	-	-	579.35	-
	P.Y.	-	-	-	638.05	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	3.00	42.51
	P.Y	-	-	-	6.75	41.97
Finance (including loans and equity contributions in cash or in kind)	C.Y	-	-	-	-	0.75
	P.Y	6.72	-	-	-	0.80
Guarantees and collaterals	C.Y	-	-	-	-	-
	P.Y	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y	14.22	-	-	-	-
	P.Y	99.00	-	-	-	-
Payable	C.Y	55.74	-	-	-	-
	P.Y	32.41	-	-	-	-

Note 49: *Contd.*

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act, 1961	180.00	134.02	121.65	435.67
	Value of Perquisites under Section 17 (2) Income tax Act,1961	-	17.76*	15.93*	33.69*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission / Incentive	60.00	25.00	25.00	110.00
5	Others , Please Specify	-	-	-	-
	Total (1 to 5)*	240.00	176.78	162.58	579.36*
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)*				565.16

'* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	292.51	-	-	582.35	158.72
	P.Y	167.90	-	-	660.29	154.10
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

Notes (Standalone)
on financial statements for the year ended March 31, 2018
(All amounts in INR lakhs, unless otherwise stated)

Note 50:

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ in lakhs)

		2017 -18	2016-17
A	Principal Amount & Interest due on the above	97.76	39.94
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

Note 51:

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Financial Highlights (Standalone)

(₹ in lakhs)

OPERATIONAL REVIEW		Year ended March 31, 2018	Year ended March 31, 2017
1)	Revenue from Operations (Net of Returns)	1,04,158	1,09,406
2)	EBIDTA	13,485	15,663
3)	Depreciation and Amortisation Expenses	6,771	6,327
4)	Finance Cost	2,351	616
5)	PBT	4,843	9,133
6)	PAT	4,120	7,745
7)	Other comprehensive Income	23	13
8)	Total Comprehensive income for the year	4,143	7,758

FINANCIAL STRUCTURE		March 31, 2018	March 31, 2017
	ASSETS		
	Non Current Assets		
1)	Net Fixed Assets	62,429	53,038
2)	Financial Assets	1,969	2,132
3)	Deferred Tax Assets (Net)	3,135	2,763
4)	Income Tax Assets (Net)	307	425
5)	Other Non Current Assets	2,245	4,348
	Current Assets		
6)	Inventories	19,323	18,504
7)	Financial Assets	22,054	29,259
8)	Other Current Assets	12,171	9,249
9)	Assets held for sale	–	7
	Total Assets	1,23,633	**1,19,725**
	LIABILITIES		
10)	Equity	67,556	65,188
	Non Current liabilities		
11)	Financial liabilities	13,040	13,929
12)	Provisions	1,266	1,125
13)	Other Non-Current Liabilities	250	445
	Current liabilities		
14)	Financial liabilities	36,158	35,096
15)	Provisions	3,819	3,577
16)	Other Current Liabilities	1,544	365
	Total Liabilities	1,23,633	**1,19,725**

MARGINS & RATIOS		March 31, 2018	March 31, 2017
1)	EBIDTA Margins on Gross Sales (net of returns) (%)	13.26	14.68
2)	PAT Margins on Gross Sales (net of returns) (%)	4.05	7.26
3)	Debt-to-Equity (%)	40.60	33.80
4)	Interest Cost Cover (times)	3.45	7.94
5)	Return on Net Worth (%)	6.10	11.90
6)	Return on Capital Employed (%)	5.00	9.60

Financial Highlights (Standalone)

Operational Results

(₹ in lakhs)

	Particulars	Year ended March 31, 2018 IND-AS	Year ended March 31, 2017 IND-AS	Year ended March 31, 2016 IND-AS	Year ended March 31, 2015 IGAAP	Year ended March 31, 2014 IGAAP
1)	Revenue from Operations (Net of Returns) / Other Income	1,04,637	1,09,820	1,00,644	85,538	72,946
2)	Material Cost	34,939	38,161	34,797	29,845	26,917
3)	Employee Benefits Expense	22,034	21,605	18,141	13,965	12,936
4)	Other Expenses	28,350	28,807	26,181	22,868	19,469
5)	Research & Development Expenses	5,349	5,171	4,318	2,167	1,443
6)	Finance Cost	2,351	616	1,215	1,034	1,880
7)	Depreciation and Amortisation Expenses	6,771	6,327	6,063	4,711	3,091
8)	Profit Before Tax	4,843	9,133	9,929	10,948	7,210
9)	Provision For Taxation	1,107	1,962	2,203	3,317	1,421
10)	Deferred Tax (Net of MAT)	(384)	(574)	(503)	(650)	–
11)	Profit After Tax	4,120	7,745	8,229	8,281	5,789
12)	Other Comprehensive Income	23	13	(13)	–	–
13)	Total Comprehensive Income	4,143	7,758	8,216	8,281	5,789
14)	Retained Earnings	2,369	7,536	4,889	8,281	4,280
15)	Earnings Per Share (₹ 2/-) (After exceptional items)	4.47	8.40	8.93	8.99	6.28
16)	Book Value (₹ 2/-)	73.31	70.74	62.56	57.22	49.59
17)	Net Debt to Equity Ratio (%)	40.60	33.80	22.40	15.90	18.30

Financial Summary

Particulars	March 31, 2018 IND-AS	March 31, 2017 IND-AS	March 31, 2016 IND-AS	April 1, 2015 IND-AS	March 31, 2014 IGAAP
ASSETS					
Non Current Assets					
(a) Property, Plant and Equipment	44,101	39,275	33,431	31,105	29,392
(b) Capital Work in Progress	7,578	4,033	582	877	2,436
(c) Other Intangible Assets	4,772	4,700	3,895	4,448	3,136
(d) Intangible Assets under Development	5,978	5,030	4,898	3,669	1,976
(e) Financial Assets					
(i) Investments	261	282	261	64	45
(ii) Loans	107	180	130	24	–
(iii) Others	1,601	1,669	458	344	164
(f) Deferred Tax Asset (Net)	3,135	2,763	2,196	1,686	1,790
(g) Income Tax Asset (Net)	307	425	10	–	–
(h) Other Non Current Assets	2,245	4,349	1,923	911	498
Total, Non current Assets	70,085	62,706	47,784	43,128	39,437

Financial Highlights (Standalone)

Financial Summary *contd.*

(₹ in lakhs)

Particulars	March 31, 2018 IND-AS	March 31, 2017 IND-AS	March 31, 2016 IND-AS	April 1, 2015 IND-AS	March 31, 2014 IGAAP
Current Assets					
(a) Inventories	19,323	18,504	16,447	14,736	10,826
(b) Financial Assets					
(i) Investments	–	–	1,568	466	–
(ii) Trade Receivables	20,615	21,573	18,772	15,364	13,725
(iii) Cash and Cash Equivalents	796	5,992	1,025	1,040	728
(iv) Bank Balances other than (iii) above	385	248	218	357	599
(v) Loans	59	155	142	149	–
(vi) Other Current Financial Assets	199	1,291	393	458	22
(c) Other Current Assets	12,171	9,249	7,574	5,934	4,219
(d) Assets classified as held for sale	–	7	7	–	–
Total Current Assets	**53,548**	**57,019**	**46,146**	**38,504**	**30,119**
Total, Assets	**1,23,633**	**1,19,725**	**93,930**	**81,632**	**69,556**
EQUITY AND LAIBILITIES					
Equity					
(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843
(b) Other Equity	65,713	63,345	55,802	50,889	43,854
Total Equity	**67,556**	**65,188**	**57,645**	**52,732**	**45,697**
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	12,328	13,231	3,788	1,278	1,379
(ii) Other Financial Liabilities	712	698	647	633	593
(b) Long Term Provisions	1,266	1,125	1,352	1,162	1,634
(c) Other Non-Current Liabilities	250	445	322	335	326
Total, Non-Current Liabilities	**14,556**	**15,499**	**6,109**	**3,408**	**3,932**
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	10,993	11,836	8,646	7,299	5,660
(ii) Trade Payables	14,945	16,417	13,101	11,863	6,914
(iii) Other Financial Liabilities	10,220	6,843	5,215	3,738	5,056
(b) Short Term Provisions	3,819	3,577	2,699	1,745	1,814
(c) Income Tax Liability (Net)	–	–	–	506	151
(d) Other Current Liabilities	1,544	365	515	341	332
Total, Current Liabilities	**41,521**	**39,038**	**30,176**	**25,492**	**19,927**
Total, Liabilities	**56,077**	**54,537**	**36,285**	**28,900**	**23,859**
Total, Equity and Liabilities	**1,23,633**	**1,19,725**	**93,930**	**81,632**	**69,556**

FINANCIAL PERFORMANCE (Standalone)

(₹ in lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations (Net of Returns)	1,04,158	1,09,406
Other Income	479	414
Total Income	1,04,637	1,09,820
Profit before Finance Cost, Depreciation & Amortisation & Tax	13,965	16,076
Less : Finance Cost	2,351	616
Depreciation and Amortisation Expenses	6,771	6,327
Profit Before Tax	4,843	9,133
Less : Provision for Taxation		
Current	1,107	1,962
Deferred	(384)	(574)
Net Profit After Tax	4,120	7,745
Other Comprehensive Income	23	13
Total Comprehensive Income	4,143	7,758
Balance brought forward	30,995	24,959
Amount available for appropriation	35,138	32,717
Appropriations :		
Dividend	1,474	184
Dividend Tax	300	38
Transfer to General Reserve	–	1,500
Balance carried forward	33,364	30,995
	35,138	32,717

Independent Auditors' Report (Consolidated)
to the Members of Indoco Remedies Limited

Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Indoco Remedies Limited ("the Holding Company") and its subsidiaries and associates (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's responsibility for the consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the 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 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated

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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated 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 consolidated state of affairs of the Group as at March 31, 2018, its consolidated profit including other comprehensive income, its consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 3 (three) subsidiaries and 1 (one) associate included in the annual consolidated financial results, whose financial statements reflect total assets of ₹ 321.89 lakhs as at March 31, 2018 and total revenues of ₹ 390.45 lakhs for the year ended March 31, 2018 before giving effect to elimination of intra group transactions. The financial statements and other financial information of Xtend Industrial Designers & Engineers Pvt. Ltd. and Indoco Remedies Singapore PTE Ltd. (both of which are subsidiaries) have been audited by other auditors whose reports have been furnished to us. Both, Indoco Pharmchem Ltd. (a subsidiary) and Indoco Analytical Solutions LLP (an associate) have applied for striking off of their names from the Registrar of Companies and therefore the same have not been subjected to audit but certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial results, as certified by the management, are not material to the Group. Our opinion is not modified in respect of this matter.

The comparative audited consolidated financial statements of the Holding Company for the year ended March 31, 2017 prepared in accordance with Ind AS had been audited by Patkar and Pendse, Chartered Accountants, who had expressed an unmodified opinion thereon as per their report dated May 26, 2017 which have been furnished to us by the management and relied upon by us for the purpose of our audit of the consolidated financial statements.

Report on other legal and regulatory requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.

    b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c. the consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that Company in terms of Section 164(2) of the Act.

f. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein; and

g. with respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 48 to the consolidated Ind AS financial statements.

   (ii) the Company did not have any long-term contracts including derivative contracts in respect of which there were any material foreseeable losses.

   (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

   (iv) the disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

◆◆◆

ANNEXURE A
to Independent Auditors' Report (Consolidated)
as required by Sec. 143(3) of Companies Act 2013

(Referred to in our Report of even date on consolidated financial statements of Indoco Remedies Limited as at March 31, 2018)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Indoco Remedies Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India wherever available.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No. 129389

Place : Mumbai
Date : May 30, 2018

Consolidated Balance Sheet

As at March 31, 2018

(₹ lakhs)

	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	44,105.29	39,280.29
(b) Capital Work in Progress	3	7,577.64	4,032.86
(c) Goodwill on consolidation		9.00	9.00
(d) Other Intangible Assets	4	4,771.76	4,699.85
(e) Intangible Assets under Development	4	5,978.17	5,030.30
(f) Financial Assets			
(i) Investments	5(a)	2.10	2.10
(ii) Loans	6	106.77	180.12
(iii) Other Financial Assets	7	1,603.32	1,671.39
(g) Deferred Tax Assets (Net)	8	3,131.64	2,760.28
(h) Income Tax Assets (Net)	9	338.70	434.47
(i) Other Non Current Assets	10	2,272.38	4,369.10
Total, Non current Assets		**69,896.77**	**62,469.76**
Current Assets			
(a) Inventories	11	19,338.27	18,694.50
(b) Financial Assets			
(i) Investments	5(b)	–	–
(ii) Trade Receivables	12	20,783.32	21,567.77
(iii) Cash and Cash Equivalents	13	800.32	6,005.95
(iv) Bank Balances other than (iii) above	14	390.05	252.65
(v) Loans	15	46.20	56.86
(vi) Other Financial Assets	16	198.87	1,291.19
(c) Other Current Assets	17	12,171.82	9,329.48
(d) Assets classified as held for sale	18	–	6.63
Total Current Assets		**53,728.85**	**57,205.03**
Total, Assets		**1,23,625.62**	**1,19,674.79**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	1,843.01	1,843.01
(b) Other Equity	20	65,655.10	63,290.63
Total, Equity attributable to owners of Indoco Remedies Ltd.		**67,498.11**	**65,133.64**
(c) Non-controlling interest		0.08	0.08
Total Equity		**67,498.19**	**65,133.72**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	12,327.59	13,230.97
(ii) Other Financial Liabilities	22	711.49	698.24
(b) Provisions	23	1,269.50	1,128.49
(c) Other Non-Current Liabilities	24	250.00	444.67
Total, Non-Current Liabilities		**14,558.58**	**15,502.37**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	10,993.14	11,835.80
(ii) Trade Payables	26	14,954.97	16,402.93
(iii) Other Financial Liabilities	27	10,227.33	6,848.17
(b) Provisions	28	3,822.21	3,583.50
(c) Other Current Liabilities	29	1,571.20	368.30
Total, Current Liabilities		**41,568.85**	**39,038.70**
Total, Liabilities		**56,127.43**	**54,541.07**
Total, Equity and Liabilities		**1,23,625.62**	**1,19,674.79**

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Aditi Panandikar
Managing Director
DIN : 00179113

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Rahul Joglekar
Partner
M. No. 129389

Mandar Borkar
Chief Financial Officer

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Consolidated Statement of Profit and Loss Account

For the year ended March 31, 2018

(₹ lakhs)

		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
	Income			
(a)	Revenue from Operations	30	1,04,529.90	1,09,677.07
(b)	Other Income	31	468.59	396.56
	Total Income (I)		1,04,998.49	1,10,073.63
	Expenditure			
(c)	Cost of Materials Consumed	32	27,991.89	28,244.89
(d)	Purchase of Stock in Trade	32	6,460.72	8,038.51
(e)	Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress	32	330.00	(155.91)
(f)	Excise Duty on Sale of Goods	32	336.04	2,200.56
(g)	Employee Benefit Expenses	33	22,091.21	21,667.21
(h)	R&D Expenses	34	5,348.98	5,171.04
(i)	Finance Costs	37	2,350.90	621.28
(j)	Depreciation and Amortization Expense	35	6,771.36	6,328.09
(k)	Other Expenditure	36	28,477.57	28,864.37
	Profit before Tax		4,839.82	9,093.59
(l)	Provision for Tax	38		
	(a) Current		1,107.39	1,962.13
	(b) Deferred		(383.67)	(574.64)
	Total Taxes		723.72	1,387.49
	Profit for the year		4,116.10	7,706.10
(m)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit and loss			
	i) Remeasurements of post-employment benefit obligations	39	35.26	19.56
	ii) Income tax relating to this item	38	(12.32)	(6.77)
	Items that may be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		0.35	0.40
	Total Other Comprehensive Income		23.29	13.19
	Total Comprehensive income for the year		4,139.39	7,719.29
	Profit attributable to :			
	Owners of Indoco Remedies Ltd.		4,116.10	7,706.10
	Non-Controlling Interest		–	–
			4,116.10	7,706.10
	Other comprehensive income is attributable to:			
	Owners of Indoco Remedies Ltd.		23.29	13.19
	Non-Controlling Interest		–	–
			23.29	13.19
	Total comprehensive income is attributable to:			
	Owners of Indoco Remedies Ltd.		4,139.39	7,719.29
	Non-Controlling Interest		–	–
			4,139.39	7,719.29
(n)	**Earning Per Share**			
	Basic & Diluted (₹)	46	4.47	8.36

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Consolidated Cash Flow Statement
For the year ended March 31, 2018

(₹ lakhs)

	Year ended March 31, 2018		Year ended March 31, 2017	
(A) Cash Flow from Operating Activities :				
Net Profit before tax and extraordinary item		4,839.82		9,093.59
Adjustments for :				
Depreciation and Amortisation Expense	6,771.36		6,328.09	
Profit on sale of Fixed Assets	(171.55)		(14.60)	
Profit on maturity of Investments	–		(82.86)	
Loss on sale of Fixed Assets	16.36		33.06	
Sundry Balance written back	(35.40)		(0.35)	
Provision for Doubtful Debts / Bad Debts	754.98		259.56	
Interest Income	(213.05)		(224.91)	
Dividend received on Investments	(0.27)		(0.22)	
Unrealised Foreign Exchange (Gain) / Loss	727.94		(1,176.88)	
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,916.30		1,339.40	
		9,766.67		6,460.29
Operating Profit before Working Capital Change		14,606.49		**15,553.88**
Adjustments for:				
Decrease / (Increase) in Trade Receivables	(263.87)		(2,485.17)	
Decrease / (Increase) in Other Current Financial Assets	1,102.98		(910.87)	
Decrease / (Increase) in Other Current Assets	(2,842.33)		(1,702.05)	
Decrease / (Increase) in Inventories	(643.77)		(2,025.39)	
Decrease / (Increase) in Other Non Current Financial Assets	91.59		(1,245.84)	
Decrease / (Increase) in Other Non Current Assets	(176.10)		(116.25)	
Increase / (Decrease) in Trade Payables	(1,412.56)		3,272.18	
Increase / (Decrease) in Non Current Financial Liabilities	13.26		51.61	
Increase / (Decrease) in Non Current Provisions	176.27		423.90	
Increase / (Decrease) in Other Non Current Liabilities	(194.67)		122.68	
Increase / (Decrease) in Current Financial Liabilities	1,384.41		189.51	
Increase / (Decrease) in Current Provisions	238.71		250.34	
Increase / (Decrease) in Other Current Liabilities	1,202.90		(149.30)	
		(1,323.18)		(4,324.65)
Cash generated from Operations		13,283.31		**11,229.23**
Income Tax Paid (Net of Refund)		(1,011.62)		(2,365.26)
Net Cash generated from Operating Activities (A)		12,271.69		**8,863.97**

Consolidated Cash Flow Statement

For the year ended March 31, 2018

... Contd. from previous page

(₹ lakhs)

	Year ended March 31, 2018		Year ended March 31, 2017	
(B) Cash Flow from Investing Activities				
Payment towards Capital Expenditure	(13,944.76)		(18,957.27)	
Sale of Fixed Assets	218.48		71.66	
Proceeds from sale of Investments	–		1,650.84	
Bank Balance not considered as Cash & Cash Equivalents	(154.89)		(9.52)	
Interest Received	280.32		189.02	
Dividend received on Investments	0.27		0.22	
Net Cash used in Investing Activities (B)		(13,600.58)		(17,055.05)
(C) Cash Flow from Financing Activities				
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,902.27)		(1,314.18)	
Dividend Paid	(1,773.08)		(241.84)	
Share Application Money Refundable	–		(0.69)	
Proceeds from Long Term Borrowings	3,808.00		12,229.50	
Repayment of Long Term Borrowings	(3,122.58)		(711.26)	
Proceeds / (Repayment) from Short Term Borrowings	(886.81)		3,195.55	
Net Cash inflow / (outflow) from Financing Activities (C)		(3,876.74)		13,157.08
Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)		(5,205.63)		4,966.00
Cash and Cash Equivalents at the beginning of the Financial Year		6,005.95		1,039.95
Cash and Cash Equivalents at the end of the Financial Year (Refer Note 13)		800.32		6,005.95

Notes:

1. The above statement of Cash Flows should be read in conjunction with the accompanying notes.
2. The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.
3. Figures in brackets indicate cash outgo.
4. Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

Statement for Changes in Equity (Consolidated)

For the year ended March 31, 2018

a. Equity Share Capital

(₹ lakhs)

	Note No	Amount
As at April 1, 2016	11a	1,843.01
Changes in Equity Share Capital		–
As at March 31, 2017		**1,843.01**
Changes in Equity Share Capital		–
As at March 31, 2018		**1,843.01**

b. Other Equity

Particulars	*Note No.*	*Attributable to owners of Indoco Remedies Ltd.*						*Non-Controlling Interest*	*Total*
		Reserves & Surplus					*Total Reserves*		
		Securities Premium	*Capital reserve*	*General reserve*	*Foreign Currency Monetary Item Translation Difference*	*Retained Earnings*			
Balance as at April 1, 2016	11(b)	**6,420.93**	**0.02**	**24,317.64**	**(7.03)**	**25,054.98**	**55,786.54**	**0.08**	**55,786.62**
Profit for the year		–	–	–	–	7,706.10	7,706.10	–	7,706.10
Other comprehensive income for the year		–	–	–	–	13.19	13.19	–	13.19
Total Comprehensive income for the year		–	–	–	–	7,719.29	7,719.29	–	7,719.29
Dividends (including dividend distribution tax of ₹ 37.53 lakhs)		–	–	–	–	(221.83)	(221.83)	–	(221.83)
Transfer to General Reserve		–	–	1,500.00	–	(1,500.00)	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	6.63	–	6.63	–	6.63
Balance as at March 31, 2017		**6,420.93**	**0.02**	**25,817.64**	**(0.40)**	**31,052.44**	**63,290.63**	**0.08**	**63,290.71**
Balance as at April 1, 2017		**6,420.93**	**0.02**	**25,817.64**	**(0.40)**	**31,052.44**	**63,290.63**	**0.08**	**63,290.71**
Profit for the year		–	–	–	–	4,116.10	4,116.10	–	4,116.10
Other comprehensive Income for the year		–	–	–	–	23.29	23.29	–	23.29
Total comprehensive income for the year		–	–	–	–	4,139.39	4,139.39	–	4,139.39
Dividends (including dividend distribution tax of ₹ 300.15 lakhs)		–	–	–	–	(1,774.58)	(1,774.58)	–	(1,774.58)
Transfer to General Reserve		–	–	–	–	–	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	(0.34)	–	(0.34)	–	(0.34)
Balance as at March 31, 2018		**6,420.93**	**0.02**	**25,817.64**	**(0.74)**	**33,417.25**	**65,655.10**	**0.08**	**65,655.18**

The above statement of Changes in Equity] should be read in conjunction with the accompanying notes.
Remeasurement gain (net of tax) on defined benefit plan ₹ 23.29 Lakhs (Previous year ₹ 13.19 Lakhs) is recognised during the year as part of Retained Earnings.

1. Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets; Company has Three wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.), Indoco Pharmachem Ltd and Indoco Remedies Singapore PTE Ltd.

Name of the subsidiary	*Country of Incorporation*	*% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2018*	*% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2017*
Indian Subsidiary :			
Xtend Industrial Designers & Engineers Pvt Ltd	India	100%	100%
Indoco Pharmachem Ltd	India	100%	100%
Foreign Subsidiary :			
Indoco Remedies Singapore PTE Ltd	Singapore	100%	100%

The Financial statements are approved for issued by the Company Board of Directors on May 30, 2018

2. Significant Accounting Policies followed by the Company

a) Basis of Preparation

(i) *Compliance with Ind AS*

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First-time Adoption of Indian Accounting Standards,* with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

(iii) ***Current non-current classification***

All assets and liabilities have been classified as current or non-current as per normal operating cycle (twelve months)and other criteria set out in the Schedule III to the Act.

(iv) ***Rounding of amounts***

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

b) Principles of Consolidation And Equity Accounting

(i) ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

c) Segment Reporting

The Company has only one business segment i.e Pharmaceutical Products.

d) Foreign Currency Translation

(i) ***Functional and presentation currency***

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains/(losses).

e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and other Indirect Taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Companies

activities as described below. The Groupbases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

(i) Revenue from services

Timing of recognition: Revenue from services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue: Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(ii) Sale of goods

Sales are recognised when substantial risk and rewards of ownership are transferred to customer, In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bill of lading / Airway Bill.

(iii) Sales Return

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

(iv) Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

f) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

g) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and

tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

i) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

j) Cash Flow Statements

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

k) Trade Receivables

Trade receivables are recognised at fair value

l) Inventories

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated' at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is ''Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

m) Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

n) Derivatives and Hedging Activities

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

o) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset Class	*Useful Life*
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

p) Intangible Assets

(i) *Computer software*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) ***ANDA / DMFs / Dossiers***

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

(iii) ***Amortisation methods and periods***

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trade Mark/ Technical Knowhow — 15 years
- Technical Knowhow — 10 Years
- Computer software — 3 years
- ANDA / DMF — 3-5 years

q) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

r) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

s) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

t) Provisions

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

u) Employee Benefits

(i) ***Short-term obligations***

Liabilities for wages and salaries, including non-monetary benefits 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.

(ii) ***Other long-term employee benefit obligations***

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) ***Post-employment obligations***

The Group operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity

(b) Defined contribution plans such as provident fund and Superannuation

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of 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 discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

v) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(ii) Dividends to shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

w) Leases

Finance lease

Assets taken on lease by the group in its capacity as lessee, where the group has substantially all the risks and rewards of ownership are classified as finance lease.

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

x) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed in the Note No-48.

NOTE 2: Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

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Note 3 : Property, Plant and Equipment

Particulars	*Land*	*Building & Premises*	*Plant & Machinery*	*Handling Equip-ments*	*Pollution Control Equip-ments*	*Laborato-ry Equip-ments*	*R&D Equip-ments*	*Plant - Utilities*	*Electrical Installa-tions*	*Furniture & Fixtures*	*Office Equip-ments*	*Comput-ers*	*Net-working Instru-ments*	*Air con-ditioning units*	*Vehicles*	*Total*	*Capital Work in Progress*
Year ended March 31, 2017																	
Gross carrying amount																	
Opening gross carrying amount as at April 1, 2016	2,435.89	12,660.13	13,755.63	829.97	278.26	6,775.37	1,956.73	5,417.51	2,512.08	1,933.16	571.87	1,159.68	43.43	2,831.15	408.15	**53,569.01**	**581.89**
Additions	–	514.07	778.29	17.05	–	1,261.79	4.41	255.14	3.82	43.30	27.78	147.29	0.40	5.17	142.62	**3,201.13**	**9,784.00**
Assets capitalised during the year from CWIP	1,596.01	2,091.28	1,430.56	188.86	63.39	222.86	1.29	105.63	114.99	33.46	8.81	8.05	–	458.90	8.94	**6,333.03**	**(6,333.03)**
Disposals	–	–	(50.59)	–	–	(10.22)	(19.79)	(25.34)	–	–	–	–	–	(0.50)	(168.18)	**(274.62)**	**–**
Closing gross carrying amount	**4,031.90**	**15,265.48**	**15,913.89**	**1,035.88**	**341.65**	**8,249.80**	**1,942.64**	**5,752.94**	**2,630.89**	**2,009.92**	**608.46**	**1,315.02**	**43.83**	**3,294.72**	**391.53**	**62,828.55**	**4,032.86**
Accumulated depreciation																	
Opening accumulated depreciation	151.20	3,492.22	4,303.43	474.11	229.93	2,179.86	1,706.44	2,042.71	1,612.23	1,048.83	414.38	919.79	42.39	1,287.72	226.99	**20,132.23**	**–**
Depreciation charge during the year	32.54	415.07	1,005.06	44.42	48.65	785.77	56.21	413.26	217.19	151.98	50.62	113.55	0.06	220.98	45.16	**3,600.52**	**–**
Disposals	–	–	(19.62)	–	–	(7.01)	(18.64)	(13.69)	–	–	–	–	–	(0.34)	(125.19)	**(184.49)**	**–**
Closing accumulated depreciation	**183.74**	**3,907.29**	**5,288.87**	**518.53**	**278.58**	**2,958.62**	**1,744.01**	**2,442.28**	**1,829.42**	**1,200.81**	**465.00**	**1,033.34**	**42.45**	**1,508.36**	**146.96**	**23,548.26**	**–**
Net carrying amount	**3,848.16**	**11,358.19**	**10,625.02**	**517.35**	**63.07**	**5,291.18**	**198.63**	**3,310.66**	**801.47**	**809.11**	**143.46**	**281.68**	**1.38**	**1,786.36**	**244.57**	**39,280.29**	**4,032.86**
Year ended March 31, 2018																	
Gross carrying amount																	
Opening gross carrying amount	4,031.90	15,265.48	15,913.89	1,035.88	341.65	8,249.80	1,942.64	5,752.94	2,630.89	2,009.92	608.46	1,315.02	43.83	3,294.72	391.53	**62,828.55**	**4,032.86**
Additions	–	297.13	273.13	39.24	33.63	567.50	–	144.02	39.98	31.76	21.65	46.54	–	9.27	–	**1,503.85**	**10,682.35**
Assets capitalised during the year from CWIP	2.00	1,791.37	3,470.63	226.33	–	547.66	–	538.70	291.31	53.84	4.10	5.88	–	205.75	–	**7,137.57**	**(7,137.57)**
Disposals	–	–	(35.37)	–	–	–	–	–	–	–	-0.89	-21.85	–	–	(120.28)	**(178.39)**	**–**
Closing gross carrying amount	**4,033.90**	**17,353.98**	**19,622.28**	**1,301.45**	**375.28**	**9,364.96**	**1,942.64**	**6,435.66**	**2,962.18**	**2,095.52**	**633.32**	**1,345.59**	**43.83**	**3,509.74**	**271.25**	**71,291.58**	**7,577.64**
Accumulated depreciation and impairment																	
Opening accumulated depreciation	183.74	3,907.29	5,288.87	518.53	278.58	2,958.62	1,744.01	2,442.28	1,829.42	1,200.81	465.00	1,033.34	42.45	1,508.36	146.96	**23,548.26**	**–**
Depreciation charge during the year	29.30	516.20	1,184.63	57.77	11.78	845.06	23.91	404.49	139.84	139.58	44.35	112.15	0.06	215.31	35.32	**3,759.75**	**–**
Disposals	–	(0.19)	(23.24)	–	–	–	–	–	–	–	(0.84)	(20.75)	–	–	(76.70)	**(121.72)**	**–**
Closing accumulated depreciation	**213.04**	**4,423.30**	**6,450.26**	**576.30**	**290.36**	**3,803.68**	**1,767.92**	**2,846.77**	**1,969.26**	**1,340.39**	**508.51**	**1,124.74**	**42.51**	**1,723.67**	**105.58**	**27,186.29**	**–**
Closing net carrying amount	**3,820.86**	**12,930.68**	**13,172.02**	**725.15**	**84.92**	**5,561.28**	**174.72**	**3,588.89**	**992.92**	**755.13**	**124.81**	**220.85**	**1.32**	**1,786.07**	**165.67**	**44,105.29**	**7,577.64**

(i) Leased Assets

Land includes the following amounts where the group is a leassee under a finance lease.

Particulars	*March 31, 2018*	*March 31, 2017*
Land		
Cost / Deemed Cost (Gross)	**2,229.53**	2,229.33
Accumulated Amortisation	**(213.04)**	(181.74)
Net carrying amount	**2,016.49**	**2,045.59**

The lease term in respect of assets acquired under finance lease is 95 years. Renewal shall be based on further terms and payment of premium as may be decided / determined by lessor.

(ii) Capital Work in Progress

Capital work in progress mainly comprises :

a. Sterile plant at Goa (F.Y. 2016-17)

b. New plant at Patalganga

c. Regular Capex for new projects

(iii) Property, Plant and Equipment pledged as security

Refer to note 48 for information on Property, Plant and equipment pledged as security by the group

Note 4 : Other Intangible Assets

Particulars	*Trade Mark*	*Computer Software **	*Technical Knowhow*	*ANDAs,DMFs, Dossiers*	*Total*	*Intangible Assets under development*
Year ended March 31, 2017						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2016	1,032.30	856.61	1.15	8,705.74	**10,595.80**	**4,897.93**
Additions	–	291.16	–	–	**291.16**	**3,372.39**
Intangible Assets Capitalised	–	–	–	3,240.02	**3,240.02**	**(3,240.02)**
Closing gross carrying amount	**1,032.30**	**1,147.77**	**1.15**	**11,945.76**	**14,126.98**	**5,030.30**
Accumulated amortisation						
Opening accumulated amortisation	798.84	640.28	1.09	5,259.35	**6,699.56**	**–**
Amortisation for the year	48.78	116.00	–	2,562.79	**2,727.57**	**–**
Closing accumulated amortisation	**847.62**	**756.28**	**1.09**	**7,822.14**	**9,427.13**	**–**
Net carrying amount	**184.68**	**391.49**	**0.06**	**4,123.62**	**4,699.85**	**5,030.30**
Year ended March 31, 2018						
Gross carrying amount						
Opening gross carrying amount	1,032.30	1,147.77	1.15	11,945.76	**14,126.98**	**5,030.30**
Additions	–	113.60	–	–	**113.60**	**3,917.79**
Intangible Assets Capitalised	–	–	–	2,969.92	**2,969.92**	**(2,969.92)**
Closing gross carrying amount	**1,032.30**	**1,261.37**	**1.15**	**14,915.68**	**17,210.50**	**5,978.17**
Accumulated amortisation						
Opening accumulated amortisation	847.62	756.28	1.09	7,822.14	**9,427.13**	**–**
Amortisation for the year	48.78	178.93	–	2,783.90	**3,011.61**	**–**
Closing accumulated amortisation	**896.40**	**935.21**	**1.09**	**10,606.04**	**12,438.74**	**–**
Closing net carrying amount	**135.90**	**326.16**	**0.06**	**4,309.64**	**4,771.76**	**5,978.17**

* Computer software also consists of capitalised development costs being an internally generated intangible asset.

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Note 5(a) : Non-current Investments

Particulars	*March 31, 2018*	*March 31, 2017*
Unquoted (at Cost) :		
Non-Trade Investment		
Investments in Equity Instruments		
Other than Subsidiary Companies		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	**2.00**	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	**0.10**	0.10
Total, Non Current Financial Investments	**2.10**	**2.10**

Note 5(b) : Current Financial Investments

Particulars	*March 31, 2018*	*March 31, 2017*
Unquoted : (at cost)		
National Spot Exchange	**466.47**	466.47
Total	**466.47**	**466.47**
Less : Provision for diminution in value of investment	**(466.47)**	(466.47)
Total, Current Financial Investments	**–**	**–**

Note 6 : Non-current Financial Assets - Loans

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured, Considered Good		
Loan to Employees	**106.77**	180.12
Total, Non Current Financial Assets - Loans	**106.77**	**180.12**

Note 7 : Non Current Other Financial Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Deposit - Others	**274.90**	249.51
Tender Deposits	**43.06**	24.65
Deposit - Group Insurance	**0.11**	0.11
Margin money against L/C	**1,285.25**	1,397.12
Total, Non Current Other Financial Assets	**1,603.32**	**1,671.39**

Note 8 : Deferred Tax Assets (Net)

Particulars	*March 31, 2018*	*March 31, 2017*
Mat Credit Entitlement	**5,620.74**	6,242.20
Deferred Tax (Net)		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	**(4,029.85)**	(4,342.50)
ii) On deferred Revenue Expenses	**–**	(440.31)
	(4,029.85)	(4,782.81)
Deferred Tax Assets		
i) On employee benefit obligations	**1,239.54**	989.03
ii) On provision for doubtful debts	**138.21**	150.42
iii) On provision for doubtful advances	**163.00**	161.44
	1,540.75	1,300.89
Total, Deferred Tax Assets (Net)	**3,131.64**	**2,760.28**

Movement in Deferred Tax Assets (Net)

Particulars	*MAT Credit Entitlement*	*Deferred Tax Assets*				*Deferred Tax Liabilities*			*Net Total*
		Employee benefit obligation	*Provisions*	*Other Items*	*Total*	*Property,Plant and equipment and investment property*	*Financial assets at fair value through profit or loss*	*Total*	
At April 1, 2016	4,833.21	877.66	290.54	1.54	1,169.74	3,708.12	102.41	3,810.53	2,192.42
(Charged)/credited:									
to profit or loss	1,408.99	104.61	21.32	(1.54)	124.39	634.38	337.90	972.28	561.10
to other comprehensive income	–	6.76	–	–	6.76	–	–	–	6.76
At March 31, 2017	**6,242.20**	**989.03**	**311.86**	**–**	**1,300.89**	**4,342.50**	**440.31**	**4,782.81**	**2,760.28**
(Charged)/credited:									
to profit or loss	(621.46)	238.19	(10.65)	–	227.54	(312.65)	(440.31)	(752.96)	359.04
to other comprehensive income	–	12.32	–	–	12.32	–	–	–	12.32
At March 31, 2018	**5,620.74**	**1,239.54**	**301.21**	**–**	**1,540.75**	**4,029.85**	**–**	**4,029.85**	**3,131.64**

Note 9 : Income Tax Assets (Net)

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	434.47	31.34
Add:: Taxes paid (net)	1,011.62	2,365.26
Less : Current Tax payable for the year	(1,107.39)	(1,962.13)
Closing balance	**338.70**	**434.47**

The following table provides the details of income tax assets and liabilities as of March 31, 2018 and March 31, 2017

Particulars	*March 31, 2018*	*March 31, 2017*
Income Tax Assets	338.70	434.47
Income Tax Liabilities	–	–
Closing balance	**338.70**	**434.47**

Note 10 : Other Non Current Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Capital Advance	1,518.50	3,791.33
Pre-Paid Expenses	8.38	17.76
Sales Tax Receivable	742.55	556.66
Advance - Others	2.95	3.35
Total, Other Non Current Assets	**2,272.38**	**4,369.10**

Note 11 : Inventories

Particulars	*March 31, 2018*	*March 31, 2017*
Raw and Packing Materials	9,956.27	8,893.48
Work in Progress	2,778.85	3,350.03
Finished Goods	4,542.65	4,171.51
Stock in Trade	1,346.09	1,476.05
Stores and Spares	714.41	803.43
Total, Inventories	**19,338.27**	**18,694.50**

Amounts recognised in profit or loss

Provision for write-downs of inventories amounted to INR 920.97 lakhs (March 31, 2017 – INR 918.43 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

Note 12 : Trade Receivables

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	**6,018.01**	5,221.09
Considered Doubtful	**395.52**	434.64
	6,413.53	5,655.73
Less: Provision for doubtful debts	**(395.52)**	(434.64)
	6,018.01	5,221.09
Other Debts - Considered Good	**14,765.31**	16,346.68
Total, Trade receivables	**20,783.32**	**21,567.77**
Current Portion	**20,783.32**	21,567.77
Non-current Portion	**–**	–

Break-up of security details

Particulars	*March 31, 2018*	*March 31, 2017*
Secured, considered good	**–**	–
Unsecured, considered good	**20,783.32**	21,567.77
Considered Doubtful	**395.52**	434.64
Total	**21,178.84**	**22,002.41**
Allowance for doubtful trade receivables	**(395.52)**	(434.64)
Total, Trade receivables	**20,783.32**	**21,567.77**

Refer Note 47 for information about credit risk and market risk of trade receivables.

Note 13 : Cash and Cash Equivalents

Particulars	*March 31, 2018*	*March 31, 2017*
Cash and Cash Equivalents		
(i) Cash on hand	**15.32**	21.89
(ii) Balances with Banks		
In Current Accounts	**713.30**	848.30
In EEFC Accounts	**3.81**	1,424.09
In Fixed Deposit	**67.89**	3,711.67
Total, Cash and Cash Equivalents	**800.32**	**6,005.95**

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Note 14 : Bank Balances Other than Cash & Cash Equivalents

Particulars	*March 31, 2018*	*March 31, 2017*
In Earmarked Accounts		
Unpaid Dividend Accounts	**29.14**	27.67
In Fixed Deposit	**57.83**	72.30
Margin Accounts	**303.08**	152.68
Total, Bank Balances Other than Cash & Cash Equivalents	**390.05**	**252.65**

Note 15 : Current Financial Assets - Loans

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured, Considered Good		
Loan to Employees	**46.20**	56.86
Total, Current Financial Assets - Loans	**46.20**	**56.86**

Note 16 : Current Financial Assets - Others

Particulars	*March 31, 2018*	*March 31, 2017*
Tender Deposits	**11.37**	19.84
Mark to Market Gain (Net) on financial instruments	**174.86**	1,271.15
Insurance Claim Receivable	**12.35**	–
Franking Advance	**0.29**	0.20
Total, Current Financial Assets - Others	**198.87**	**1,291.19**

Note 17 : Other Current Assets

Particulars	*March 31, 2018*	*March 31, 2017*
Advances to Suppliers	**862.35**	867.95
Pre-paid Expenses	**455.53**	484.39
Employee Advances	**47.29**	465.63
Receivable - Others	**3.26**	1.48
Balance with Statutory / Government Authorities	**10,803.39**	7,510.03
Total, Other Current Assets	**12,171.82**	**9,329.48**

Note 18 : Assets classified as held for sale

Particulars	*March 31, 2018*	*March 31, 2017*
Land	**–**	1.80
Building	**–**	4.83
Total, Assets classified as held for sale	**–**	**6.63**

In the year 2015-16 , the directors of Indoco Remedies Ltd. decided to sell a factory building located at MIDC Tarapur, Maharashtra, India. The sale has been completed during the current financial year.

Note 19 : Equity Share Capital

Particulars	*March 31, 2018*	*March 31, 2017*
Authorised		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	**2,500.00**	**2,500.00**
Issued,Subscribed and Paid up:		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/- each) fully paid up.	**1,843.01**	1,843.01

A) Reconciliation of number of ordinary shares outstanding	*March 31, 2018 Equity Shares*		*March 31, 2017 Equity Shares*	
	Number	*(₹ lakhs)*	*Number*	*(₹ lakhs)*
Shares outstanding at the beginning of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01
Less :Adjustments	–	–	–	–
Add: Issue of Bonus shares	–	–	–	–
Less: Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares		*March 31, 2018*		*March 31, 2017*	
		No of Shares held @ ₹ 2/- per share	*% holding in that class of Shares*	*No of Shares held @ ₹ 2/- per share*	*% holding in that class of Shares*
	Equity Shares with voting rights :				
i)	Spa Holdings Pvt Ltd	**1,83,35,000**	**19.90%**	1,83,35,000	19.90%
ii)	Shanteri Investment Pvt Ltd	**1,57,71,755**	**17.12%**	1,57,71,755	17.12%
iii)	Aditi Panandikar	**55,59,013**	**6.03%**	55,59,013	6.03%
iv)	Madhura Ramani	**51,84,079**	**5.63%**	51,84,079	5.63%
v)	Aruna Suresh Kare	**47,94,714**	**5.20%**	47,74,714	5.18%

C) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2018, the amount of ₹ 1.00 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 1.60 declared and paid as Final dividend to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

Note 20 : Other Equity

Particulars	*March 31, 2018*	*March 31, 2017*
Capital Reserve	**0.02**	0.02
Securities Premium Reserve	**6,420.93**	6,420.93
Foreign Currency Monetary Item Translation Difference a/c	**(0.74)**	(0.40)
General Reserve	**25,817.64**	25,817.64
Retained Earnings	**33,417.25**	31,052.44
Total, Other Equity	**65,655.10**	**63,290.63**

(i) Capital Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	**0.02**	0.02
Additions	**–**	–
Closing balance	**0.02**	**0.02**

(ii) Securities Premium Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	**6,420.93**	6,420.93
Additions	**–**	–
Closing balance	**6,420.93**	**6,420.93**

(iii) Foreign Currency Monetary Item Translation Difference a/c

Particulars	*March 31, 2018*	*March 31, 2017*
Opening Balance	**(0.40)**	(7.03)
Transactions during the year	**(0.34)**	6.63
Closing balance	**(0.74)**	**(0.40)**

(iv) General Reserve

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	**25,817.64**	24,317.64
Add : Transferred from Surplus in Statement of Profit & Loss	**–**	1,500.00
Closing balance	**25,817.64**	**25,817.64**

Note 20 : Other Equity: *Contd.*

(v) Retained Earnings

Particulars	*March 31, 2018*	*March 31, 2017*
Opening balance	**31,052.44**	25,054.98
Add : Net Profit for the Year	**4,116.10**	7,706.10
Add : Other Comprehensive Income	**23.29**	13.19
Amount available for appropriation	**35,191.83**	32,774.27
Less : Transferred to General Reserve	**–**	(1,500.00)
Less : Dividend paid	**(1,474.42)**	(184.30)
Less : Dividend Tax	**(300.16)**	(37.53)
Closing balance	**33,417.25**	**31,052.44**

Nature of reserves

(a) Capital reserve

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(d) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

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Note 21 : Non-current Financial Liabilities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2018*	*March 31, 2017*
Secured			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	**8,904.62**	9,812.32
Indian rupee loan	Note No. 21 (ii)	**8,279.40**	6,275.05
Vehicle Loan from Bank	Note No. 21 (iii)	**22.97**	30.52
Interest accrued but not due	Note No. 27	**42.25**	55.48
Total, Non Current Financial Liabilities - Borrowings		**17,249.24**	**16,173.37**
Less: Current maturities of long-term debt (included in note 27)		**(4,879.40)**	(2,886.92)
Less: Interest accrued (included in note 27)		**(42.25)**	(55.48)
Total, Non-current borrowings (as per balance sheet)		**12,327.59**	**13,230.97**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Buidling situated at HB : 211 , Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

Note 21 : Non-current Financial Liabilities - Borrowings: *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-. Amount disbursed ₹ 16,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal installments of ₹ 83,33,000/- each and 60th installment of ₹ 83,53,000/- commencing from December 14, 2019, ending on December 14, 2024.
	Rate of Interest	7.9% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-. Amount disbursed ₹ 33,01,70,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 equal monthly installments of ₹ 58,33,333.33 each and last installment of ₹ 58,33,333.53 ending on December 19, 2021.
	Rate of Interest	9% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.

Note 21 : Non-current Financial Liabilities - Borrowings: *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 16 equal monthly installments of ₹ 3,95,83,333/- each ending on July 20, 2020.
	Rate of Interest	9.50 % p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L- 32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21(iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

Note 22 : Non-Current Other Financial Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Unsecured		
Security Deposit Payable	**707.02**	697.18
Deposit Others	**4.47**	1.06
Total, Non Current Other Financial Liabilities	**711.49**	**698.24**

Note 23 : Non Current Provisions

Particulars	*March 31, 2018*	*March 31, 2017*
Provision for Employee Benefit		
Leave Obligations (refer note no. 39)	**672.26**	683.24
Gratuity (refer note no. 39)	**597.24**	445.25
Total, Non Current Provisions	**1,269.50**	**1,128.49**

Note 24 : Other Non Current Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Advance Received	**250.00**	420.00
Car Sale Advance	**–**	24.67
Total, Other Non Current Liabilities	**250.00**	**444.67**

Note 25 : Current Financial Liabilities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2018*	*March 31, 2017*
Secured (Refer Note below)			
Loans from Banks			
Cash Credit Facility	Note No. 25 (i)	**2,287.56**	2,785.73
Foreign Currency Export Packing Credit	Note No. 25 (ii)	**2,000.00**	2,000.00
Working Capital Demand Loan	Note No. 25 (iv)	**500.00**	500.00
Interest accrued		**38.86**	37.73
Unsecured			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 25 (ii)	**866.72**	1,212.34
Packing Credit in Rupee	Note No. 25 (iii)	**800.00**	–
Working Capital Demand Loan	Note No. 25 (iv)	**1,900.00**	1,900.00
Short Term Loan	Note No. 25 (v)	**2,600.00**	3,400.00
Total, Current borrowings		**10,993.14**	**11,835.80**
Less: Interest accrued (included in note 27)		**–**	–
Total, Current borrowings (as per balance sheet)		**10,993.14**	**11,835.80**

Note : Cash Credit ,Foreign Currency Export Packing Credit , Packing Credit in Rupee and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

Note No.	*Type of Loan*	*Repayment and Rate of Interest*
25 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.25 % p.a. to 10.50 % p.a. (Previous year @ 11 % p.a. to 11.50 % p.a.)
25 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 60 BPS to 200 BPS. (Previous year LIBOR + 50 BPS to 60 BPS)
25 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.50 % p.a. (Previous Year NIL)
25 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.65 % p.a. to 8.20 % p.a. (Previous year 8.05 % p.a. to 9.10 % p.a.)
25 (v)	Short Term Loan	Is repayable on demand and carries interest @ 7.85 % p.a. to 8.15 % p.a (Previous year 8.15% p.a. to 9.10 % p.a.)
25 (vi)	Loan from Others	Is repayable on demand and carries interest @ 11 % p.a (Previous year @ 11% p.a.)

Note 26 : Trade Payables

Particulars	*March 31, 2018*	*March 31, 2017*
Trade payables		
Acceptances	3,638.37	733.25
Other than Acceptances	11,316.60	15,669.68
Total, Trade Payables	**14,954.97**	**16,402.93**

Note 27 : Current Other Financial Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Secured		
Term Loans from Banks		
Indian Rupee loan	2,308.95	1,650.00
Vehicle Loan	10.38	10.38
Foreign Currency loan -ECB / FCNR(B)	2,560.06	1,226.54
Interest accrued	42.25	55.48
Unpaid Dividends	29.14	27.67
Unsecured		
Other Current Liabilities	5,276.55	3,878.10
Total, Current Other financial liabilities	**10,227.33**	**6,848.17**

Note 28 : Current Provisions

Particulars	*March 31, 2018*	*March 31, 2017*
Provision for Employee Benefit		
Leave Obligations (refer note no. 39)	163.94	174.69
Gratuity (refer note no. 39)	674.05	658.37
Bonus	941.89	897.24
Others		
Provision for Dividend	–	0.54
Dividend Tax	–	2.96
Sales Return	2,042.33	1,849.70
Total, Provisions	**3,822.21**	**3,583.50**

(i) Information about individual provisions and significant estimates

Sales Returns

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,000.49 lakhs as at March 31, 2018 (March 31, 2017 - INR 1,808.64 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

Note 28 : Current Provisions: *Contd.*

(ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below

Particulars	*Sales Return*
As at April 1, 2017	**1,849.70**
Charged/(credited) to profit or loss	
Provision for current year	2,000.49
Provision of earlier years utilised as against returns of current year	(1,807.86)
As at March 31, 2018	**2,042.33**

Note 29 : Other Current Liabilities

Particulars	*March 31, 2018*	*March 31, 2017*
Advance Received	6.82	–
Car Sale Advance	12.41	34.50
Statutory Dues	1,551.97	333.80
Total, Other Liabilities	**1,571.20**	**368.30**

Note 30 : Revenue from operations

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Sale of Product		
Domestic Sales	61,888.60	60,983.71
[Including excise duty of ₹ 336.04 Lakhs (Previous year ₹ 2,200.56 Lakhs)]		
Export Sales	34,826.07	38,955.67
	96,714.67	99,939.38
Sale of Services		
Export Services	3,569.73	6,112.98
Domestic Services	1,818.76	883.89
	5,388.49	6,996.87
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,086.22	1,175.80
Export Incentives	1,314.77	1,551.18
Scrap Sale	25.75	13.84
	2,426.74	2,740.82
Total, Revenue from Operations (Gross)	**1,04,529.90**	**1,09,677.07**

Critical judgements in calculating amounts

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,000.49 lakhs as at March 31, 2018 (March 31, 2017 - INR 1,808.64 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

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Note 31 : Other Income

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Interest Received	**213.05**	224.91
Sundry Receipts	**48.32**	73.62
Sundry Balance w/back	**35.40**	0.35
Dividend Received	**0.27**	0.22
Profit on Sale of Fixed Assets	**171.55**	14.60
Profit on Sale of Investment	**–**	82.86
Total, Other income	**468.59**	**396.56**

Note 32 : Cost of Materials Consumed

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Cost of Material Consumed		
Opening Stock	**8,893.48**	7,454.67
Add : Purchases	**29,054.68**	29,683.70
Less : Closing Stock	**(9,956.27)**	(8,893.48)
	27,991.89	28,244.89
Purchase of Stock in Trade	**6,460.72**	8,038.51
Excise Duty on Sale of Goods	**336.04**	2,200.56
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	**4,171.51**	5,351.35
Op.Stock - Stock in Trade	**1,476.05**	1,085.74
Op.Stock - WIP	**3,350.03**	2,404.59
	8,997.59	8,841.68
Inventories at the end of the year		
Cl.Stock - Finished Goods	**(4,542.65)**	(4,171.51)
Cl.Stock - Stock in Trade	**(1,346.09)**	(1,476.05)
Cl.Stock - WIP	**(2,778.85)**	(3,350.03)
	(8,667.59)	(8,997.59)
Net (Increase) / Decrease	**330.00**	(155.91)
Total, Cost of material consumed	**35,118.65**	**38,328.05**

Note 33 : Employee Benefits Expense

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Salaries, Wages and Bonus	**19,051.80**	18,154.17
Contribution to Provident and Other Funds	**1,762.31**	1,539.93
Staff Welfare Expenses	**1,277.10**	1,973.11
Total, Employee benefit expense	**22,091.21**	**21,667.21**

Note 34 : Research & Development Expenses

Particulars	Apr'17-Mar'18	Apr'16-Mar'17
R&D Employee Cost	2,270.71	1,999.46
Other R&D Expenses	3,078.27	3,171.58
Total, Research & Development Expenses	**5,348.98**	**5,171.04**

Note 35 : Depreciation and amortisation expenses

Particulars	Note No	Apr'17-Mar'18	Apr'16-Mar'17
Depreciation of Property, Plant and Equipment	3	3,759.75	3,600.52
Amortisation of Intangible Assets	4	3,011.61	2,727.57
Total, Depreciation and amortisation expenses		**6,771.36**	**6,328.09**

Note 36 : Other Expenses

Particulars_	Apr'17-Mar'18	Apr'16-Mar'17
Consumable Stores	319.28	270.78
Job Work Charges	995.10	838.52
Power and Fuel	2,662.48	2,312.39
Rent, Rates, Taxes	514.33	493.13
Insurance	136.41	188.59
Repairs :		
Building	62.40	98.83
Plant and Machinery	960.73	667.09
Others	1,282.48	1,135.90
	2,305.61	1,901.82
Packing and Delivery Expenses	3,076.97	3,071.66
Analytical Expenses	1,224.98	1,456.03
Turnover and Additional Tax	58.50	364.44
Advertising and Sales Promotion Expenses	3,485.70	4,188.17
Commission and Incentives on sales	3,509.05	2,769.88
Travelling, Conveyance and Motor Car Expenses	5,745.12	6,252.15
Legal and Professional Fees	959.35	800.44
Director's Sitting Fees	18.30	12.40
Postage, Telephone and Telex Expenses	148.61	324.70
Printing and Stationery Expenses	394.47	483.15
Payments to Auditors (refer note no. 36 (a))	10.47	13.31
Loss on sale of Assets	16.36	33.06
Provision for Doubtful Debts	297.34	258.32
Bad Debts written off		
Bad Debts written off	794.09	197.96
Less : Transfer from Provision for Doubtful Debts	(336.45)	(196.72)
	457.64	1.24
Corporate Social Responsibility (refer note no. 36(b))	23.97	221.83
Miscellaneous Expenses	2,117.53	2,608.36
Total, Other expenses	**28,477.57**	**28,864.37**

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Note 36 (a) : Details of payments to Auditors

*Particulars_*	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Payment to Auditors		
As Auditor :		
Audit Fees	**8.69**	8.96
Tax Audit Fees	**0.55**	3.25
In other capacities :		
Company law matters	**0.10**	0.60
Certification fees	**1.04**	0.50
Re-imbursement of expenses	**0.09**	–
Total, payment to Auditors	**10.47**	**13.31**

Note 36 (b) : Corporate social responsibility expenditure

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Contribution to :		
Promoting Education	**10.97**	152.29
Preventive Healthcare	**13.00**	36.00
Sponsorship of Food Distribution vehicle	**–**	17.10
Paediatric Physiotherapy Center	**–**	7.18
Plantation of trees	**–**	6.10
Machines for Vocational Training	**–**	1.28
Sponsorship	**–**	0.85
Preventive Sanitation	**–**	1.03
Total	**23.97**	**221.83**
Amount required to be spent as per Section 135 of the Act *	**225.00**	252.93
Amount spent during the year on		
(i) Construction/acquisition of an asset	**–**	**–**
(ii) On purposes other than (i) above	**23.97**	**221.83**

Note 37 : Finance Cost

*Particulars_*	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Interest Expense	**2,252.13**	1,666.67
Other Financial charges	**136.07**	119.92
Dividend Distribution Tax on Preference Shares	**–**	2.85
Exchange Gain / Loss (Net)	**530.71**	(859.94)
	2,918.91	**929.50**
Less : Amount capitalised (see note below)	**(568.01)**	(308.22)
Total, Finance Cost expensed in Profit or Loss	**2,350.90**	**621.28**

Note : Finance Cost incurred on various projects is capitalised

Note 38 : Income Tax expense

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
(a) Income tax expense		
Current Tax	**1,107.39**	1,962.13
Deferred tax	**(992.81)**	841.12
MAT Credit Adjustments	**621.46**	(1,408.99)
Total deferred tax expense/(benefit)	**(371.35)**	(567.87)
Income tax expense	**736.04**	**1,394.26**
Income tax expense is attributable to:		
Profit from continuing operations	**736.04**	1,394.26
Profit from discontinued operation	**–**	–
	736.04	**1,394.26**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Profit from continuing operations before income tax expense	**4,839.82**	9,093.59
Profit from discontinuing operation before income tax expense	**–**	–
	4,839.82	**9,093.59**
Tax at the Indian tax rate of 34.608% (2016-2017 – 34.608%)	**1,674.96**	**3,147.11**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	**(862.95)**	(1,206.81)
Effect of non-deductible expenses	**(654.11)**	228.50
Other items	**(44.27)**	3.34
Adjustments of MAT of Previous period	**621.46**	(791.71)
Tax losses for which no deferred income tax was recognised	**0.95**	13.83
	736.04	**1,394.26**

Note 39 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under

(i) Leave obligations

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of INR 163.94 lakhs (March 31, 2017 – INR 174.69 lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months

(ii) Post-employment obligations

a) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments

(iii) Defined contribution plans

a. Provident Fund

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary plus DA and VDA as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1,134.68 lakhs (March 31, 2017 – INR 1,124.58 lakhs)

b. Superannuation

The company contributed INR 66.24 lakhs (March 31, 2017 - INR 61.72 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

Note 39 : Employee benefit obligations: *Contd.*

Balance sheet amounts – Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows.

Particulars	*Present value of obigation*	*Fair value of plan assets*	*Net amount*
April 1, 2016	**1,228.16**	**(367.17)**	**860.99**
Current service cost	202.71	–	202.71
Interest expense/(income)	97.76	(29.23)	68.53
Total amount recognised in profit or loss	**300.47**	**(29.23)**	**271.24**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	11.35	11.35
(Gain)/loss from change in financial assumptions	42.93	–	42.93
Experience (gains)/losses	(73.84)	–	(73.84)
Total amount recognised in other comprehensive income	**(30.91)**	**11.35**	**(19.56)**
Employer contributions	–	(9.05)	(9.05)
Benefit payments	(88.26)	88.26	–
March 31, 2017	**1,409.46**	**(305.84)**	**1,103.62**

Particulars	*Present value of obigation*	*Fair value of plan assets*	*Net amount*
April 1, 2017	**1,409.46**	**(305.84)**	**1,103.62**
Current service cost	231.21	–	231.21
Past Service Cost	14.90	–	14.90
Interest expense/(income)	107.97	(23.43)	84.54
Total amount recognised in profit or loss	**354.08**	**(23.43)**	**330.65**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.53	14.53
(Gain)/loss from change in financial assumptions	(33.17)	–	(33.17)
Experience (gains)/losses	(16.62)	–	(16.62)
Total amount recognised in other comprehensive income	**(49.79)**	**14.53**	**(35.26)**
Employer contributions	–	(127.72)	(127.72)
Benefit payments	(172.52)	172.52	–
March 31, 2018	**1,541.23**	**(269.94)**	**1,271.29**

Note 39 : Employee benefit obligations: *Contd.*

The net liability disclosed above relates to funded and unfunded plans are as follows

Particulars	*March 31, 2018*	*March 31, 2017*
Present value of funded obligations	**1,541.23**	1,409.46
Fair value of plan assets	**(269.94)**	(305.84)
Deficit of funded plan	**1,271.29**	**1,103.62**
Unfunded plans	**–**	–
Deficit of gratuity plan	**1,271.29**	**1,103.62**

(iv) Post-Employment benefits (gratuity)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

Particulars	*March 31, 2018*	*March 31, 2017*
Discount rate	**7.87%**	7.66%
Attrition rate	**2.00%**	2.00%
Salary growth rate	**5.00%**	5.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

Particulars	*Change in assumption*		*Increase in assumption*		*Decrease in assumption*	
	March 31, 2018	*March 31, 2017*	*March 31, 2018*	*March 31, 2017*	*March 31, 2018*	*March 31, 2017*
Discount rate	**1%**	1%	**–**	–	**143.06**	135.12
Discount rate	**-1%**	-1%	**169.16**	160.20	**–**	–
Salary growth rate	**1%**	1%	**172.41**	162.94	**–**	–
Salary growth rate	**-1%**	-1%	**–**	–	**147.94**	139.48
Attrition rate	**1%**	1%	**38.72**	33.02	**–**	–
Attrition rate	**-1%**	-1%	**–**	–	**45.09**	38.66

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Note 39 : Employee benefit obligations: *Contd.*

(vi) The major categories of plans assets are as follows:

	March 31, 2018	*March 31, 2017*
Gratuity :		
Unquoted		
Insurance fund	**269.94**	305.84
Total	**269.94**	**305.84**

(vii) Maturity profile of projected benefit obligation (from fund) :

	March 31, 2018	*March 31, 2017*
1st following year	**98.83**	83.24
2nd following year	**77.99**	50.41
3rd following year	**92.16**	99.39
4th following year	**149.79**	93.11
5th following year	**94.99**	130.29
Sum of years 6 to 10	**560.57**	501.79
Sum of years 11 and above	**3,270.99**	2,999.87

Note 40 : Lease

Operating Lease

The Group has not entered into non-cancelleable operating lease

Finance Lease

Particulars	*March 31, 2018*	*March 31, 2017*
Due within one year	**9.91**	9.91
Due in a period between one year and five years	**39.63**	39.63
Due after five years	**824.94**	834.85
Total, Finance Lease	**874.48**	**884.39**

Note 41 : Fair value measurement

Financial instruments by category	*March 31, 2018*		*March 31, 2017*	
	FVPL	*Amortised Cost*	*FVPL*	*Amortised Cost*
Financial Assets				
Investments				
Equity instruments	2.10		2.10	
Trade receivables		20,783.32		21,567.77
Non Current Other Financial assets		1,603.32		1,671.39
Cash and cash equivalents		800.32		6,005.95
Bank balances other than cash and cash equivalents		390.05		252.65
Current Other Financial Assets		198.87		1,291.19
Total Financial Assets	**2.10**	**23,775.88**	**2.10**	**30,788.95**
Financial Liabilities				
Bank Borrowings		28,242.37		28,009.17
Non Current Other Financial Liabilities		711.49		698.24
Current Other Financial Liabilities		5,305.69		3,905.77
Trade Payables		14,954.97		16,402.93
Total Financial Liabilities	**–**	**49,214.52**	**–**	**49,016.11**

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Note 41 : Fair value measurement: *Contd.*

Financial assets and liabilities measured at fair value	*March 31, 2018*			*March 31, 2017*		
	Level			*Level*		
	I	*II*	*III*	*I*	*II*	*III*
Financial Assets						
Investments						
Equity instruments		2.10			2.10	
Trade receivables			20,783.32			21,567.77
Non Current Other Financial assets			1,603.32			1,671.39
Cash and cash equivalents			800.32			6,005.95
Bank balances other than cash and cash equivalents			390.05			252.65
Current Other Financial Assets			198.87			1,291.19
Total Financial Assets	–	2.10	23,775.88	–	2.10	30,788.95
Financial Liabilities						
Bank Borrowings			28,242.37			28,009.17
Non Current Other Financial Liabilities			711.49			698.24
Current Other Financial Liabilities			5,305.69			3,905.77
Trade Payables			14,954.97			16,402.93
Total Financial Liabilities	–	–	49,214.52	–	–	49,016.11

Note 42 : Capital Management

(a) Risk management

The group's aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

Note 42 : Capital Management *Contd.*

The group's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

Particulars	*March 31, 2018*	*March 31, 2017*
Net Debt	27,442.05	22,003.22
Equity	67,498.19	65,133.72
Net debt to equity ratio	40.7%	**33.8%**

(b) Dividends

Particulars	*March 31, 2018*	*March 31, 2017*
(i) Equity shares		
Final dividend for the year ended March 31, 2017 of INR 1.60 (March 31, 2016 of INR 0.20) per fully paid share	1,474.42	184.30
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 1.00 per fully paid equity share (March 31, 2017 – INR 1.60). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	921.50	1,474.42

Note 43 : Segment Information

(a) Description of segments and principal activities

The group has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, Finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

(b) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Particulars	*March 31, 2018*	*March 31, 2017*
Total adjusted EBITDA	13,493.49	**15,646.40**

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	*Note No*	*March 31, 2018*	*March 31, 2017*
Total adjusted EBITDA		13,493.49	**15,646.40**
Finance costs	23	2,350.90	621.28
Other Income	17	(468.59)	(396.56)
Depreciation and amortisation expense	21	6,771.36	6,328.09
Profit before income tax from continuing operations		4,839.82	**9,093.59**

Note 43 : Segment Information: *Contd.*

(c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Geographical :

Particulars	*March 31, 2018*			*March 31, 2017*		
	India	*Outside India*	*Total*	*India*	*Outside India*	*Total*
Revenue from External Customers	63,707.36	38,395.80	1,02,103.16	61,867.60	45,068.65	**1,06,936.25**
Non Current Assets (*)	64,714.24	–	64,714.24	57,421.40	–	**57,421.40**

*** Excluding financial assets, deferred & current tax assets**

Product :

Particulars	*March 31, 2018*	*March 31, 2017*
Revenue from Product	96,714.67	99,939.38
Revenue from Services	5,388.49	6,996.87
Total, Revenue	1,02,103.16	**1,06,936.25**

Note 44 : Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidary / Associates.

Name of the entity in the Group	*Net Assets, i.e. total assets minus total liabilities*		*Share in Profit or loss*		*Share in other comprehensive income*		*Share in total comprehensive income*	
	As % of consolidated net assets	*Amount*	*As % of consolidated profit or loss*	*Amount*	*As % of consolidated other comprehensive income*	*Amount*	*As % of total comprehensive income*	*Amount*
Parent								
Indoco Remedies Ltd.	100.09%	67555.88	100.08%	4119.57	98.50%	22.94	100.08%	4142.51
Subsidaries								
Indian								
Xtend Industrial Designers & Engineers Pvt. Ltd.	0.30%	202.13	-0.04%	(1.57)	0.00%	–	-0.04%	(1.57)
Indoco Pharmchem Ltd.	0.00%	–	-0.08%	(3.16)	0.00%	–	-0.08%	(3.16)
Indoco Analytical Solutions LLP	0.00%	–	-0.10%	(3.92)	0.00%	–	-0.09%	(3.92)
Foreign								
Indoco Remedies Singapore PTE Ltd.	0.00%	(0.95)	-0.11%	(4.72)	1.50%	0.35	-0.11%	(4.37)
Inter Company Elimination and Consolidation Adjustment	-0.39%	(258.87)	0.25%	9.90	0.00%	–	0.24%	9.90
Total	**100.00%**	**67498.19**	**100.00%**	**4116.10**	**100.00%**	**23.29**	**100.00%**	**4139.39**

Note 45 : Events occurring after the reporting period

Other events

Refer to note 42 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting

Note 46 : Earnings Per Share

Particulars	*Apr'17-Mar'18*	*Apr'16-Mar'17*
Basic & Diluted Earnings Per Share		
Total Operations		
Net Profit for the year	**4,116.10**	7,706.10
Weighted average numbers of equity shares	**9,21,50,355**	9,21,50,355
Basic & Diluted Earnings Per Share (₹ 2/-)	**4.47**	**8.36**

Note 47 : FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Audit Committee of the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Note 47 : FINANCIAL RISK MANAGEMENT: *Contd.*

Exposure to interest rate risk

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Short Term Borrowings	**10,993.14**	11,835.80
Long Term Borrowings	**17,249.23**	16,173.37
Total Borrowings	**28,242.37**	**28,009.17**
% of Borrowings out of above bearing variable rate of Interest	**38.92%**	42.26%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

Particulars	*2017-18*	*2016-17*
50 BPS increase would decrease the profit before tax by	**54.97**	59.18
50 BPS decrease would (increase) the profit before tax by	**(54.97)**	(59.18)

Market Risk- Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Group also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the group hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In lakhs)

	As at March 31, 2018		*As at March 31, 2017*	
	Currency	*Amount*	*Currency*	*Amount*
Forward Contract to Sell USD	**USD**	**96.00**	USD	116.15
Forward Contract to Buy USD	**USD**	**26.70**	USD	13.50
Forward Contract to Sell EURO	**EURO**	**119.50**	EURO	90.80
Forward Contract to Sell GBP	**GBP**	**144.65**	GBP	81.75
Forward Contract to BUY GBP	**GBP**	**1.00**	GBP	15.70
Swaps				
FCNR (B)	**USD**	**65.40**	USD	74.74
ECB	**USD**	**–**	USD	–
ECB	**GBP**	**53.38**	GBP	61.00

Note 47 : FINANCIAL RISK MANAGEMENT: *Contd.*

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of foreign currency exposures as at the reporting date

As at March 31, 2018 *(Foreign currency in lakhs)*

Particulars	*USD*	*EURO*	*GBP*	*AUD*
Trade Receivables	97.19	68.89	42.92	3.34
Trade Payables	13.15	33.08	0.04	–
Loans Taken - Short Term & long Term	108.10	–	54.38	–
Cash & Bank Balances	–	0.05	–	–

As at March 31, 2017 *(Foreign currency in lakhs)*

Particulars	*USD*	*EURO*	*GBP*	*AUD*
Trade Receivables	145.50	50.52	57.97	7.35
Trade Payables	2.47	–	–	–
Loans Taken - Short Term & long Term	99.24	5.00	76.70	–
Cash & Bank Balances	15.17	3.47	2.47	–

(c) Foreign Currency Risk Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax

	2017-18		*2016-17*	
	5 % increase	*5 % Decrease*	*5 % increase*	*5 % Decrease*
USD	**17.49**	**(17.49)**	51.15	(51.15)
EURO	**37.60**	**(37.60)**	15.10	(15.10)
GBP	**(292.30)**	**292.30**	(3.24)	3.24
AUD	**3.51**	**(3.51)**	7.71	(7.71)
CHF	**–**	**–**	(2.03)	2.03
Increase / (Decrease) in profit or loss	**(233.70)**	**233.70**	**68.69**	**(68.69)**

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

Note 47 : FINANCIAL RISK MANAGEMENT: *Contd.*

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Not due	**11,275.03**	10,800.37
0-3 Months	**3,301.28**	4,173.77
3 - 6 Months	**273.52**	1,391.71
6 Months and above	**6,329.01**	5,636.57
Total	**21,178.84**	**22,002.41**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Opening Provision	**434.64**	373.04
Add :- Additional provision made	**297.34**	258.32
Less : - Provision written off	**336.46**	196.72
Less : - Provision reversed	**–**	–
Closing Provisions	**395.52**	**434.64**

Liquidity Risk

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 and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Note 47 : FINANCIAL RISK MANAGEMENT: *Contd.*

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2018	*As at March 31, 2017*
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	**14,086.00**	6,461.91
Expiring beyond one year (bank loans)	–	–

The bank over draft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

(ii) Maturity patterns of Borrowings

	As at March 31, 2018				*As at March 31, 2017*			
	0-1 Years	*1-5 Years*	*> 5 years*	*Total*	*0-1 Years*	*1-5 Years*	*> 5 years*	*Total*
Long term borrowings (Including current maturity of long term debt)	**4,921.64**	**11,794.26**	**533.34**	**17,249.23**	2,942.40	13,230.97	–	**16,173.37**
Short term borrowings	**10,993.14**	–	–	**10,993.14**	11,835.80	–	_	**11,835.80**
Total	**15,914.78**	**11,794.26**	**533.34**	**28,242.37**	**14,778.20**	**13,230.97**	**–**	**28,009.17**

(iii) Maturity Patterns of other Financial Liabilities

As at March 31, 2018	*0-3 Months*	*3-6 Months*	*Beyond 6 Months*	*Total*
Trade Payable	13,325.72	100.60	186.46	13,612.78
Trade Payable related to Capital goods	97.27	32.31	1,212.61	1,342.19
Other Financial liability (Current and Non Current)	6,568.90	1,222.14	3,147.78	10,938.82
Total	19,991.89	1,355.05	4,546.85	25,893.79

As at March 31, 2017	*0-3 Months*	*3-6 Months*	*Beyond 6 Months*	*Total*
Trade Payable	15,341.76	30.19	485.89	15,857.84
Payable related to Capital goods	429.57	55.67	59.85	545.09
Other Financial liability (Current and Non Current)	4,376.34	415.09	2,754.98	7,546.41
Total	20,147.67	500.95	3,300.72	23,949.34

Note 48 :

Contingent Liabilities not provided for:

		As at March 31, 2018	As at March 31, 2017
A)	Matters under dispute		
i)	Sales Tax (₹ 309.65 lakhs has been paid under protest Previous year ₹ 210.79 lakhs) **	850.56	441.79
ii)	Excise / Service Tax ***	499.76	640.78
iii)	Income Tax *	9.54	15.72
B)	Bank Guarantees	202.79	205.00
C)	Letters of Credit	1,595.24	2,242.57
D)	Estimated amount of contracts remaining to be executed on Capital Account , net of advances of ₹ 1,731.96 lakhs (Previous year ₹ 3,734.47 lakhs)	2,110.43	4,911.15
E)	Corporate Guarantee given to Bank on behalf of the Subsidiary	–	200.00

Legal Case –

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

A CFA has filed a case against the company for recovery of the amount adjusted against credit note of ₹ 1.49 Lakhs the Company has disputed the Claim.

The company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹ 2.23 lakhs.

*** Income Tax demand comprises of**

a) TDS of ₹ 9.54 Lakhs (Previous year – ₹ 15.72 Lakhs) for Short Deduction appearing in traces.

**** Sales Tax demand comprises of**

a) ₹ 809.00 Lakhs (Previous year – ₹ 421.58 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Company has filed an appeal before High Court which is yet to be heard.

b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Commissioner.

c) ₹ 21.35 Lakhs (Previous year – ₹ Nil) in respect of order from sales tax dept, Seemandhra for classification dispute. The Company has preferred an appeal before High Court which is yet to be heard.

*****Excise Duty /Service tax demand comprises of**

a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).

b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).

c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.

d) Company has Filed an appeal before CESTAT for valuation of physician sample ₹ NIL (Previous year – ₹ 1.25 Lakhs).

e) Company appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).

Note 48 : *Contd.*

f) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).

g) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.

h) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).

i) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).

j) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before Commissioner of Central Excise, Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

Note 49: Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	*As at March 31, 2018*	*As at March 31, 2017*
Current Assets		
Financial Assets		
Floating Charge		
Receivables	**20,615.31**	21,573.10
Non Financial Assets		
Floating Charge		
Inventories	**19,323.06**	18,504.34
Total Current Assets Pledged as security	**39,938.37**	**40,077.44**
Non Current Assets		
First Charge		
Land & Building	**3,569.89**	3,671.61
Furniture, fittings and equipment	**627.44**	1,134.12
Plant and machinery	**21,200.56**	16,527.15
Others	**2,878.08**	2,305.83
Total non-current assets Pledged as security	**28,275.97**	**23,638.71**
Total assets pledged as security	**68,214.34**	**63,716.15**

*The assets pledged does not include capital work in progress

Note 50 :

Related Party Disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

I. **Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	Not Applicable
	Subsidiary Company	Not Applicable
	Fellow Subsidiaries	Not Applicable
(B)	Associates and Joint Ventures of reporting company:	
	Associates	Not Applicable
	Joint Ventures	Not Applicable
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G Kare, Mrs. Aruna S Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik	
(D)	(i) Key Management Personnel : Mr. Suresh G Kare, Ms. Aditi Panandikar, Mr. Sundeep V Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S Kare, Mrs. Madhura Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o, Indoco Remedies Singapore Pte Ltd	

Note 50 : *Contd.*

II. Transactions in respect of which disclosures to be made

Particulars of transaction		*Enterprises that control or are controlled by reporting company*	*Associates and Joint Ventures of reporting company*	*Individuals owning and having control over the reporting company and their relatives*	*Key Management personnel and their relatives*	*Enterprises controlled by key management personnel*
		(A)	*(B)*	*(C)*	*(D)*	*(E)*
Purchases or sales of goods (finished or unfinished)		-	-	-	-	-
Purchases or sales of fixed assets		-	-	-	-	-
Rendering or receiving of services	C.Y.	-	-	-	-	115.46
	P.Y	-	-	-	15.49	111.33
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y	-	-	-	-	-
Remuneration paid	C.Y	-	-	-	579.35	-
	P.Y.	-	-	-	638.05	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	3.00	42.51
	P.Y	-	-	-	6.75	41.97
Finance (including loans and equity contributions in cash or in kind)	C.Y	-	-	-	-	0.75
	P.Y	-	-	-	-	0.80
Guarantees and collaterals	C.Y	-	-	-	-	-
	P.Y	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y	-	-	-	-	-
	P.Y	-	-	-	-	-
Payable	C.Y	-	-	-	-	-
	P.Y	-	-	-	-	-

Note 50 : *Contd.*

Sr. No.	*Particulars of Remuneration*	*Name of Executive Chairman / MD / JT. MD*			*Total Amount*
		Mr. Suresh G Kare	*Ms. Aditi Panandikar*	*Mr. Sundeep V Bambolkar*	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act ,1961	180.00	134.02	121.65	435.67
	Value of Perquisites under Section 17 (2) Income tax Act,1961	-	17.76*	15.93*	33.69*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission / Incentive	60.00	25.00	25.00	110.00
5	Others , Please Specify	-	-	-	-
	Total (1 to 5)*	240.00	176.78	162.58	579.36*
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)*				565.16

* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis

(₹ In lakhs)

Particulars of transaction		*Enterprises that control or are controlled by reporting company*	*Associates and Joint Ventures of reporting company*	*Individuals owning and having control over the reporting company and their relatives*	*Key Management personnel and their relatives*	*Enterprises controlled by key management personnel*
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	-	-	-	582.35	158.72
	P.Y	-	-	-	660.29	154.10
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

Note 51:

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

		2017 -18	2016 -17
A	Principal Amount Due Interest due on the above	99.26	40.34
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

Note 52:

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Rahul Joglekar
Partner
M. No. 129389

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
Chief Financial Officer

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : May 30, 2018

INDOCO REMEDIES LTD.

BUZZ @ INDOCO

CPhI 2017, Frankfurt

CPhI 2017, India

Jt. Managing Director, Mr. Sundeep V. Bambolkar with the Srilankan & Ivory Coast Teams

IDMA Best Patent Award 2017

Express Pharma Export Excellence Award 2017

Press Conference on Early Detection of Oral Cancer - initiative by Warren NxGen

Teamwork Leads to Successful Audit - API, Rabale

Safe Harbour

Statements made in this Annual Report describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.

A SURESH G. KARE ENTERPRISE

"IN THE MIDDLE OF DIFFICULTY
LIES OPPORTUNITY"

- Albert Einstein

INDOCO REMEDIES LTD.

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