



EY Entrepreneur of the year-2013



FROST & SULLIVAN Best Practices-2013



Business today/YES bank Excellence Awards-2013



Date: September 29, 2018

To The Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Security Code: 540596	To National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai-400051 Symbol: ERIS
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Dear Sir/Madam,

Subject: Submission of Annual Report 2017-18

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the annual report of the Company for the financial year 2017-18 duly approved and adopted by the members of the Company at the 12th Annual General Meeting of the Company held on Saturday, 29th September, 2018 along with Notice of the Annual General Meeting.

Thanking You,

For Eris Lifesciences Limited

Milind Talegaonkar
Company Secretary & Compliance Officer

Encl: As Above

Registered & Corporate Office:

8th Floor, Commerce House - IV, Prahlad Nagar, Ahmedabad - 380 015, Gujarat, India

Phone: +91 - 79 - 30451111 / 30179400 - 03 • Fax: +91 - 79 - 30179404 / 30451001 • Email: eris@erislifesciences.com • Web Site: www.eris.co.in

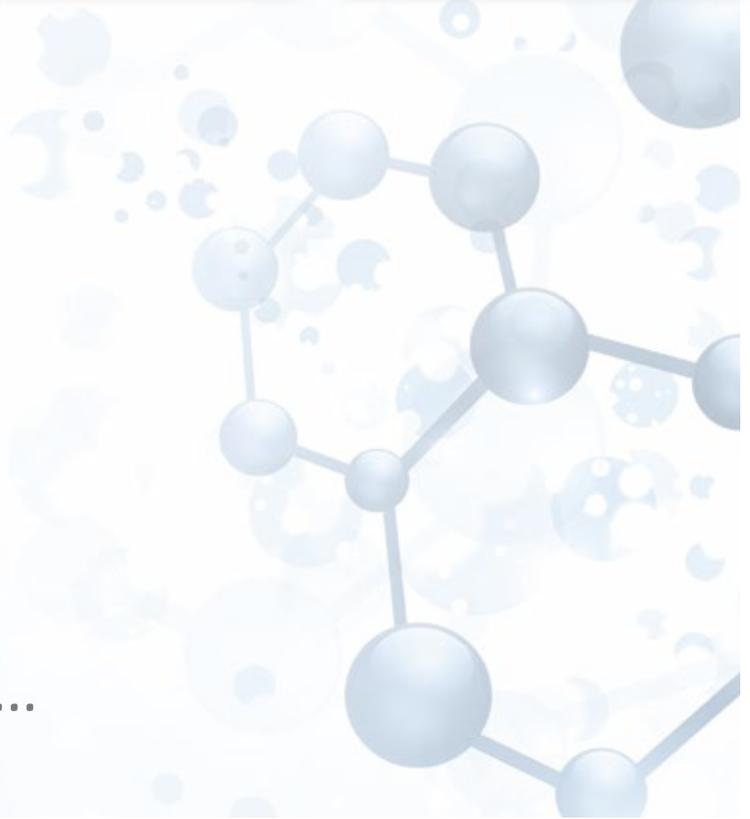
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ANNUAL REPORT

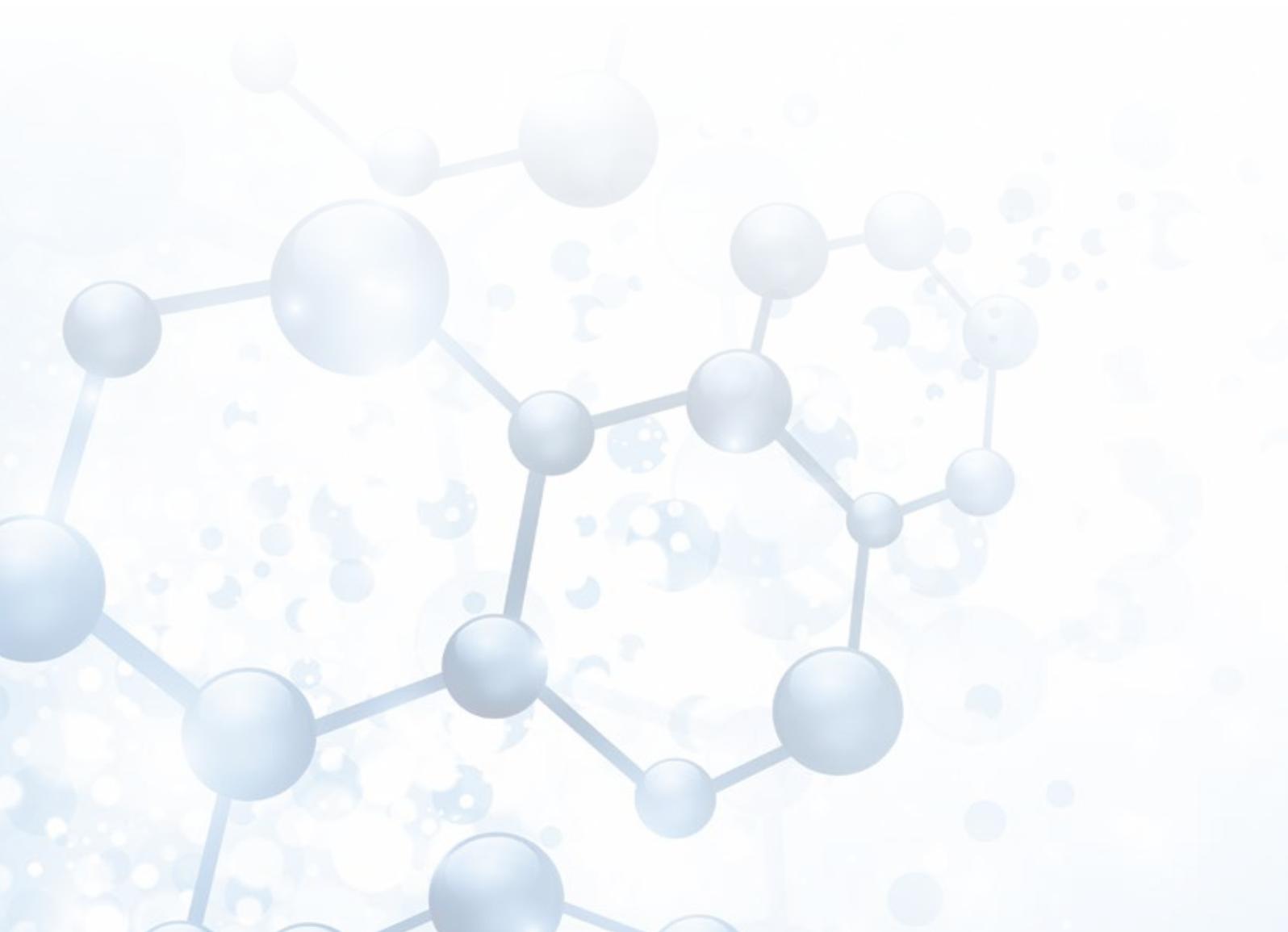
2017-18

Caring Caring Growing...



FORWARD-LOOKING STATEMENTS

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.





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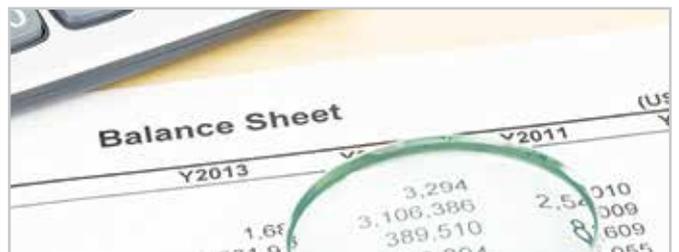
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CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It is truly a pleasure to present to you the second annual report of your company post our IPO in FY 18; which was one of the largest ever witnessed in the pharmaceutical industry. We recently completed our first year of being a listed company and it gives me great joy to share that the immense faith our shareholders and the financial community have demonstrated in our business model has ensured that we are in the Top 25 highest market capitalisation companies in the pharmaceutical sector today. Moving ahead on this progressive trajectory, Eris is well poised to herald in the next phase of growth, boosted by its own robust fundamentals and tailwinds in the Indian Pharmaceuticals Market ("IPM").

The IPM witnessed many developments in the year gone by. While the industry overcame disruptions like the GST and demonetisation and apprehensions around regulatory and policy overhang, it also has its share of opportunities and tailwinds.

The country, often colloquially referred to as the diabetes and blood pressure capital of the world, is today more than ever saddled by lifestyle related disorders. Changing lifestyle and rapid urbanisation has led to the average age for incidence of chronic diseases decreasing alarmingly. Increasing amount of research is being dedicated to understand the link of this high and ever increasing incidence of chronic diseases -diabetes, early puberty, PCOS, PCOD, infertility- to, among other things, generations of malnourished mothers. A major challenge for the nation is to effectively manage this burden of metabolic diseases and nutritional deficiency. Among other trends that we observe is an increased awareness leading to the trend of healthy people who want to remain healthy and productive. In this backdrop, increased penetration of health insurance, the herald of which is going to be the National Health Protection Mission or Ayushman Bharat, will be a growth

driver for the pharma and healthcare industry, as it paves way to a more efficient diagnostic infrastructure and delivery ecosystem. Technology will also increasingly be used as an enabler to deliver better healthcare outcomes. Our unique patient care initiative platform is a case in point where technology is extensively becoming the impetus that drives the business forward.

Highlights of FY 18

Eris recorded Revenue from Operations of INR 8,556 million; a year-on-year growth of 14.2%. While our acquired businesses contributed to the growth in revenue, the growth was broad based across therapy areas and was driven by our consistent focus on patient engagement initiatives and robustness of products in our top mother brands.

For FY 18, EBITDA margins saw an expansion to 37.6% of Revenue from Operations from 35.9% in FY 17. Net profit margin was 34.3% in FY 18 compared to 32.9% in FY 17. The expansion in margins was mainly attributable to operating efficiency demonstrated consistently through a scalable and tax efficient business model.

During the year we also undertook strategic acquisitions, which include:

- Acquiring the Indian Branded Domestic Formulations business of Strides Shasun Ltd. The acquisition provides us with enhanced visibility in Neurology, Psychiatry, Nutraceuticals and Women Healthcare therapeutic areas.
- Acquiring the entire shareholding of UTH Healthcare Ltd, largely engaged in the segments of Obesity, Diabetes, Gestational diabetes mellitus and Maternal Nutrition

In addition to these, we are actively exploring new acquisition and in-licensing opportunities to further strengthen our product offerings and diversify to newer therapeutic areas. Consolidation of the existing therapy

areas and their further expansion through new launches, in-licensing, entering new therapy areas and acquisitions form the core of our strategy to take the company ahead and maximise shareholder value.

With this, I also wish to thank and appreciate all our stakeholders who have partnered with us and continue to support us going forward.

Warm regards,

Amit Bakshi

Improving Health Outcomes...



HELPING BRIDGE GAP IN CARDIOVASCULAR CARE...

India has the highest number of hypertension patients in the world, and is often called the hypertension and diabetes capital of the world. Recognising our role as a responsible partner in the healthcare delivery ecosystem, we launched a hypertension management initiative that engages with clinicians and patients to manage this disease burden more efficiently.

Our ABPM on Call initiative has supported over 3,800 doctors and 36,500 patients as of March 2018 while the Holter on Call has supported over 2,200 doctors and 18,000 patients. In addition, our Eritel Sleep Study on Call, highlighting the links between cardiac diseases and sleep disorders, has till date supported over 850 clinicians and 3000 patients to meet the changing needs of cardiovascular care.



... AND DIABETES MANAGEMENT

In our nation, the menace of diabetes, often dubbed a silent killer, needs not just focused attention from the clinicians but also constant counselling of the patients to help them cope with the burden. Better diagnostic set-up and counselling support can help patients lead better lives while helping the clinicians improve health outcomes.

Recognising this opportunity to be a part of the nation's journey to a healthier tomorrow, we launched the Tendia Diabetes Companion, an extensive initiative that aims to help more and more people receive better diabetes care.

To date, Eris has supported over 3,800 clinicians and over 500,000 patients through various initiatives like CGM on Call and Tendia Vascular Screening.

Improving Health Outcomes...



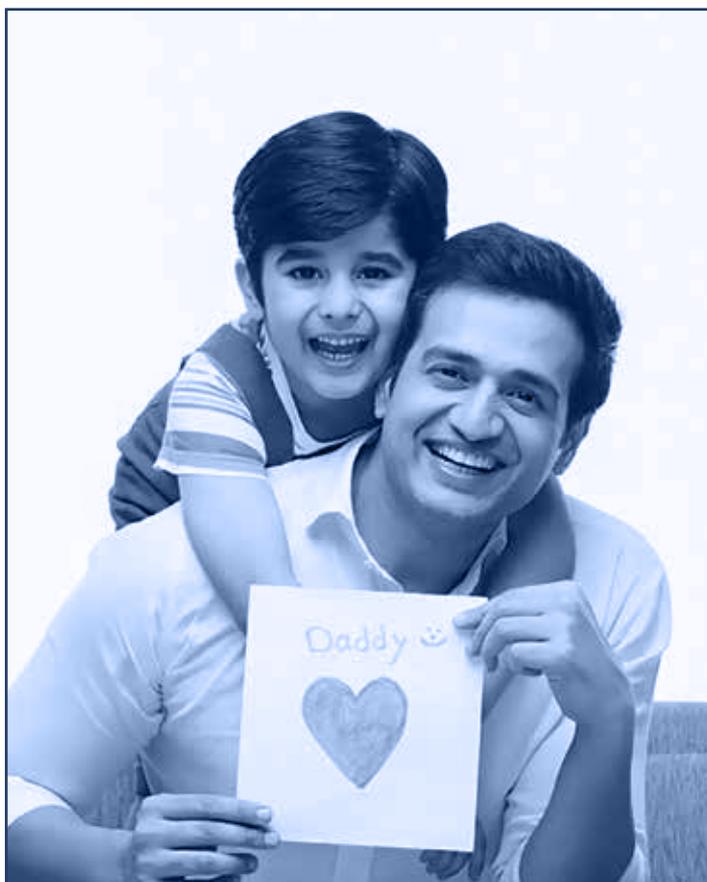
Blood pressure measurement study for identifying prevalences of hypertension, white coat and masked hypertension and related cardiovascular risk factors in India

50,000

PATIENTS DATA TO BE CAPTURED FOR BOTH

Office & Home

Blood pressure Measurement



INDIA HEART STUDY largest ever data in India on hypertension

1 out of every 3 Indians suffers from hypertension. Only 1/3rd of these are diagnosed, and only 1/5th of those diagnosed have their disease controlled through treatment. Unfortunately, despite the huge burden of incidence, there is a lack of extensive, validated data that can give us detailed insights about the prevalence of hypertension.

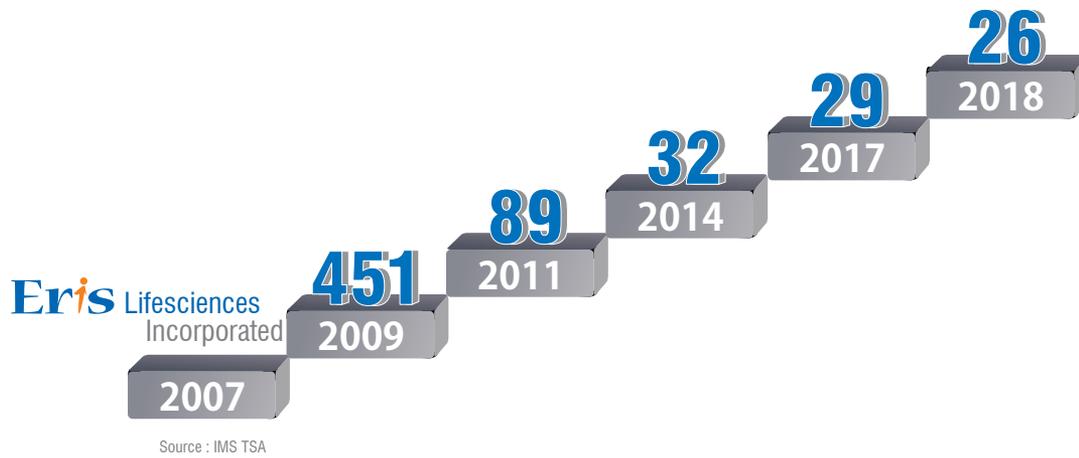
Understanding the prevalence of white coat or masked hypertension and related cardiovascular risks will immensely help the entire healthcare provider community to manage the disease better.

Eris has undertaken a study to generate the first biggest epidemiological data in the country on prevalence of hypertension.

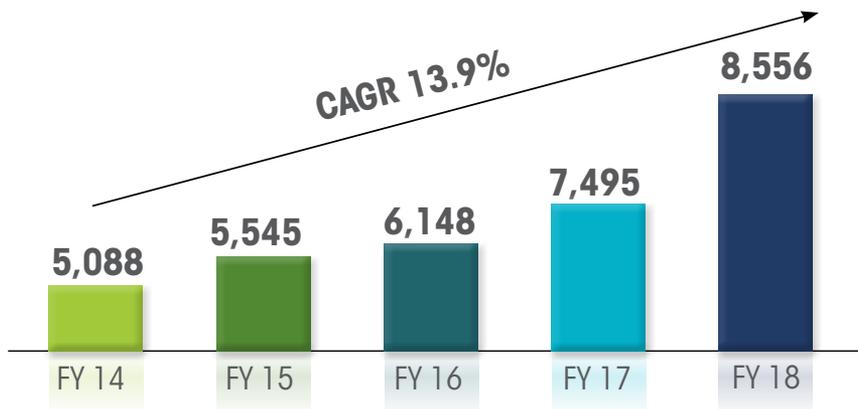
National Lead: Prof. Upendra Kaul

WHERE WE ARE BRANDS & THERAPY FOCUS

STRONG BRANDS AND HIGH GROWTH THERAPY AREA FOCUS ENSURES ERIS IS RANKED 26TH IN THE IPM

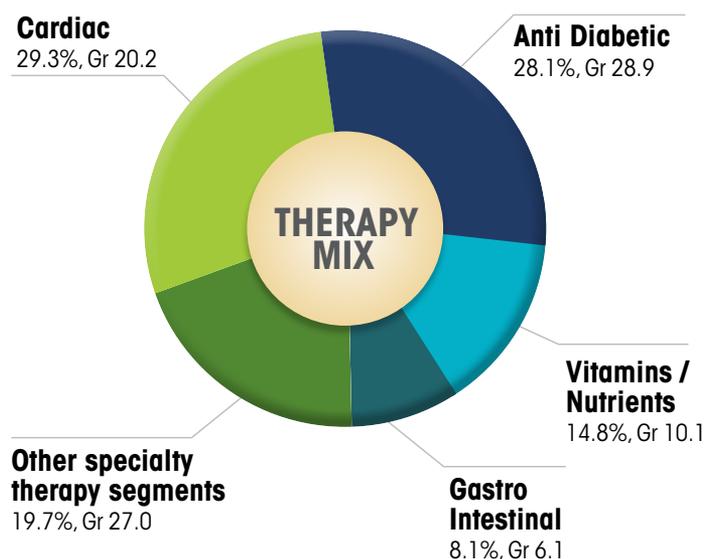


REVENUE FROM OPERATIONS GREW AT A CAGR OF 13.9% OVER FY 14 TO FY 18



WHERE WE ARE BRANDS & THERAPY FOCUS

THERAPY AREA FOCUS - HIGH GROWTH CHRONIC AND SUB-CHRONIC THERAPY AREAS REMAIN A FOCUS FOR ERIS



Source: IMS TSA MAT Mar 18
Gr: CAGR FY 13 - 18

- Chronic therapies and lifestyle diseases
- Super specialty acute therapeutic segments
- Vitamin/ Nutrients for Cardio-metabolic and Neurological disorders
- Clinically differentiated products/ Unmet need
- Complimentary portfolio

FY 18 SAW AN EXPANSION OF 35% IN ERIS'S COVERED MARKET TO INR 531 BILLION CONSTITUTING 44% OF IPM...

Therapy Areas	Covered market size	Therapy rank *	Market share*
Cardiac	86 Bn	10	3.3%
Anti diabetic	58 Bn	7	4.7%
Vitamins/ Nutrients	51 Bn	3	4.9%
Gastro	60 Bn	18	1.5%

Source: IMS TSA MAT Mar 18
*Therapy rank and market share in represented market

WHERE WE ARE BRANDS & THERAPY FOCUS

ERIS'S PORTFOLIO OF STRONG BRANDS ENSURES LEADING PRESCRIPTION RANKS ACROSS SPECIALTIES - ERIS IS A SUPER SPECIALTY COMPANY WITH STRONG FOCUS ON, AND CREDIBILITY WITH "A-LEAGUE" DOCTORS WHO ARE CONSIDERED "KEY OPINION LEADERS" IN THEIR RESPECTIVE FIELDS

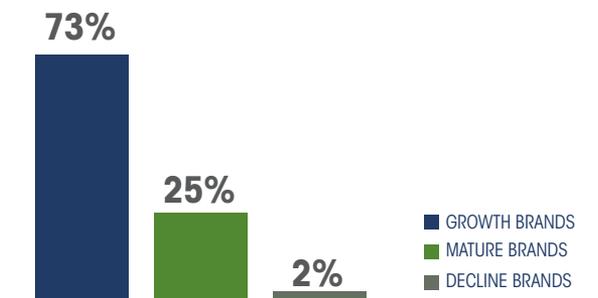


Prescription rank in Represented Market



Source: IMS Medical Audit MAT Mar 2018

ERIS'S PORTFOLIO OF GROWTH BRANDS – 73% IN GROWTH STAGE – IS ONE OF THE HIGHEST IN THE PHARMACEUTICAL INDUSTRY



Source: SMSRC data for MAT February 2017

Note: Growth, mature and decline phases refer to rate of growth in prescriptions of pharmaceutical molecules (all molecules taken together) at a CAGR of 8%, minus 1%, minus 5% respectively, for the relevant period



WHERE WE ARE BRANDS & THERAPY FOCUS

WHILE CONSOLIDATING EXISTING THERAPY AREAS REMAINS A FOCUS STRATEGY, THE COMPANY IS ALSO FOCUSED ON EXPANDING IN NEWER HIGH GROWTH AREAS ...

Neurology	Covered Market increased 171% to INR 38 billion	Added 2 new divisions The acquisition of the Strides portfolio added to the covered market.
Bone Health	Covered Market increased 40% to INR 52 billion	Kinedex deal added momentum
Vitamins/ Nutrients	Covered Market increased 53% to INR 51 billion	Strides brand Reneve is now our 3rd largest brand (market size INR 12 billion, Eris market share 6.4%, with sales of INR 800 million)
Women's Health - IVF	Covered Market of INR 10 billion	New focus area after acquisition of UTH
Cosmeceuticals	New focus area, in pipeline	Research indicate favourable demographics and other social factors for Aesthetic Dermatology

Source: IMS TSA MAT Mar18

DISTRIBUTION NETWORK & MANUFACTURING INFRASTRUCTURE

DISTRIBUTION NETWORK

24

Sales depots

1,800+

Stockists

5,00,000+

Retail chemists

MANUFACTURING INFRASTRUCTURE

OWN MANUFACTURING

State-of-the-art manufacturing facility in Guwahati, Assam

Products manufactured in-house contributed to **65.89%*** of our revenues for **FY 18**

1 Lakh sq ft built-up area

Our manufacturing facility is eligible to avail of certain **tax incentives** including income tax exemption and GST subsidies for a period of **10 years (until FY 2025)**

WHO GMP guidelines compliant

CAPACITY UTILISATION

Output in million units

Product	FY 17		FY 18	
	Output	Utilisation	Output	Utilisation
Tablets	760.53	76.05%	811.65	81.16%
Capsules	47.83	57.61%	67.09	80.82%
Sachets	3.53	19.62%	1.55	8.66%

*Commercial production commenced in May 2014.

Capacity utilisation = Output / Installed capacity. Installed capacity is calculated assuming operations on a single shift basis. The manufacturing plant can operate up to a maximum of three shifts per day.

STRATEGIES FOR FUTURE LEADERSHIP

Eris has emerged as the fastest growing company in IPM and the 2nd fastest growing in the chronic segment. We are now focussed on taking forward this momentum by strengthening our business model to create long-term sustainability.



OUR PEOPLE

3,266

Employees



1,970 Medical Representatives



845 Field Managers

₹3.6 lakhs

Yield per Man per Month



196 Manufacturing



67 Sales & Marketing



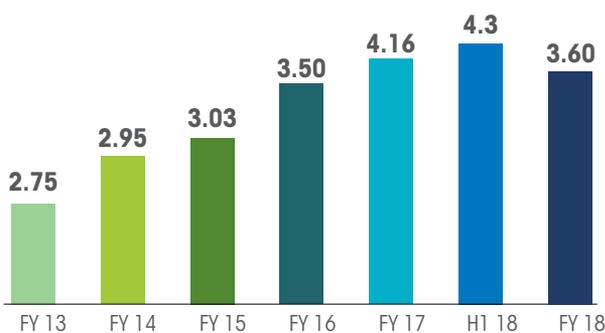
32 Intellectual Property & Research



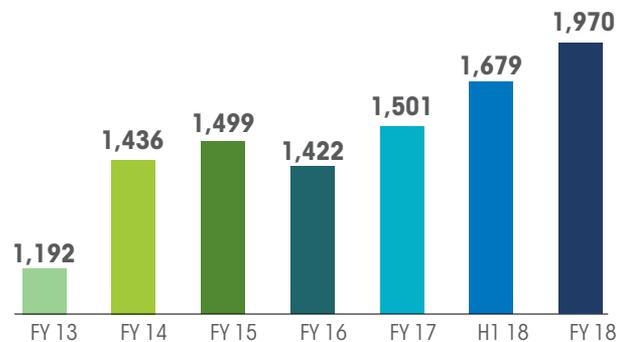
156 Others

- Our workforce is a critical factor in maintaining quality which strengthens our competitive position
- We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality
- We have one of the best manager to field staff ratio in the industry which ensures superior execution and better supervision
- Our per man per month productivity is INR 3.6 lacs. We aspire to achieve industry leading productivity

YPM in INR LACS

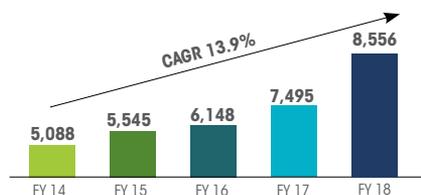


Number Of MRs

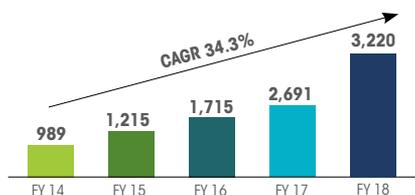


FINANCIAL HIGHLIGHTS

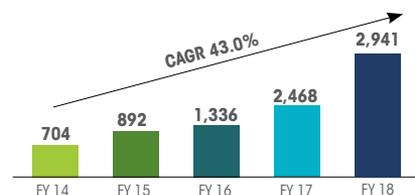
REVENUE FROM OPERATIONS



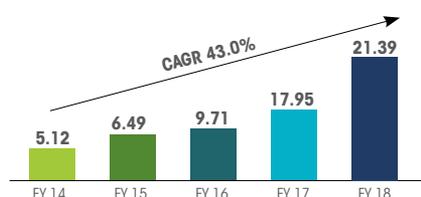
OPERATING EBITDA



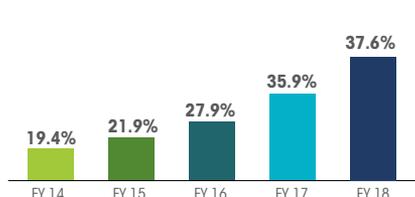
PAT



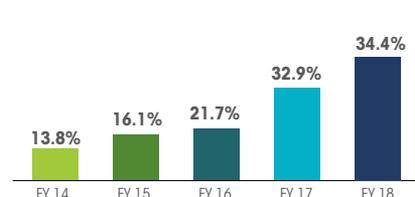
EPS



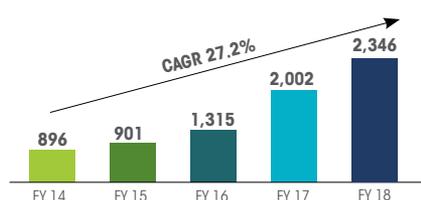
OPERATING EBITDA MARGIN



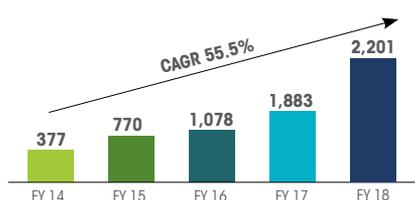
PAT MARGIN



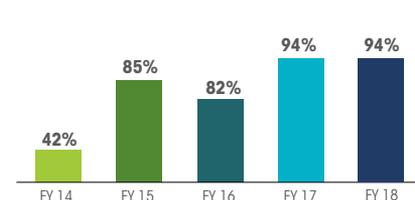
OPERATING CASH FLOW



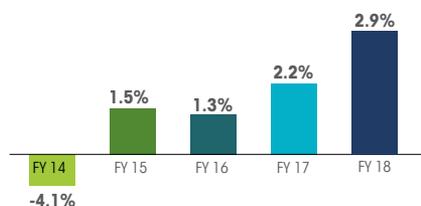
FREE CASH FLOW



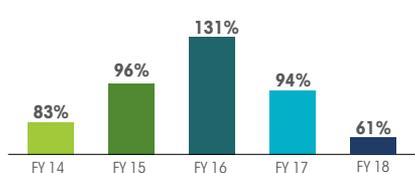
FCF% CONVERSION OF OPERATING CASH FLOW



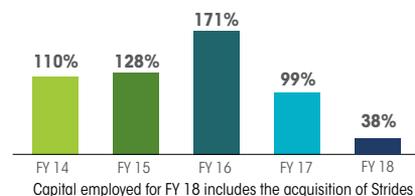
CHANGES IN WORKING CAPITAL TO REVENUE



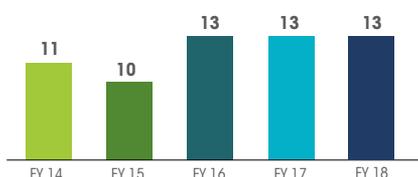
ROE



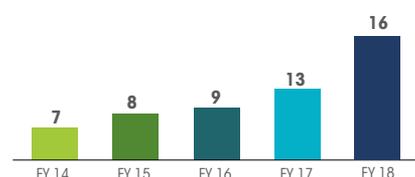
ROCE



INVENTORY TURNOVER RATE



TANGIBLE FIXED ASSET TURNOVER RATE



All figures are consolidated and in INR millions

FY-14 to FY-16 numbers are Restated IND GAAP Numbers and are not comparable.

Operating EBITDA = (Profit before interest, tax, depreciation and amortisation) - Other Income

Operating Cash Flow = Net cash flow from operating activities as per Cash flow statement

FCF(FREE CASH FLOW) = (Operating Cash Flow) - (Purchase of Property, Plant & Equipment as per cash flow statement)

ROE (Return on Equity) = (Profit for the year attributable to owners of the company) / (Net worth ex-cash)

ROCE (Return on Capital Employed) = Operating EBITDA / Capital Employed (ex-cash)

Net worth (ex-cash) = (Equity attributable to the owners of the company) - (Treasury Investments + Cash and cash equivalents + other bank balances)

Capital Employed(ex-cash) = Net worth(ex-cash) + Non controlling interest + Long-term Borrowings + Current maturities of long-term borrowings + Short-term Borrowings + Deferred tax liabilities(net)

Inventory Turnover Rate : Revenue from operations / Inventories

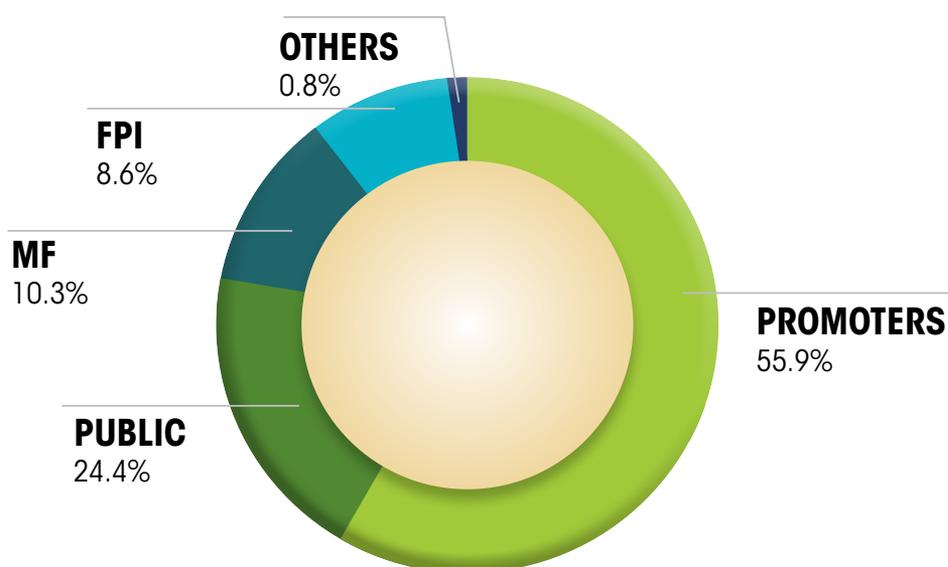
Tangible Fixed Asset Turnover Rate : Revenue from operations / (Property, plant & equipment + Capital WIP)

Changes in Working Capital to Revenue: Changes in Working Capital as per Cash Flow statement / Revenue from operations

TOP 10 INSTITUTIONAL INVESTORS* AS ON 31ST MAR 2018

ADITYA BIRLA SUN LIFE MUTUAL FUND	3.27%
MOTILAL OSWAL MUTUAL FUND	3.20%
GOLDMAN SACHS INDIA LIMITED	1.59%
SBI MUTUAL FUNDS	1.40%
MORGAN STANLEY INVESTMENT FUND INDIAN EQUITY FUND	1.39%
MATTHEWS INDIA FUND	1.05%
ABU DHABI INVESTMENT AUTHORITY	1.01%
NORGES BANK ON ACCOUNT OF THE GOVERNMENT PENSION FUND GLOBAL	0.75%
FUNDSMITH EMERGING EQUITIES TRUST PLC	0.68%
KOTAK MAHINDRA MUTUAL FUND	0.67%

SHAREHOLDING PATTERN* AS ON 31ST MAR 2018



* Based on grouping assumptions

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Amit Bakshi

Managing Director

Mr. Himanshu Shah

Wholetime Director

Mr. Inderjeet Singh Negi

Wholetime Director

Mrs. Vijaya Sampath

Independent Director

Mr. Prashant Gupta

Independent Director

Dr. Kirit Shelat

Independent Director

AUDIT COMMITTEE

Mrs. Vijaya Sampath

Chairperson

Mr. Prashant Gupta

Member

Dr. Kirit Shelat

Member

Mr. Himanshu Shah

Member

BANKERS

AXIS Bank Limited

HDFC Bank Limited

IDBI Bank Limited

CHIEF FINANCIAL OFFICER

Mr. Sachin Shah

COMPANY SECRETARY

Mr. Milind Talegaonkar

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP

INTERNAL AUDITORS

M/s. Agrawal Dhand Motwani & Co.

Mrs. Vidya Bhaskar Subramanian

COST AUDITORS

M/s. Kiran J Mehta & Co.

SECRETARIAL AUDITORS

M/s Ravi Kapoor & Associates

REGISTERED OFFICE

**8th Floor, Commerce House-IV, Prahladnagar,
Ahmedabad-380 015, Gujarat, India**

MANUFACTURING FACILITY

**Plot Nos. 30 and 31, Brahmaputra Industrial Park,
Under Mouza-Sila, Senduri Ghopa, Amingaon,
North Guwahati, Guwahati 781 031 Assam, India**

REGISTRAR & SHARE TRANSFER AGENT

**Link Intime India Private Limited C - 101, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai – 400 083**

BOARD OF DIRECTORS



Mr. Amit Bakshi
Chairman and Managing Director

Mr. Amit Bakshi has been on the Board of our Company since inception serving in capacity of Chairman and Managing Director. He brings extensive experience of Indian Pharmaceutical industry and handles Strategic Management role for the company across all functions of our business. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.



Mr. Himanshu J. Shah
Executive Director

Mr. Himanshu Shah has been on the Board of our Company since inception serving in capacity of Executive Director. He is responsible for supporting overall management in line with strategic direction of our company across multiple operation functions. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.



Mr. Inderjeet Singh Negi
Executive Director

Mr. Inderjeet Singh Negi has been on the Board of our Company since inception serving in capacity of Executive Director. He is responsible for supporting the overall management in line with strategic direction of our company across sales function. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.



Ms. Vijaya Sampath
Independent Director

Mrs. Vijaya Sampath, aged 65 years is an Independent Director of our Company. She holds a bachelor's degree in Arts (English literature) from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India. She has also attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA. She was appointed on the Board of our Company on February 3, 2017. Mrs. Vijaya Sampath has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years. At the time of resigning from Bharti Airtel Limited, she held the designation of Group General Counsel and Company Secretary. At present, she holds the designation of a senior partner in corporate law practice of Lakshmikumaran and Sridharan, Attorneys, an Indian law firm. Currently, she is also an independent director on the boards of various listed and unlisted companies in the financial services, power, renewable energy and branded luggage sector. She has 35 years of experience in the legal profession as an in-house counsel and lawyer and has significant experience in corporate law, joint ventures, mergers and acquisitions and commercial contracts.

Mr. Prashant Gupta
Independent Director

Mr. Prashant Gupta, aged 39 years is an Independent Director of our Company. He received his Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He was appointed on the Board of our Company on April 30, 2018. Mr. Prashant Gupta is a Partner in the corporate department of Shardul Amarchand Mangaldas. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017.



Dr. Kirit Nanubhai Shelat
Independent Director

Dr. Kirit Nanubhai Shelat, (IAS retired) aged 71 years is an Independent Director of our Company. He holds a bachelor's degree in arts (special) from the University of Gujarat and a Ph.D degree. He was appointed on the Board of our Company on February 3, 2017. Dr. Kirit Nanubhai Shelat has previously worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation. He has 40 years of experience in public administration.



DIRECTORS' REPORT

Directors' Report

Dear Members,

The Board of Directors have pleasure in presenting their 2nd Annual Report (Post – IPO) on the business and operations of the Company together with the Audited Financial Statements (standalone and consolidated) for the year ended March 31, 2018.

1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under:

(₹. in million)

Particulars	Standalone		Consolidated	
	Year ended 31 st March, 2018	Year ended 31 st March, 2017	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Total Revenue	7888.24	7379.83	8820.12	7746.09
Operating EBITDA	3158.87	2711.42	3220.13	2690.68
Profit/(Loss) before taxation	3118.89	2739.85	3122.29	2703.87
Less : Tax Expenses	182.34	258.44	172.51	237.80
Profit after tax before share of profit/(loss) of minority interest	2936.55	2481.41	2949.78	2466.07
Share of profit/(loss) attributable to Minority Interest		-	8.73	(1.78)
Profit for the year attributable to the shareholders of the company	2936.55	2481.41	2941.05	2467.85
Other Comprehensive Income	(0.73)	(4.91)	0.66	(4.91)
Total Comprehensive Income	2935.82	2476.50	2950.44	2461.16
Total Comprehensive Income - Owners of the company	2935.82	2476.50	2941.71	2462.94
Add : Balance B/F from the previous year	5601.47	3261.09	5526.86	3200.04
Less: Interim dividend	-	-	-	-
Less: Utilised for issuing bonus shares	-	(136.12)	-	(136.12)
Balance Profit / (Loss) C/F to the next year	8537.29	5601.47	8468.57	5526.86

2. STATE OF AFFAIRS:

The gross sales and other incomes for the financial year under review was Rs. 7888.24 million as against Rs. 7379.83 million in the previous year, recording a growth of 6.89 %. The profit before tax was Rs. 3118.89 million for the financial year under review as against Rs. 2739.85 million for the previous financial year, registering an increase of 13.83 %. The profit after tax for the financial year under review was Rs. 2936.55 million as against Rs. 2481.41 million for the previous financial year, registering an increase of 18.34 %.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to operate only in one segment i.e. pharmaceuticals and there has been no change in the nature of the business of the Company.

4. DIVIDEND:

The Board of Directors of the Company have decided to reinvest the profits into the business and for this reason do not recommend the payment of any dividend for the financial year 2017-18 (during the previous year Nil).

The Company has adopted the Dividend Distribution Policy and the said policy appears at "Annexure 1" and is also available on the website of the Company at the link <http://eris.co.in/policies>

5. CAPITAL EXPENDITURE:

As on March 31st, 2018, the gross fixed assets (tangible and intangible) stood at Rs. 5329.32 million (previous year Rs. 1132.04 million) and the net fixed assets (tangible and intangible), at Rs.4897.47 million (previous year Rs. 917.76 million). Capital expenditure during the year amounted to Rs. 242.69 million (previous year Rs. 488.62 million). Additionally, during the year under review, consideration of Rs. 5,061.52 million (previous year Rs. 773.79 million) was paid towards business acquisition.

6. AMOUNT TO BE CARRIED TO RESERVES:

The Company has not transferred any amount to the reserves during the financial year (previous year: Nil).

7. CHANGES IN CAPITAL STRUCTURE:

There is no change in the capital structure of the Company during the financial year under review.

8. STATUTORY AUDITORS:

M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018 Statutory Auditors of the Company, were appointed at the 10th AGM held on 25.10.2016, subject to ratification of their appointment at every AGM till the 15th AGM.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, the requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and M/s Deloitte Haskins & Sells LLP, Chartered Accountants, will continue to act as auditors of the Company till financial year 2020-21.

The Auditor's Report for the financial year ended 31st March, 2018 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

9. COST AUDITORS:

M/s Kiran J Mehta & Co., Cost Accountants have been duly re-appointed as the Cost Auditors for the financial year 2018-2019.

The cost records as specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013, are made and maintained by the Company.

10. SECRETARIAL AUDIT REPORT:

M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad have been duly re-appointed as the Secretarial Auditor of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year 2017-18 appears at "Annexure 2" to this report. The Secretarial Auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

11. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devises and adopts improved controls wherever necessary.

12. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appear at "Annexure 3" to this report.

13. SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

During the year under review, UTH Healthcare Limited and Eris Healthcare Private Limited (earlier known as Strides Healthcare Private Limited) became subsidiaries of the Company.

The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at <http://eris.co.in/policies>.

14. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

The Board has reviewed the affairs of its subsidiary Companies. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014 a statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company appears in Form AOC – 1 which is enclosed at "Annexure 4" to this report. Details pertaining to the subsidiaries of the Company are provided in the notes to the Consolidated Financial Statements.

The Audited Financial Statements of Company's subsidiaries for the financial year ended on 31st March, 2018 are available on the web link <http://eris.co.in/financial-statement-subsidiaries/> and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in notice of the 12th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same subject to compliance of provisions of the Companies Act, 2013.

15. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 as also the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

16. EXTRACT OF ANNUAL RETURN (MGT-9):

The extract of the Annual Return appears at "Annexure 5" to this Report. The Annual Return (MGT-7) of the Company shall be available on the web link www.eris.co.in as and when filed with MCA.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee composition, meetings and the attendance of the Members at the meetings along with other details appear in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at "Annexure 6" to this Report. The content of the CSR Policy is available on the website of the Company at the link: <http://eris.co.in/policies>.

18. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appear separately in the Annual Report.

19. CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance, and the Practicing Company Secretary's Certificate confirming compliances appears at "Annexure 7" to this report.

20. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as required under Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 describing the initiatives taken by the Company from an environmental, social and governance perspective appears separately in the Annual Report.

21. DIRECTORS & KEY MANAGERIAL PERSONNELS:

The composition of the Board of Directors underwent changes set-out below:

During the year under review:

- Mr. Sanjiv Dwarkanath Kaul, nominee of Botticelli, resigned from the Directorship of the Company w.e.f. 26th May, 2017 pursuant to exit of the nominating investor post IPO.
- Mr. Rajiv Gulati resigned from the Directorship of the Company w.e.f. 6th October, 2017 due to personal reasons.
- Mr. Shardul Suresh Shroff resigned from the Directorship of the Company w.e.f. 1st February, 2018 due to personal commitments.

Subsequent changes in composition till the date of this Report:

- Mr. Prashant Gupta was appointed as an Independent Director of the Company w.e.f. 30th April, 2018.
- In accordance with Section 161 of the Companies Act, 2013, Mr. Prashant Gupta, appointed as additional director, holds office upto the 12th Annual General Meeting of the Company and being eligible offers himself for appointment as a regular Director at the Meeting.

- Mr. Inderjeet Singh Negi, Whole-time Director of the Company, being longest in office, retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

22. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review the Board of Directors of the Company duly met 7 (Seven) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings appear in the Report on Corporate Governance which separately appears in this Annual Report.

23. AUDIT COMMITTEE:

The details pertaining to composition, meetings, attendance of the members thereat and the other applicable details of the Audit Committee pertaining to the year under review appear in the Report on Corporate Governance which separately appears in this Annual Report. All recommendations made by the Audit Committee during the year under review have been accepted by the Board of Directors.

24. NOMINATION AND REMUNERATION COMMITTEE:

The details pertaining to composition, meetings, attendance of the members thereat and the other applicable details of the Nomination and Remuneration Committee pertaining to the year under review appear in the Report on Corporate Governance.

25. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details pertaining to composition, meetings, attendance of the members thereat and the other applicable details of the Stakeholders Relationship Committee pertaining to the year under review appear in the Report on Corporate Governance.

26. IPO COMMITTEE:

The Board of Directors in their meeting held on 17th August, 2017 approved the dissolution of the IPO Committee of the Board. However, the details pertaining to composition, meetings, attendance of the members thereat and the other applicable details of the IPO Committee pertaining to the year under review appear in the Report on Corporate Governance.

27. EXECUTIVE COMMITTEE:

The Board of Directors in their meeting held on 25th May, 2017 approved the constitution of Executive Committee of the Board. The details pertaining to composition, meetings, attendance of the members thereat and the other applicable details of the Executive Committee pertaining to the year under review appear in the Report on Corporate Governance.

28. EMPLOYEES' STOCK OPTION SCHEME:

The 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders at their Extra Ordinary General Meeting held on 3rd February, 2017 and subsequently in the Eleventh Annual General Meeting held on 29th September, 2017, the Shareholders ratified the said Plan. The details as required to be disclosed under the Companies

Act, 2013 and read with rules thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB, 2014) appear at Annexure 8 and are available on the Company's website at: <https://eris.co.in/downloads/>

The objects of the Scheme are, inter alia, to provide an incentive to reward and motivate employees and enable them to participate in the long-term financial growth of the Company. The Company has granted stock options to the eligible employees. The options will be exercisable into equity shares as per the terms and conditions as stipulated in Plan.

The Plan is in compliance with the SEBI SBEB, 2014. There were no material changes in the Plan. The certificate from the Statutory Auditors of the Company certifying that the Scheme is implemented in accordance with the SBEB Regulations and the resolutions passed by the members in this regard shall be available at the Annual General Meeting for inspection by members.

29. CONTRACTS WITH RELATED PARTIES:

Related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 9" to this report.

30. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE OR SECURITY PROVIDED BY THE COMPANY:

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 appear in the notes to the financial statements.

31. PROTECTION OF WOMEN AT WORKPLACE:

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

32. RISK MANAGEMENT PLAN:

The Board of Directors of the Company has duly formulated and implemented a risk management plan for enabling the Company to identify elements of risks as contemplated by the provisions of Section 134(3)(n).

33. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company ensures to provide an avenue to Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported.

34. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- They had taken proper and sufficient care 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;
- They had prepared the annual accounts on a going concern basis;
- They had laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

35. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company has in place a policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees which appears at "Annexure 10" to this report.

The details of parameters adopted for evaluating the performance of Non-Executive Directors appears in the Report on Corporate Governance which forms part of this Annual Report.

The Board has got its performance evaluated through the meeting of Independent Directors at their duly convened and held meetings which took into account factors like its ability to create value for its shareholders while ensuring legal compliances and corporate governance norms. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on their ability to support the Board in the discharge of its duties and adhering to their respective terms of reference. The Board records its satisfaction about the performance of all the committees of the Board. The performance

evaluation of Chairperson and Managing Director of the Company has been carried out by the Independent Directors at their duly convened meetings. The remaining members of the Board were evaluated at the Board Meetings based on parameters adopted by the Nomination and Remuneration Committee.

36. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

37. DECLARATION OF INDEPENDENCE:

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013.

38. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure required pursuant to provisions of Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and appears at "Annexure 11".

39. AWARDS AND RECOGNITIONS:

During the year under review the Company has been recognised for its excellence and included among the recipients of "The best Asian Healthcare Brands 2017" award.

40. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, that would affect the financial position of the Company from the end of the financial year of the Company to which the financial statements relate till the date of the directors report.

41. SIGNIFICANT AND MATERIAL ORDER(S) PASSED BY REGULATORS / COURTS / TRIBUNALS

There was no material order passed by Regulators / Courts / Tribunals during the year under review.

42. PUBLIC DEPOSITS

The Company has not accepted deposits from public during the year under review and there was no deposit outstanding on March 31, 2018.

43. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as either there were no transactions related to these or the provisions of relevant sections of the Companies Act, 2013, SEBI Regulations were not applicable to the Company during the year under review.

- Reporting of fraud by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- Receipt of any commission from the Company or remuneration from any of its subsidiaries by the Managing Director or the Whole-time Directors of the Company.
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financial years.

44. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Amit Bakshi

(DIN: 01250925)

Chairperson and Managing Director

Ahmedabad, 9th August 2018

Dividend Distribution Policy

INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Eris Lifesciences Limited ('Company'), has formulated this 'DIVIDEND DISTRIBUTION POLICY' ('Policy').

The Board of Directors ('Board') of the Company has adopted this policy in their meeting held on 12th February, 2018.

OBJECTIVE

The Policy has been formulated:

- To provide guidance for making a decision for declaration of dividend by the Company so as to seek a balance in the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.
- Convey the above to the stakeholders for transparency and fair expectations.

FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

Financial parameters and internal factors

- Net profit earned by the Company
- Profit available for distribution (profit of previous years available)
- Liquidity requirement of the Company
- Any current project requirement –whether business related or acquisition/ merger/ joint venture
- Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the Company
- Upgradation of technology and physical infrastructure
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowing
- Past dividend payout ratio/ trends
- Any other factor as thought fit by the Board

External factors

- Economic environment
- Capital markets
- Global conditions
- Dividend payout scenario in the industry
- Legal and regulatory provisions and guidelines
- Any events such as strikes and lock outs

THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY NOT EXPECT DIVIDEND

The Company shall not declare or distribute any dividend wherein:

- Funds are required for On-going / proposed expansion plan;
- Funds are required for On-going / proposed project requiring large capital outflow;
- Requirement of high working capital;
- Re-payment of outstanding loan, if so decided by the Board;
- Loss/ inadequate profit is made by the Company;
- Covenants with lenders/ Debenture trustees, if any, providing anything to the contrary
- The Board decides so, after analyzing the circumstances

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The Board may retain its earnings in order to make better use of the available funds and increase the value for the stakeholders in the long run. The Board may consider the following factors while deciding the amount of earnings that need to be retained:

- To meet working capital requirement(s)
- Market expansion plan(s)
- Product expansion plan(s)
- Increase in production capacity(s)
- Modernization plan(s)
- Diversification of business
- To fund new acquisitions, mergers & investments
- To maintain adequate liquidity levels
- Replacement of capital assets
- Re-payment of outstanding loan, if so decided by the Board
- Creation of reserves/ statutory reserves in accordance with law
- Such other criteria as the Board may deem fit from time to time.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

PROCEDURE FOR DIVIDEND PAYOUT

The Dividend shall be paid out following the procedure in accordance with the provisions of the Companies Act, 2013, SS-3 issued by ICSI, SEBI Guidelines and any other applicable law.

DISCLOSURE

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company: <http://eris.co.in/>

POLICY REVIEW AND AMENDMENTS

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

For Eris Lifesciences Limited**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 9th August 2018

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,
The Members,
Eris Lifesciences Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eris Lifesciences Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Eris Lifesciences Limited ("the Company") for the Financial Year ended on 31st March, 2018 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- (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;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The following laws which are specifically applicable to the Company.
 - (a) The Drugs and Cosmetics Act, 1940 and rules framed thereunder
 - (b) The Drugs Price Control Order, 2013
 - (c) The Narcotics Drugs and Psychotropic Substances Act, 1985

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, changes took place in the composition of the Board of Directors and existing composition of the Board of Directors is 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. All decisions at Board Meeting and Committee Meetings were carried out unanimously. As per record available in the said minutes there were no dissenting views expressed by any directors during the meeting.

We 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.

We further report that during the audit period the Company there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date: 9th August, 2018

For Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407

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

Annexure-A

To,
The Members,
Eris Lifesciences Limited

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the process and practices, 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 procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 9th August, 2018

For Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of energy:

Steps taken for conservation of energy:

- Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.
- Use of LED lights to save electricity is being adopted.
- Regulation in usage of office lighting.
- Regular monitoring of high energy consumption areas and taking appropriate measures as and when required.
- All efforts are made to use more natural lights in the premises to optimise the consumption of energy.

The steps taken by the company for utilising alternate sources of energy:

- The Company is evaluating all possibilities of utilizing alternate sources of energy in its operation, wherever possible.

The capital investment on energy conservation equipment:

- During the year, the company made no capital investment on energy conservation equipment.

Technology absorption:

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- Expenditure on research and development by the Company was Rs. 7.74 Million during the year under review.

Foreign Exchange Earnings and Outgo details are as follows:

Sr. No.	Particulars	2017-18	2016-17
1	Foreign Exchange Earnings	NIL	NIL
2	Foreign Exchange Outgo	27.84	20.59

(₹. in million)

For Eris Lifesciences Limited

Amit Bakshi

(DIN: 01250925)

Chairperson & Managing Director

Ahmedabad, 9th August 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts In million)

Name of the subsidiary	Eris Therapeutics Private Limited	Aprica Healthcare Private Limited	Kinedex Healthcare Private Limited	UTH Healthcare Limited #	Eris Healthcare Private Limited (Previously Known as Strides Healthcare Private Limited) @
The date since when subsidiary was acquired	01.04.2010	12.07.2016	23.11.2016	01.10.2017	01.12.2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A.	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
Share capital	0.10/-	0.10/-	1.83/-	71.43/-	43.33/-
Reserves and surplus	0.76	(27.47)	(21.97)	(320.17)	513.78
Total assets	0.87	98.75	181.62	55.07	558.90
Total Liabilities	0.01	126.12	201.76	303.81	1.79
Investments	0.02	NIL	NIL	NIL	NIL
Turnover	NIL	398.35	515.80	68.47	0.72
Profit before taxation	(0.01)	24.32	25.89	(19.81)	(2.81)
Provision for taxation	0.02	9.29	(9.71)	0.04	(0.90)
Profit after taxation	(0.03)	15.03	35.60	(19.85)	(1.91)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
Extent of shareholding (in percentage)	100%	100%	75.48%	100%	100%

From 1st October 2017 till 31st March 2018.

@ From 1st December 2017 till 31st March 2018.

Part B Associates and Joint Ventures

Name of Associates or Joint Ventures	There are no associates or joint ventures of the Company during the year.
1. Latest audited Balance Sheet Date	N.A
2. Date on which the Associate or Joint Venture was associated or acquired	N.A
3. Shares of Associate or Joint Ventures held by the company on the year end	N.A
a) Numbers	N.A
b) Amount of Investment in Associates or Joint Venture	N.A
c) Extent of Holding (in percentage)	N.A
4. Description of how there is significant influence	N.A
5. Reason why the associate/joint venture is not consolidated	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	N.A
7. Profit or Loss for the year	N.A
i. Considered in Consolidation	N.A
ii. Not Considered in Consolidation	N.A

- There are no subsidiaries or associates or joint ventures which are yet to commence operations.
- There are no subsidiaries or associates or joint ventures which have been liquidated or sold during the year.

For Eris Lifesciences Limited

Amit Bakshi

Chairperson & Managing Director
DIN: 01250925

Himanshu Shah

Whole Time Director
DIN: 01301025

Sachin Shah

Chief Financial Officer

Milind Talegaonkar

Company Secretary
Membership No. A-26493

Ahmedabad 9th, August 2018

Form MGT-9
EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS:

1.	CIN	L24232GJ2007PLC049867									
2.	Registration Date	25TH JANUARY, 2007									
3.	Name of the Company	ERIS LIFESCIENCES LIMITED									
4.	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES NON- GOVERNMENT COMPANY									
5.	Address of the Registered office & contact details	8TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-30451111									
6.	Email address	complianceofficer@erislifesciences.com									
7.	Name of the Police Station having jurisdiction where the registered office is situated	ANAND NAGAR POLICE STATION									
8.	Address for correspondence, if different from address of registered office:	7TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-30451111									
9.	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	YES <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">SN</th> <th style="width: 60%;">Stock Exchange Name</th> <th style="width: 30%;">Code</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>BSE Limited</td> <td>540596</td> </tr> <tr> <td>2.</td> <td>National Stock Exchange of India Limited</td> <td>ERIS</td> </tr> </tbody> </table>	SN	Stock Exchange Name	Code	1.	BSE Limited	540596	2.	National Stock Exchange of India Limited	ERIS
SN	Stock Exchange Name	Code									
1.	BSE Limited	540596									
2.	National Stock Exchange of India Limited	ERIS									
10.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED C – 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI – 400 083 (T): 91 22 49186000									

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% of total turnover of the company% of total turnover of the company
1	PHARMACEUTICAL	2100	100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary /Associate	% of shares held	Applicable Section
1	ERIS THERAPEUTICS PRIVATE LIMITED 21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054	U24230GJ2009PTC057670	Subsidiary	100%	2(87)
2	APRICA HEALTHCARE PRIVATE LIMITED 19 Navalnagar, Nr.Hanuman Mandir Rajkot-360004	U24290GJ2016PTC092903	Subsidiary	100%	2(87)
3	KINEDEX HEALTHCARE PRIVATE LIMITED 28, Shiv Shakti Nagar, Near Indo-Bhart School, Nirman Nagar, Jaipur- 302019	U51397RJ2002PTC017820	Subsidiary	75.48%	2(87)
4	ERIS HEALTHCARE PRIVATE LIMITED (Previously Known as Strides Healthcare Private Limited) Prestige Sterling Square, 2nd Floor Unit F104 A&B, F105 & F106 No. 315 Madras Bank Road Off Bangalore – 560001 Note: (1)	U24211KA2013PTC069731	Subsidiary	100%	2(87)
5	UTH HEALTHCARE LIMITED 1st Floor, Ganga Commerce, Lane No. 5, North Main Road, Koregaon Park, Village Ghorpadi Pune – 411001 Note: (2)	U24232PN2011PLC138758	Subsidiary	100%	2(87)

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 i.e. 01.04.2017			% of Total Shares	No. of Shares held at the end of the year i.e 31.03.2018			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoter									
1) Indian									
Individual/HUF	81373000	-	81373000	59.18	7,69,04,500	-	7,69,04,500	55.93	(3.25)
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other Non Public & Non Promoter	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	81373000	-	81373000	59.18	7,69,04,500	-	7,69,04,500	55.93	(3.25)
2) Foreign									
NRIs-Individuals	-	-	-	-	-	-	-	-	-

Note 1 : 100% Equity Shares of M/s. Eris Healthcare Private Limited were acquired on 1st December, 2017.

Note 2: 100% Equity Shares of M/s. UTH Healthcare Limited were acquired on 1st October, 2017. The Company has changed its Registered office w.e.f. 1st July, 2018 from 1st Floor, Ganga Commerce, Lane No. 5, North Main Road, Koregaon Park, Village Ghorpadi Pune – 411001 to 805, 806, Clover Plaza, NIBM Road, Konjhawa, Pune – 411048.

Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
Mutual Funds	-	-	-	-	1,41,44,529	-	1,41,44,529	10.29	10.29
Banks / FI	-	-	-	-	3210	-	3210	0.002	0.002
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	1,00,383	-	1,00,383	0.07	0.07
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Foreign Portfolio Investors)	-	-	-	-	11809715	-	11809715	8.59	8.59
(Alternate Investment Funds)	-	-	-	-	625216	-	625216	0.45	0.45
Sub-total (B)(1)	-	-	-	-	2,66,83,053	-	2,66,83,053	19.41	19.41
2. Non Institutions									
a. Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii)Overseas	22344000	-	22344000	16.25	-	-	-	-	(16.25)
b. Individuals									
Individual shareholders holding nominal share capital upto Rs. 1lakh	-	-	-	-	1814252	5	1814257	1.32	1.32
Individual Shareholders Holding nominal share capital in excess of Rs. 1lakh	33783000	-	33783000	24.57	31720500	-	31720500	23.07	(1.50)
c. Others(Specify)									
HUF	-	-	-	-	76,602	-	76,602	0.06	0.06
Non Resident Indian	-	-	-	-	79,379	-	79,379	0.06	0.06
Director or Director's Relative	-	-	-	-	2,820	-	2,820	0.00	0.00

Clearing Members	-	-	-	-	79,092	-	79,092	0.06	0.06
Bodies Corporate	-	-	-	-	1,39,797	-	1,39,797	0.10	0.10
Sub-total (B)(2)	56127000	-	56127000	40.82	33912442	5	33912447	24.66	(16.16)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	56127000	-	56127000	40.82	60595495	5	60595500	44.07	3.25
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13,75,00,000		13,75,00,000	100	13,74,99,995	5	13,75,00,000	100	

II. Shareholding of Promoters

Sr. No.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of Total shares of Company	% of shares pledged/ encumbered to total shares	
1	MR. AMIT INDUBHUSHAN BAKSHI	5,49,59,000	39.97	-	5,42,71,500	39.47	-	-0.5
2	MR. HIMANSHU JAYANTBHAI SHAH	69,72,000	5.07	-	62,84,500	4.57	-	-0.5
3	MR. INDERJEET SINGH NEGI	69,71,000	5.07	-	59,39,833	4.32	-	-0.75
4	MR. RAJENDRAKUMAR RAMBHAI PATEL	69,71,000	5.07	-	59,39,834	4.32	-	-0.75
5	MR. KAUSHAL KAMLESHKUMAR SHAH	55,00,000	4.00	-	44,68,833	3.25	-	-0.75

III. Change in Promoter's Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	MR. AMIT BAKSHI				
	At the beginning of the year	54959000	39.97	54959000	39.97
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	687500	0.5	54271500	39.47
	At the end of the year	54271500	39.47	54271500	39.47
2.	MR. HIMANSHU SHAH				
	At the beginning of the year	6972000	5.07	6972000	5.07
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	687500	0.5	6284500	4.57
	At the end of the year	6284500	4.57	6284500	4.57
3.	MR. INDERJEET SINGH NEGI				
	At the beginning of the year	6971000	5.07	6971000	5.07
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	1031167	0.75	5939833	4.32
	At the end of the year	5939833	4.32	5939833	4.32
4.	MR. RAJENDRA PATEL				
	At the beginning of the year	6971000	5.07	6971000	5.07

Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	1031166	0.75	5939834	4.32
At the end of the year	5939834	4.32	5939834	4.32
5. MR. KAUSHAL SHAH				
At the beginning of the year	5500000	4	5500000	4
Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	1031167	0.75	4468833	3.25
At the end of the year	4468833	3.25	4468833	3.25

IV. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1. BOTTICELLI					
	At the beginning of the year	22344000	16.25	22344000	16.25
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	22344000	16.25	-	-
	At the end of the year	-	-	-	-
2. BHIKHALAL CHIMANLAL SHAH					
	At the beginning of the year	12429000	9.04	12429000	9.04
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	1375000	1	11054000	8.04
	At the end of the year	11054000	8.04	11054000	8.04
3. RAKESH SHAH					
	At the beginning of the year	15854000	11.53	15854000	11.53
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	15854000	11.53	15854000	11.53
4. HETAL RASIKLAL SHAH					
	At the beginning of the year	5500000	4	5500000	4
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	687500	0.5	4812500	3.5
	At the end of the year	4812500	3.5	4812500	3.5
5. ADITYA BIRLA SUN LIFE MUTUAL FUND					
	At the beginning of the year	-	-	-	-
	Transaction (Increase by purchase and Decrease by sale) during the year	4497521	3.27	4497521	3.27
	At the end of the year	4497521	3.27	4497521	3.27
6. MOTILAL OSWAL MUTUAL FUND					
	At the beginning of the year	-	-	-	-

Transaction (Increase by purchase and Decrease by sale) during the year	4319709	3.14	4319709	3.14
At the end of the year	4319709	3.14	4319709	3.14
7 SBI MUTUAL FUNDS				
At the beginning of the year	-	-	-	-
Transaction (Increase by purchase and Decrease by sale) during the year	1931559	1.4	1931559	1.4
At the end of the year	1931559	1.4	1931559	1.4
8 GOLDMAN SACHS INDIA LIMITED				
At the beginning of the year	-	-	-	-
Transaction (Increase by purchase and Decrease by sale) during the year	1887035	1.37	1887035	1.37
At the end of the year	1887035	1.37	1887035	1.37
9 MATTHEWS INDIA FUND				
At the beginning of the year	-	-	-	-
Transaction (Increase by purchase and Decrease by sale) during the year	1400176	1.02	1400176	1.02
At the end of the year	1400176	1.02	1400176	1.02
10 ABU DHABI INVESTMENT AUTHORITY				
At the beginning of the year	-	-	-	-
Transaction (Increase by purchase and Decrease by sale) during the year	1389290	1.01	1389290	1.01
At the end of the year	1389290	1.01	1389290	1.01
11 NORGES BANK ON ACCOUNT OF THE GOVERNMENT PENSION FUND GLOBAL				
At the beginning of the year	-	-	-	-
Transaction (Increase by purchase and Decrease by sale) during the year	1034678	0.75	1034678	0.75
At the end of the year	1034678	0.75	1034678	0.75

V. Shareholding of Directors and Key Managerial Personnel.

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	MR. AMIT BAKSHI				
	At the beginning of the year	54959000	39.97	54959000	39.97
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	687500	0.5	54271500	39.47
	At the end of the year	54271500	39.47	54271500	39.47
2	MR. HIMANSHU SHAH				
	At the beginning of the year	6972000	5.07	6972000	5.07
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	687500	0.5	6284500	4.57
	At the end of the year	6284500	4.57	6284500	4.57
3	MR. INDERJEET SINGH NEGI				
	At the beginning of the year	6971000	5.07	6971000	5.07
	Shareholding decrease by sale of shares under IPO (OFS) on 27.06.2017	1031167	0.75	5939833	4.32
	At the end of the year	5939833	4.32	5939833	4.32
4	DR. KIRIT NANUBHAI SHELAT				
	At the beginning of the year	-	-	-	-
	Transaction (Increase by purchase and Decrease by sale) during the year	600	0.00 *	600	0.00 *
	At the end of the year	600	0.00 *	600	0.00 *
5	MRS. VIJAYA SAMPATH				
	At the beginning of the year	-	-	-	-
	Transaction (Increase by purchase and Decrease by sale) during the year	2220	0.00 *	2220	0.00 *
	At the end of the year	2220	0.00 *	2220	0.00 *
6	MR. SHARDUL SURESH SHROFF – Resigned w.e.f. 01.02.2018				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7	MR. RAJIV GULATI – Resigned w.e.f. 06.10.2017				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

8	MR. SANJIV DWARKANATH KAUL – Resigned w.e.f. 26.05.2017				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the end of the year				
9	MR. SACHIN SHAH				
	At the beginning of the year	-	-	-	-
	Shareholding Increase by purchase of shares under IPO (OFS) on 27.06.2017	912	0.00 *	912	0.00 *
	At the end of the year	912	0.00 *	912	0.00 *
10	MR. MILIND TALEGAONKAR				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

* Due to Round off.

VI. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	-	-	0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0	-	-	0
Change in Indebtedness during the financial year				
* Addition	4,000	-	-	4,000
* Reduction	250	-	-	250
Net Change	3,750	-	-	3,750
Indebtedness at the end of the financial year				
i) Principal Amount	3,750	-	-	3,750
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,750	-	-	3,750

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors: (₹. In Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole-time Directors		Total Amount
	Gross salary	AMIT BAKSHI	INDERJEET SINGH NEGI	HIMANSHU SHAH	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.43	9.81	9.82	69.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	49.43	9.81	9.82	69.06
	Ceiling as per the Act				291.41

B. REMUNERATION TO OTHER DIRECTORS: (₹. In Million)

Sr. No.	Particulars of Remuneration	Name of other Directors			Total Amount
	Independent Directors	Dr. Kirit Shelat	Mr. Shardul Shroff - Resigned w.e.f. 01.02.2018	Mr. Rajiv Gulati – Resigned w.e.f. 06.10.2017	Mrs. Vijaya Sampath
1.	Fee for attending board committee meetings	0.65	-	0.45	0.6
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.65	-	0.45	0.6
	Other Non-Executive Directors	Mr. Sanjiv Kaul – Resigned w.e.f. 26.05.2017			
2.	Fee for attending board committee meetings	-			
	Commission	-			
	Others, please specify	-			
	Total (2)	-			
	Total (B)=(1+2)	0.65	-	0.45	0.6
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				NA

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (₹. In Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.83	10.05	11.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	6651 shares	16628 shares	23279 shares
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	1.83	10.05	11.88

VIII. PENALTIES / 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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For Eris Lifesciences Limited

Amit Bakshi

Chairperson & Managing Director

DIN: 01250925

Ahmedabad, 9th August 2018

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

BRIEF OF THE COMPANY'S CSR POLICY:

While the Company continues to expand and grow in its sector of business, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda.

The Company's focus areas under CSR are:

- Preventive Medical Screening
- Education
- Environment

The CSR Policy has been put up on the Company's Website and can be accessed through the following link: <http://eris.co.in/policies>.

THE COMPOSITION OF THE CSR COMMITTEE:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on 31.03.2018 was:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent /Non-independent
1	Mr. Inderjeet Singh Negi – Chairperson	Executive	Non-Independent
2	Mr. Himanshu Shah - Member	Executive	Non-Independent
3	Dr. Kirit Shelat- Member	Non-Executive	Independent

TOTAL NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

- Rs. 4911.25 Million

AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

- Rs. 16,37.08 Million

PRESCRIBED CSR EXPENDITURE :

- Rs. 32.74 Million (2% of Average Net Profit)

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year: Rs. 32.74 Million
- Total amount spent during the financial year: Rs. 7.29 Million
- Amount unspent: Rs. 25.45 Million

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

S.No	CSR project or activity identified	Sector in which the Project is covered.	Projects or Programs 1. Local Area or Other 2. Specify the State and district where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Preventive Medical Screening at public places	Schedule VII (i) i.e. Preventive Healthcare	Gujarat (Ahmedabad) and Maharashtra (Mumbai)	Rs. 32.74 Million	Rs. 7.29 Million	Rs. 7.29 Million	Both, Implementing Agency namely Eris Foundation

* Give details of implementing agency:

Eris Foundation is a public charitable trust formed under The Bombay Trusts Act, 1950 (Registration No.:E/19081/Ahmedabad) and having applicable registrations under the Income Tax Act, 1961. It has been in existence since 2009.

THE REASONS FOR UNSPENT AMOUNT:

A marked increase in the utilisation in the CSR spend compared to the last year is apparent from the financials. The initial gestation of the project taken up for execution has approached its completion in the year under review. About four-fold increase in site approvals can be fairly expected during the current year which has been because of our demonstrated CSR performance at the sites initially approved by the authorities. The company has now consciously opted to focus on the project involving 'screening of population for possible ailments which do not usually manifest in visible symptoms' after having unsuccessfully tried a few others like 'diabetic foot'. Though, the CSR budget remained unspent to a large extent yet the year has been significant since it has strongly established the viability and workability of the CSR project that has been taken up all the while contributing to the capacity building required for scaling up and forging meaningful collaborations with the authorities for smooth roll out at larger scale. The fruits of these intangible accomplishments during the year under review can well be expected to be realised during the current financial year.

A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with the Company's CSR objectives.

For Eris Lifesciences Limited

Amit Bakshi

(DIN: 01250925)

Chairperson & Managing Director

Ahmedabad, 9th August 2018

Inderjeet Singh Negi

(DIN: 01255388)

Chairperson, CSR Committee

CORPORATE GOVERNANCE REPORT

(Pursuant to provisions of Schedule V of the SEBI (LODR) Regulations, 2015/ "SEBI Listing Regulations")

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in conscientiousness, innovation, fairness, transparency, pursuit of long-term value for all stakeholders, ethical & accountability driven processes and a purposeful existence. Your Company views the code of Governance as an opportunity to translate these beliefs into conduct which may assure all persons dealing or contemplating dealing with the company about these legitimate expectations from the Company.

2. BOARD OF DIRECTORS:

As on 31st March, 2018, the Board of Directors comprised of 5 (five) directors out of which 3 (three) being promoter executive directors and 2 (two) non-executive independent directors (Mr. Shardul Shroff, Independent Director, resigned w.e.f 1st February, 2018). Regulation 25(6) of the SEBI LODR Regulations requires the Company to fill the vacancy created by resignation of Independent Director within three months from the date of such vacancy. So, the composition of the Board of Directors of the Company, as on date, is in conformity with the requirements of the Companies Act, 2013 ("the Act"), the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), as applicable. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2018, have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is compliant with the requirements of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

BOARD MEETINGS

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year ended on 31st March, 2018 the Board met 7 (seven) times on 12.04.2017, 25.05.2017, 06.06.2017, 21.06.2017, 17.08.2017, 18.11.2017 and 12.02.2018.

COMPOSITION AND CATEGORY OF DIRECTORS

The Composition of the Board, the category of Directors' and their attendance at the Board Meeting held during the year is as follows.

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorships [^]	No. of Committees in which Chairman/member #	
					Chairperson	Member
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	7	Yes	1	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	6	Yes	2	0	1
Mr. Himanshu Jayantbhai Shah (DIN: 01301025)	Promoter, Executive and Whole-time Director	7	Yes	1	0	2

Dr. Kirit Nanubhai Shelat (DIN: 00190619)	Non-Executive and Independent Director	5	No	1	1	2
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	4	Yes	8	2	4
Mr. Sanjiv Dwarkanath Kaul (DIN:01550413)(Resigned w.e.f. 26.05.2017)	Non-Executive and Nominee Director of Private Equity Investor	2	NA	-	-	-
Mr. Rajiv Gulati (DIN: 06820663) (Resigned w.e.f. 06.10.2017)	Non-Executive and Independent Director	3	Yes	-	-	-
Mr. Shardul Suresh Shroff (DIN: 00009379) (Resigned w.e.f. 01.02.2018)	Non-Executive and Independent Director	0	No	-	-	-

^ The above list of 'other directorships' is based on declaration received from the respective Directors and does not include directorship in this Company, private limited, foreign and Section 8 Companies.

The Committee (Audit and Stakeholders' Relationship Committee only) Memberships and Chairmanship in other Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

All the information required to be furnished to the Board was made available to them along with detailed agenda notes.

As on 31st March, 2018, the details of Equity Shares held by Non-Executive Directors are as under:

Name of Director	No. of Equity Shares held
Dr. Kirit Nanubhai Shelat	600
Mrs. Vijaya Sampath	2220

The familiarisation programmes imparted to independent directors is available on <http://eris.co.in/policies/>
None of the Directors are related to each other in any way.

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as under:

Name of the Director	Mr. Inderjeet Singh Negi	Mr. Prashant Gupta
Age	47 Years	38 Years
Date of Appointment on the Board	27/01/2007	30/04/2018

Brief resume and nature of expertise in functional areas	<p>He holds a bachelor's degree in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal).</p> <p>He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 13 years experience in the pharmaceutical industry.</p>	<p>He holds a degree of Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California.</p> <p>He is a Partner in the corporate department of Shardul Amarchand Mangaldas. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017.</p>
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None	None
Directorships held in other Listed Companies as on March 31, 2018 (Other than Eris Lifesciences Limited)	None	None
Memberships / Chairmanships of Committees in Listed Companies & public limited companies (other than Eris Lifesciences Limited and Section 8 Companies) as on March 31, 2018	None	None
Number of shares held in the Company as on March 31, 2018	59,39,833	Nil

3. AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2018, comprising of 3 (three) members out of which 1 (one) being executive director and 2 (two) non-executive independent directors.

During the year under review, the Audit Committee duly met 5 (Five) times on 12.04.2017, 25.05.2017, 17.08.2017, 18.11.2017 and 12.02.2018. The gap between any two successive Audit Committee meetings did not exceed one hundred and twenty days. The attendance of the members is disclosed below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson, Non-Executive Independent Director	4
2	Dr. Kirit Shelat #	Member, Non-Executive Independent Director	2
3	Mr. Himanshu Shah *	Member, Executive Director	3
4	Mr. Sanjiv Kaul @	Member, Non-Executive Independent Director	2
5	Mr. Rajiv Gulati \$	Member, Non-Executive Independent Director	3

Appointed as Member w.e.f. 30.10.2017.

@ Ceased to be Member w.e.f. 26.05.2017.

* Appointed as Member w.e.f. 26.05.2017.

\$ Ceased to be Member w.e.f. 06.10.2017.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee is responsible for the discharge of its statutory role as per framework provided under the Companies Act, 2013 and the applicable SEBI rules and regulations. It covers, inter alia, the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors (including chief internal auditor of the Company and external auditors) and the fixation of the audit fee;
3. Approval of payment to statutory auditors or external auditors for any other services rendered by them;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's and Internal Auditors independence and performance and discuss the same with the management and review effectiveness and adequacy of audit process and review Internal audit reports relating to internal control weaknesses;
8. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed and mandatorily review Statement of significant related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. 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 control systems of a material nature and reporting the matter to the Board;
13. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
14. Discussion with 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;
15. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. Reviewing the functioning of the whistle blower mechanism;
17. Review of statutory compliances and legal cases
18. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
19. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law.
20. Mandatorily review Management discussion and analysis of financial condition and results of operations;
21. Management letters / letters of internal control weaknesses issued by the statutory auditors;
22. Statement of deviations in terms of the SEBI Listing Regulations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2018, comprising of 3 (three) members out of which 2 (two) being executive director and 1 (one) non-executive directors who acts as Chairperson of this Committee.

The Composition as on 31st March, 2018 of the Stakeholders Relationship Committee along with changes during the year are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent /Non-independent
1.	Mrs. Vijaya Sampath- Chairperson	Non-Executive	Independent
2.	Mr. Himanshu Shah – Member	Executive	Non-independent
3.	Mr. Inderjeet Singh Negi - Member	Executive	Non-independent
4.	Mr. Sanjiv Kaul – Member @	Non-Executive	Non-Independent

@ Ceased to be Member w.e.f. 26.05.2017.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the period under review the Company has not conducted any Stakeholders Relationship Committee meeting as there was no requirement to conduct the same. However, the Committee has passed one circular resolution during the year under review. Mr. Milind Talegaonkar, Company Secretary acts as the Compliance Officer of the Company.

Number of Shareholder Complaints Received, Solved and Pending during the year:

No. of Complaints Received	No. of Complaint not Solved to the satisfaction of shareholders	No. of Complaints Pending
26	0	0

The terms of reference of the Committee inter alia includes the following:

- Considering and resolving grievances of shareholders', debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- To consider and approve, any and all requests of the Security(ies) holders of the Company, for re-materialisation or de-materialisation of the Securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) and Regulation 19 of the Listing Regulations as on March 31, 2018, comprising of 3 (three) members out of which 2 (two) being non-executive independent directors and 1 (one) being Chairman and Managing Director of the Company.

The Composition as on 31st March, 2018 of the Nomination and Remuneration Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath &	Chairperson	3
2	Dr. Kirit Nanubhai Shelat *	Member	2
3	Mr. Amit Indubhushan Bakshi +	Member (Chairperson of the Company)	1
4	Mr. Sanjiv Dwarkanath Kaul @	Member	1
5	Mr. Rajiv Gulati #	Chairperson	2
6	Mr. Shardul Suresh Shroff \$	Member	-

& Added as Member w.e.f. 26.05.2017 and appointed as Chairperson w.e.f. 18.11.2017.

* Added as Member w.e.f. 30.10.2017

+ Added as Member w.e.f. 12.02.2018.

@ Ceased to be Member w.e.f. 26.05.2017.

Ceased to be Member w.e.f. 06.10.2017.

\$ Ceased to be Member w.e.f. 01.02.2018.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Nomination and Remuneration Committee duly met 4 (Four) times on 12.04.2017, 17.08.2017, 18.11.2017 and 12.02.2018.

The Nomination and Remuneration Committee, in its meeting held on 17th August, 2017, has adopted the following parameters to evaluate the performance of Non-Executive Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements and business performance.
- Overall contribution to the enhancement of brand image of the Company.

Managing Director and the Whole-time Director(s) and other Executive director(s):

- appropriate benchmarks set as per industry standards,
- the performance of the role occupant.

The terms of reference of the Committee inter alia includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
- To administer and superintend the ESOP scheme of the company.

6. CSR COMMITTEE

As on 31st March, 2018 the CSR Committee comprises of 3 (three) members out of which 2 (two) are executive directors and 1 (one) is non-executive Independent Director of the Company. The committee carries out functions enumerated in the Act. During the Year Company has conducted only One Meeting on 17.08.2017.

The Composition as on 31st March, 2018 of the CSR Committee along with changes during the year are as follows::

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi - Chairperson	Executive	Non-Independent	1
2	Dr. Kirit Shelat - Member	Non-Executive	Independent	1
3	Mr. Himanshu Shah - Member *	Executive	Non-Independent	1
4	Mr. Sanjiv Kaul - Member #	Non-Executive	Non-Independent	-

* Added as Member w.e.f. 26.05.2017.

Ceased to be Member w.e.f. 26.05.2017.

The Company has spent Rs. 7.29 million on CSR activities during the said financial year.

The terms of reference of the CSR Committee, inter alia, includes the following:

- Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013 for every financial year; and
- Monitoring the Corporate Social Responsibility Policy of our Company from time to time and recommending to the Board, any amendments in Corporate Social Responsibility Policy indicating activities that can be undertaken by the Company as specified in Schedule VII to the Companies Act 2013.

7. EXECUTIVE COMMITTEE MEETING

As on 31st March, 2018 the Executive Committee comprises of 3 (three) members, all being executive directors. During the Year Company has conducted seven Meetings on 19.06.2017, 30.06.2017, 01.10.2017, 18.11.2017, 30.11.2017, 05.01.2018 and 26.02.2018.

The Composition as on 31st March, 2018 of the Executive Committee are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Amit Indubhushan Bakshi - Chairperson	Executive	Non-Independent	7
2	Mr. Himanshu Shah - Member	Executive	Non-Independent	7
3	Mr. Inderjeet Singh Negi - Member	Executive	Non-Independent	7

The terms of reference of the Executive Committee, interalia include are as follows:

- Deal with the day-to-day activities of the Company business including all operational matters affecting it;
- Develop and implement the adopted business plans, policies, guidelines, strategies, procedures, budgets and operational plans;
- Monitor and manage the operating and financial performance of the Company;
- Optimise, prioritise and allocate investment and resources;
- Manage and develop talent and undertake succession planning;
- Manage the risk profile of the Company;
- Give or make available to the Board such information, reports and other documents to enable it to carry out its duties.
- Be responsible for the identification, management, and mitigation of risk(s) across the Company's business;
- Manage the internal controls environment;
- Be responsible and accountable for the integrity of management information and financial reporting systems;
- Review the legal structure and propose recommendations for its improvement to the Board based thereon; and
- Borrow monies in terms of Section 179(3)(d) of the Act read with the first proviso thereto not exceeding an amount of INR 1000 crores (onethousand crores only) in the aggregate
- Invest the funds of the Company in terms of Section 179(3)(e) of the Act read with the first proviso thereto within the aforesaid overall limit of INR 1000 crores (one thousand crores only).
- Grant loans or give guarantee or provide security in respect of loans in terms of Section 179(3)(f) read with the first proviso thereto within the limits available to the Board from time to time.
- All actions and decisions ancillary, incidental, or connected to the above unless those are ultra-vires the Company or fall within the terms of reference of any other committee of the Board or is only exercisable by the general body, or is specifically required by the prevailing Company Laws to be exercisable only by the Board without permitting any committee delegation thereof.

8. IPO COMMITTEE

The IPO Committee, constituted only for the purpose of IPO of the Company, was dissolved by the Board of Directors in their meeting held on 17th August, 2017. During the year under review, the Committee met four times on 06.06.2017, 15.06.2017, 21.06.2017 and 27.06.2017.

The Composition before it's dissolution was as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Amit Indubhushan Bakshi - Chairperson	Executive	Non-Independent	4
2	Mr. Himanshu Shah - Member	Executive	Non-Independent	4
3	Mr. Inderjeet Singh Negi - Member	Executive	Non-Independent	4

9. INDEPENDENT DIRECTORS MEETING:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, separate meetings of Independent Directors were held on 29.09.2017 and 13.03.2018 without the participation of Non-Independent Directors and members of the management. The Independent Directors discussed on various aspects, viz. performance of non-independent directors and the Board

as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. REMUNERATION OF THE DIRECTORS

- a.** Transactions with the non-executive directors: - The Company does not have material pecuniary relationship or transactions with its non-executive directors. However, the Company availed legal advisory services from Shardul Amarchand Mangaldas & Co, in which Mr. Shardul Shroff, Non Executive and Independent Director of the Company was interested. Other than this, Company has paid sitting fees to non-executive directors for attending the meetings of the Board / Committees / sub-committees.
- b.** Criteria for making payments to Non-Executive Directors are available on the Company's website: <http://eris.co.in/policies/>
- c.** Disclosures with respect to remuneration:

In addition to the disclosures required under Companies Act, 2013, as given in extract of annual return, the disclosure regarding remuneration are as follows:

1. The details of remuneration and perquisites paid to the Executive Directors during the year 2017-18 are given below:

(Amount in Rupees)				
Sr. No	Particulars	Mr. Amit Bakshi Managing Director	Mr. Himanshu Shah Whole-time Director	Mr. Inderjeet Singh Negi Whole-time Director
1.	Basic Salary	1,13,74,996	35,00,004	35,00,004
2.	Fixed components	1,80,56,272	63,22,644	63,13,644
3.	Variable components	2,00,00,000	-	-
	Total	4,94,31,268	98,22,648	98,13,648

Non-Executive Directors:

During the year under review only sitting fees was paid to the Non-Executive Directors including Independent Directors of the Company which are as under;

Name of Director	Amount of sitting fees paid
Mrs. Vijaya Sampath	6,00,000
Dr. Kirit Shelat	6,50,000
Mr. Rajiv Gulati	4,50,000

2. Details of fixed components and performance linked incentives, along with the performance criteria:
- The growth, consolidation, comparison with the peer group as assessed/ adjudged by the Board/ Committee.
3. There are no separate service agreements executed by the Company and its Directors however the Company has executed following agreements:
- Managing Director Employment Agreement and its amendment thereof with Mr. Amit Bakshi,
 - Employment Agreement and its amendment thereof with Mr. Himanshu Shah and Mr. Inderjeet Singh Negi

The Non-Executive/Independent Directors are entitled to sitting fees in respect of the meetings of the Board and its committee/ sub-committees attended by them and they are also entitled to reimbursement of all expenses for participation in the Board and other meetings in accordance with the Letter of Appointment issued to them.

Apart from the above agreements and letters of appointment, there are no service agreements/severance fees executed / paid by the Company to the Directors.

4. The Company has not granted any ESOPs to any of the Directors of the Company.

11. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1	2014-15	Saturday, 31 st October, 2015	3.00 p.m.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054
2	2015-16	Tuesday, 25 th October, 2016	1.00 p.m.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054
3	2016-17	Friday, 29 th September, 2017	11:00 a.m.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

The Company has passed the special resolutions at 11th annual general meeting held on Friday, 29th September, 2017 for the following matters:

- Ratification of the Eris Lifesciences Employee Stock Option Plan 2017;
- Determine the fees for service of any document through a particular mode of delivery to a member.

Other than above no special resolutions were passed in last three Annual General Meetings.

The Company neither passed any resolution through postal ballot during the year under review nor any special resolution is proposed to be conducted through postal ballot.

12. MEANS OF COMMUNICATION:

Quarterly / Annual Results: The quarterly / half-yearly / annual financial results as required under Regulation 33 of the Listing Regulations have been intimated to the Stock Exchanges and published in the newspaper- 'The Financial Express' (English & Gujarati editions). Further the said are also available at the website of the Company i.e. www.eris.co.in.

News releases, presentations and others: Official news releases and official media releases are sent to Stock Exchanges and are put on the Company's website.

Information on website of the Company: The Company is in compliance of Regulation 46 of the Listing Regulations. In the website of the Company (www.eris.co.in) a separate section under 'Investors' tab has been created which gives information on various announcements made by the Company.

Presentations to institutional investors / analysts: The transcript of the conference calls for Results, presentations made to institutional investors and financial analysts are intimated to the Stock Exchanges and are put on the Company's website. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

13. GENERAL SHAREHOLDER INFORMATION:

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Saturday Date: 29 th September, 2018 Time: 11:00 a.m. Venue : HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
(ii)	Financial Year	1 st April, 2017 to 31 st March, 2018
(iii)	Date of Book Closure	22 nd September, 2018 to 29 th September, 2018 (both the days inclusive)
(iv)	Dividend Payment Date	Not Applicable

(v)	ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi)	Registered Office (as on 31st March 2018)	8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad – 380015
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
(viii)	Investor Correspondence	7th Floor, Commerce House-IV, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad – 380015
(ix)	Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati - 781 031, Assam, India
(x)	Any Website where it displays official releases	http://www.eris.co.in
(xi)	Any presentation made to the institutional investor and analyst	Displayed on website of the Company.
(xii)	Is half yearly report sent to the shareholders	No
(xiii)	Whether Management Discussion and Analysis is a part of this report	The said report is part of Annual Report.
(xiv)	Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent. The work of electronic transfer of shares is done through the depositories.
(xv)	Auditors for the FY 2017-18 and Proposed Auditors for the FY 2018 – 2019	M/s Deloitte Haskins & Sells LLP
(xvi)	Compliance Officer	Mr. Milind Talegaonkar
(xvii)	Company Secretary	Mr. Milind Talegaonkar

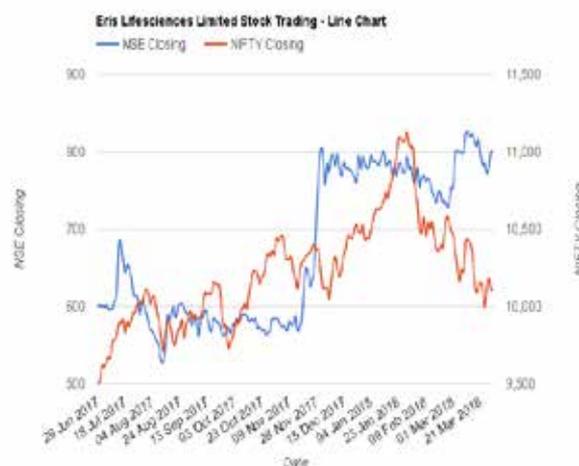
Listing on Stock Exchange(s): Your Company's Shares are listed w.e.f 29th June, 2017 on:

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400051	ERIS

Notes: Annual Listing fees for the Financial Year 2017 -18 have been duly paid to the stock exchanges.

Market Price Date:

Month	BSE Limited		National Stock Exchange of India Limited	
	Month's High Price	Month's low Price	Month's High Price	Month's low Price
June, 2017	627.7	590.05	628	589.90
July, 2017	728	580	728	550.05
August, 2017	611.8	510.5	611.85	510
September, 2017	602.6	558.05	604	557
October, 2017	596.95	560	599.80	561
November, 2017	830.95	566	833.80	565.05
December, 2017	817.85	749.5	819.85	741.55
January, 2018	828.55	759	828.75	765
February, 2018	787.35	716.1	787	712.30
March, 2018	896	744.65	849	745

Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:

14. FINANCIAL CALENDER:

Report Period :	From 1 st April 2018 to 31 st March 2019
First Quarter Result :	Second Week of August, 2018
Second Quarter Result :	Second Week of November, 2018 (tentative)
Third Quarter Result :	Second Week of February, 2019 (tentative)
Fourth Quarter Result:	Last Week of May, 2019 (tentative)

15. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

Distribution schedule:				(AS ON 31-03-2018):
Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	32835	98.50	1119652	0.81
501 – 1000	222	0.67	164007	0.12
1001 – 2000	97	0.29	137616	0.10
2001 – 3000	27	0.08	69412	0.05
3001 – 4000	14	0.04	49733	0.04
4001 – 5000	11	0.03	50925	0.04
5001 – 10000	22	0.07	159877	0.12
Above 10001	106	0.32	135748778	98.73
Grand Total	33334	100	137500000	100

Shareholding Pattern:

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018:

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoter & Promoter Group		
	Indian	76904500	55.93
	Foreign	0	0
2	Public		
	Institutions	26683053	19.41
	Central Government/ State Government(s)/President of India	0	0
	Non-Institutions	33912447	24.66
3	Non Promoter - Non Public		
	Custodian/DR Holder	0	0
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0
	Total (1+2+3)	137500000	100

16. DEMATERIALIZATION OF SHARES AND LIQUIDITY.

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the shares except 5 Equity shares of the Company, have been dematerialised by investors as on 31st March, 2018. All shares of the Company except Lock-in shares are liquid and actively traded in normal volume on BSE Limited and National Stock Exchange of India Limited.

17. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

18. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The imports not being significant, do not require any hedging.

19. OTHER DISCLOSURES:

- (a) **Materially significant related party transactions**
There were no materially significant related party transactions during the year under review that may have potential conflict with the interests of the Company at large.
- (b) **Details of noncompliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL**
- (c) **Whistle Blower Policy**
In accordance with the requirements of the Act, read with Regulation 4 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.
- (d) **Compliance with mandatory requirements and adoption of non-mandatory requirements:**
The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. However, at present the Company has not adopted the non-mandatory requirements of Regulation 27 read with Part E of schedule II of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 except Reporting of Internal Auditor to the Audit Committee.
- (e) **The Company has in place the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company- <http://www.eris.co.in/policies>.**
- (f) **The Company has in place the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies> .**
- (g) **Disclosure of accounting treatment different from accounting standards: None**

20. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:

The balance in the demat suspense account or unclaimed suspense account is nil.

21. DETAILS OF NON-COMPLIANCE

No Penalty has been imposed by any stock exchanges and SEBI, nor has there been any instance of non-compliance with any legal requirements of corporate governance report.

22. MANAGING DIRECTOR /CFO CERTIFICATION:

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is given below:

COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To,
The Board of Directors.
Eris Lifesciences Limited

We, Amit I. Bakshi, DIN: 01250925, Chairman & Managing Director, and Sachin Shah, Chief Financial Officer of Eris Lifesciences Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement of the Company for the year ended on 31st March, 2018 and to the best of our knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. 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.
- B. 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.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and the company has disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps the Company has taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
 - 1. There has not been any significant changes in internal control over financial reporting during the year;
 - 2. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - 3. There has not been any instance of any significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad

Amit Bakshi

Sachin Shah

Date: August 9, 2018

Chairman & Managing Director

Chief Financial Officer

DIN: 01250925

23. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior Management. The code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. The Code has been uploaded on the website of the Company.

24. DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2017 – 2018

I, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2017 – 2018.

Place: Ahmedabad

Amit Bakshi

Date: August 9, 2018

Chairperson & Managing Director

DIN: 01250925

25. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance, as stipulated under Regulation 34 of the SEBI Regulations is appears as under:

CERTIFICATE ON CORPORATE GOVERNANCE

To,

THE MEMBERS,
ERIS LIFESCIENCES LIMITED

As requested by Eris Lifesciences Limited ("the Company"), this report is issued pursuant to the provision of Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and prepared solely to communicate to the members of the Company on the compliance by the Company with the requirement of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations.

I, Samita Arora, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of the Listing Regulations.

MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

MY RESPONSIBILITY:

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION:

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2018 to the extent applicable to the Company.

I 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.

Samita Arora

Company Secretary in Practice

ACS: 18564

COP: 13545

Place: Ahmedabad

Date: August 09, 2018

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar,
100 Feet Road, Ahmedabad – 380015

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in
Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION PLAN, 2017 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 AS ON MARCH 31, 2018:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Members may refer to the audited financial statements prepared as per IND AS for the year 2017-18.

B. Diluted EPS on issue of shares in accordance with 'Accounting Standard 20 –Earnings Per Share' issued by ICAI :

NA, since the options were vested on April 12, 2018

C. Details related to Employees' Stock Option Plan, 2017 ("ESOP 2017")

Sr. No.	Description	Details
1	Date of Shareholders' Approval	03 rd February, 2017 29 th September, 2017 (Ratified)
2	Total Number of Options approved under ESOPs	3,91,599 equity shares
3	Vesting requirements	Options granted under ESOP 2017 would vest not earlier than 1 (One) year and not later than 5 (Five) years from the date of Grant of such Options. The Option would vest on completion of vesting period and the vesting of options would be subject to continued employment/service with the Company. The Nomination and Remuneration Committee of the Company/Compensation Committee may specify certain performance parameters subject to which the Options would vest. The Options would vest in a Director only if he continues to remain a Director of the Company on the date of the Vesting of Options. Vesting of Options in case of Employees on long leave: The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.

4	Exercise Price	The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company /Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was determined as Rs.451.04.
	Pricing Formula	Discount to fair market value of the Equity Shares as on the date of grant.
5	Maximum term of option granted	The options would vest over a maximum period of 5 years from the date of grant of Options.
6	Sources of Shares	Primary
7	Variation in terms of options	Nil
8	Method used to account for ESOPs	The Company shall use any recognised method for valuation of the options.
9	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
10	Option movement during the year as on March 31, 2018	
	a. Number of options outstanding at the beginning of the period	3,91,599
	b. Number of options granted during the year	3,91,599
	c. Number of options forfeited/ lapsed during the year	23,281 ¹
	d. Number of option vested during the year	Nil
	e. Number of options exercised during the year	Nil
	f. Number of shares arising as a result of exercise of options	Nil
	g. Money realised by exercise of options (INR), if scheme is implemented directly by the company	Nil
	h. Loan repaid by the trust during the year from exercise price received	NA
	i. Number of options outstanding at the end of the year	3,68,318
	j. Number of options exercisable at the end of the year	3,68,318
11	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
12	Employee- wise details of options granted during the year to:	
	i. Senior Managerial Personnel and / or Key Managerial Personnel	Mr. Sachin Shah : 16628 Mr. Milind Talegaonkar : 6651
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Mr. Chetan Doshi : 24943 Mr. Chetan Soni : 20786 Mr. Vijay S. Joshi : 24943 Mr. Sabyasachi Sharma : 24943
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

Note 1: Credited to options reserve.

13. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- a. The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model:

Sr. No	Particular	2017-18
a.	weighted average risk free interest rate	6.91%
b.	weighted average expected option life (in Years)	5.50
c.	weighted average expected volatility	20.56%
d.	weighted average expected dividend yield	1.00%
e.	weighted average share price	601.38
f.	weighted average exercise price (rounded to nearest decimal)	451.04

- b. The method used and the assumptions made to incorporate the effects of expected early exercise: Black Scholes Option Pricing Model. The assumptions are as stated in the above table.
- c. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility: The expected volatility has been calculated based on the nearest comparable peers prices, as the historical data of the Company is not available considering the unlisted status of your Company as at grant date of stock options.
- d. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition: Yes, the features are mentioned below, viz:
- a. weighted average risk free interest rate
 - b. weighted average expected volatility
 - c. weighted average share price

Disclosures in respect of grants made in three years prior to IPO under each ESOP:

- During the year 2016-17, the ESOP scheme 2017 was approved but no grants were made.
- On April 12, 2017 all options under the said scheme i.e. 391,599 options were granted prior to the IPO.
- During the year 2017-18, 23,281 options became unexercisable and were recredited to options reserved due to various reasons.

For Eris Lifesciences Limited

Amit Bakshi

Chairperson & Managing Director

DIN: 01250925

Ahmedabad, August 9, 2018

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: Eris Lifesciences Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2018:
 - a. Name(s) of the related party and nature of relationship: Not Applicable
 - b. Nature of contracts/arrangements/transactions: Not Applicable
 - c. Duration of the contracts/arrangements/transactions: Not Applicable
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - f. Date(s) of approval by the Board, if any: Not Applicable
 - g. Amount paid as advances, if any: Not Applicable
 - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (i)
 - a. Name(s) of the related party and nature of relationship: Mr. Saurabh Shah (Brother of Mr. Himanshu Jayantbhai Shah, Whole Time Director of the Company)
 - b. Nature of contracts/arrangements/transactions: Employment agreement
 - c. Duration of the contracts/arrangements/transactions: Appointed w.e.f 1st September, 2016
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Regular employment; in the ordinary course of business of the Company. Requisite approval of General Meeting obtained for a monthly remuneration of Rs. 0.3 million. Subsequent yearly increase, not exceeding 20% to be made by the Board or any of its designated Committee.
 - e. Date(s) of approval by the Board, if any: 17th August, 2017. Note:¹
 - f. Amount paid as advances, if any: Nil
 - (ii)
 - a. Name(s) of the related party and nature of relationship: M/s Shardul Amarchand Mangaldas & Co. (Firm in which Mr. Shardul Suresh Shroff, Independent Director of the Company is a Managing Partner)
 - b. Nature of contracts/arrangements/transactions: Indian Legal counsel in connection with the IPO of the Company
 - c. Duration of the contracts/arrangements/transactions: Appointed during the financial year 2016-17 till the listing of the shares of the Company
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any: legal counsel agreement; in the ordinary course of business of the Company at a fee of Rs. 7.6 million for the whole transaction
 - e. Date(s) of approval by the Board, if any: Not Applicable at the time of entering into agreement.
 - f. Amount paid as advances, if any: Nil

Note 1: Appointment of Mr. Saurabh Shah was approved by the members of the Company through an ordinary resolution in the Annual General Meeting held on 29th September, 2017.

(iii)

- a. Name(s) of the related party and nature of relationship: M/s Shardul Amarchand Mangaldas & Co. (Firm in which Mr. Shardul Suresh Shroff, Independent Director of the Company is a Managing Partner).
- b. Nature of contracts/arrangements/transactions: Legal Advisor for the acquisition transaction with Strides Shasun Limited and Strides Healthcare Private Limited.
- c. Duration of the contracts/arrangements/transactions: till the completion of the transaction.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: legal advisor agreement; in the ordinary course of business of the Company at a fee of Rs. 7.6 million for the whole transaction.
- e. Date(s) of approval by the Board, if any: 18th November, 2017.
- f. Amount paid as advances, if any: Nil

(iv)

- a. Name(s) of the related party and nature of relationship: M/s Shardul Amarchand Mangaldas & Co. (Firm in which Mr. Shardul Suresh Shroff, Independent Director of the Company is a Managing Partner).
- b. Nature of contracts/arrangements/transactions: Trade Mark Agents for the Trade Mark acquired from Strides Shasun Limited.
- c. Duration of the contracts/arrangements/transactions: till the completion of the transaction.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: handle work as trademark agents for specified trade marks, in the ordinary course of business of the Company at a fee of Rs. 0.48 million for the whole transaction.
- e. Date(s) of approval by the Board, if any: 30th November, 2017 in Board's Committee.
- f. Amount paid as advances, if any: Nil

(v)

- a. Name(s) of the related party and nature of relationship: Subsidiaries of the Company [(Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited, UTH Healthcare Limited, Eris Healthcare Private Limited (earlier Strides Healthcare Private Limited)].
- b. Nature of contracts/arrangements/transactions: Intra Group licensing of Trade marks.
- c. Duration of the contracts/arrangements/transactions: continuing.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Trademark License agreement; in the ordinary course of business of the Company by payment of license fee in the manner set out below :

Monthly Net Sales	% of Monthly Net Sales as royalty
Upto Rs 9.00 Crores.	1%
Rs. 9 Crores to Rs. 12.00 Crores	3%
Above Rs. 12 Crores	5%

- e. Date(s) of approval by the Board, if any: 5th January, 2018 by Board's Committee and 12th February 2018 by Audit Committee.
- f. Amount paid as advances, if any: Nil

(vi)

- a. Name(s) of the related party and nature of relationship: Aprica Healthcare Private Limited (wholly owned subsidiary).
- b. Nature of contracts/arrangements/transactions: Assignment of Trade mark to the subsidiary.
- c. Duration of the contracts/arrangements/transactions: Continuing.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Trademark license agreement, in the ordinary course of business of the Company at a consideration of Rs. 10,000/- for the trademark.
- e. Date(s) of approval by the Board, if any: 25th May, 2018.
- f. Amount paid as advances, if any: Nil

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 09th August 2018

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL ("KMP") AND OTHER EMPLOYEES

PREAMBLE

This Policy on Remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees (hereinafter referred as the "Policy") of Eris Lifesciences Limited ("the Company") is designed and formulated by the Nomination and Remuneration Committee ("the Committee") of the Company pursuant to the Companies Act, 2013 (the "Act") and rules made thereunder and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Board of Directors of the Company adopted this policy at their meeting held on August 17, 2017.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the company and its shareholders.

- B. Components of Remuneration:** The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.
- a) **Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b) **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
 - c) **Share based payments:** The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
 - d) **Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffeur's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
 - e) **Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
 - f) **Retirement benefits:** The Company shall provide retirement benefits applicable in accordance with law.
 - g) **Sitting Fee and Commission:** The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.
 - h) **Loan/ advances to the Employees:** The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/Whole Time Director	The remuneration for the Managing Director/ Whole Time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors
Other Directors	Board of Directors
Key Managerial Personnel	Human Resources Head subject to the approval of Board of Directors
Other employees	Departmental Heads in consultation with Human Resources Head

*Sitting fee payable to the directors shall be in accordance with the provisions of the law.

D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 09th August 2018

1. Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name and Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2017-18	% increase/(decrease) in remuneration in the FY 2017-18 *
1	Mr. Amit Indubhushan Bakshi Managing Director	137.45	150
2	Mr. Inderjeet Singh Negi Whole time Director	27.29	30
3	Mr. Himanshu Jayantbhai Shah Whole time Director	27.31	10
4	Dr. Kirit Nanubhai Shelat Independent Director	1.81	Nil**
5	Mrs. Vijaya Sampath Independent Director	1.67	Nil**
6	Mr. Rajiv Gulati – Resigned w.e.f. 06.10.2017 Independent Director	1.25	Nil**
7	Mr. Shardul Suresh Shroff – Resigned w.e.f. 01.02.2018 Independent Director	NA	NA
8	Mr. Sanjiv Dwarkanath Kaul – Resigned w.e.f. 26.05.2017 Nominee of Botticelli	NA	NA
9	Sachin Shah CFO	27.95	108
10	Milind Talegaonkar Company Secretary	5.10	19

* Includes sitting fees paid to Non-Executive Directors.

** Since amount of sitting fees for attending Board / Committee meetings does not change, % increase/(decrease) in remuneration not given and stated as nil.

2. The percentage increase in the median remuneration of employees in the financial year: 14.22%
3. The number of permanent employees on the rolls of company: ~2612
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentile increase in the remuneration of employees other than those constituting managerial remuneration has been 10.33% which is lower than the increase in managerial remuneration 45.95%. The increase in the remuneration of field staff is made as per their sales performance as per a documented increment structure uniformly applied to the field staff. The managerial function is concerned with more critical issues which influence and determine the survival, continued growth, and the business direction for the company. The managerial talent is scarce and hence its retention is even more important. Managerial personnel form executive management and remain accountable to all the stakeholders of the company for business performance as well as corporate governance and therefore need to demonstrate balance of judgement and mature decision making in the backdrop of fast changing and increasingly complex industry landscape. These reasons justify the higher increase in the managerial remuneration.

5. Remuneration of Directors, KMP and other employees is in accordance with the Company's Remuneration Policy.

Details pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees in terms of remuneration drawn during the year:

(In ₹)

Name of Employee	Designation	Remuneration received	Qualifications	Experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee
Amit Bakshi	Managing Director	4,94,31,268	Indian School Certificate Examination	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry.	January, 2007	44	Intas Pharmaceuticals Limited	39.47
Sachin Shah	CFO	1,00,52,078	Chartered accountant	He has more than 10 years experience in Banking, Investment Banking and Pharmaceuticals.	January, 2013	39	Aventus Capital Private Limited	0*
Himanshu Shah	Wholetime Director	98,22,648	Bachelor's degree in science, Diploma in pharmacy, Diploma in management	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry.	January, 2007	42	Intas Pharmaceuticals Limited	4.57
Inderjeet Singh Negi	Wholetime Director	98,13,648	Bachelor's degree in science	He has more than 13 years of experience in the pharmaceutical industry.	January, 2007	47	Intas Pharmaceuticals Limited	4.32

Kaushal Shah	HEAD - Mfg. & Distribution	73,71,936	Bachelor's degree in commerce, Post graduate diploma in management	He has more than 10 years experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector.	January, 2007	39	Kanchan Pharma Pvt Ltd.	3.25
Vijay S. Joshi	President	66,07,960	BSC	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 30 years experience in the pharmaceutical industry.	May, 2010	66	USV Group	0*
Rajendra Patel	President	58,97,184	Bachelor's degree in science, Diploma in pharmacy	He has previously worked with companies in the pharmaceutical sector and has more than 10 years experience in the pharmaceutical industry.	January, 2007	41	Intas Pharmaceuticals Limited	4.32
Chetan Doshi	Assistant Vice President	45,34,606	Diploma in Civil Engineering, PGDM	He has more than 25 years experience in Marketing.	August, 2007	50	IMS Group	0*
Sabyasachi Sharma	Assistant Vice President	45,02,794	BSC, MBA	He has more than 15 years experience in pharmaceutical sector.	September, 2008	39	ICICI Group	0
Lester D'souza	General Manager	43,80,827	MSC, PGDMA	He has more than 25 years experience in pharmaceutical sector.	October, 2013	51	Cadila Group	0*

* Due to rounding off

- Employees mentioned above are neither relatives of any directors or managers of the Company.

- All appointments are/were contractual in accordance with terms and conditions as per the Company rules.

2. Other Employee(s) Drawing a remuneration of Rs. 1.02 Crore or above:

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

3. Other Employee(s) Employed for part of the year with an average salary above Rs. 8.5 Lakh per month or above;

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 09th August 2018

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The World Economic Overview, April 2018 published by the International Monetary Fund projects India to grow by 7.4% in 2018 and 7.8% in 2019. This makes it the fastest growing economy, ahead of China and Russia. The country's central bank, The Reserve Bank of India, in its most recent Monetary Policy Review in August 2018, retained the growth forecast for 2018-19 at 7.4%. The growth forecast overcame transitory effects of the disruptions caused by the demonetisation drive and implementation of the Goods and Services Tax (GST) in June 2017 and is supported by strong private consumption growth. The upgrade this year of India's rating to Baa2 from Baa3 by the US based credit rating agency Moody's on the basis of continued progress on economic and institutional reforms pursued by the Government is a major boost to investor confidence.

INDIAN PHARMACEUTICALS MARKET

The Indian Pharmaceutical Industry (IPM) with a market size of INR 1,218 billion grew at the rate of 11.0 % between FY 13 and FY 18. India which is primarily a prescription-based market is dominated by domestic pharmaceutical companies. Their share in the aggregate revenues of the industry was 79.3% in March 2018. In FY 18, top 300 brands accounted for 30.2% of market share. Chronic therapy areas contributed 35% while acute therapy areas constituted to 65% to the industry's revenues. (Source: IMS TSA MAT Mar 2018)

COMPANY OVERVIEW

Eris Lifesciences Ltd, engaged in manufacturing, marketing and distributing branded formulations in the Indian market, is one of the youngest and fastest growing companies in the IPM. It has presence in high growth chronic and acute therapeutic areas that require high intervention of specialists and super specialists.

In a market like India that is predominantly prescription-based, the company holds dominant positions in key specialty areas such as cardiology, diabetology, endocrinology etc. The business model stands strong on the basis of core fundamentals that have consistently delivered over the last decade.

The company's strong therapy area and brand focus is central to the business model. It has a portfolio of 142 mother brands that are promoted by a team of 1,970 medical representatives across India. The Top 15 mother brands contributed 74.2% to its revenues in FY 18 and enjoy leading market positions in their respective therapeutic areas. The focused strategy has enabled the company to reach Rank 26 in revenue in the IPM. This year the company started 2 new divisions in the high growth therapy areas of Neurology and Psychiatry as well as IVF.

Operating efficiency remains the second fundamental. The company has consistently delivered robust growth in revenues with a CAGR of 16.8% over FY 13 to FY 18. For the same period the IPM grew with a CAGR of 11.0%. The growth in revenue came while the profit and return margins also expanded - EBITDA for the same period grew at CAGR of 30.2% (from 21.9% of revenue in FY 13 to 37.6% of revenue in FY 18) while Net Profit for the same period grew at a CAGR of 38.2% (from 14.9% of revenue in FY 13 to 34.4% of revenue in FY 18).

The most significant impetus to the company's goodwill remains its unique patient care initiatives. These initiatives, across all of its major therapy areas, are created with the vision of enabling the healthcare community improve health outcomes. They understand that the nation is burdened with an incredible prevalence of lifestyle induced diseases and at the same time faces a lack of an adequate set-up that can ease the management of this burden. This set-up can be in the form of something as simple as counselling patients to cope with the challenges of the disease or latest diagnostics that meet globally accepted guidelines, so as to help clinicians in their objective of adding to the patients' well-being. Recognising its role as a responsible partner in the healthcare delivery ecosystem, the company launched a hypertension and diabetes management initiative that engages with clinicians and patients to manage this disease burden more efficiently.

Its ABPM on Call initiative has supported over 3,800 doctors and 36,500 patients as of March 2018 while the Holter on Call has supported over 2,200 doctors and 18,000 patients. In addition, its Eritel Sleep Study on Call, highlighting the links between cardiac diseases and sleep disorders, has till date supported over 850 clinicians and 3000 patients to meet the changing needs of cardiovascular care. For diabetes management, Eris has supported over 3,800 clinicians and over 500,000 patients through various initiatives like CGM on Call and Tendia Vascular Screening.

REVIEW OF OPERATIONS

FINANCIAL PERFORMANCE

Revenue from Operations:

For the year under review, the company's Revenue from Operations increased by 14.2% to INR 8556 million from INR 7495 million in FY 17. The company's acquired businesses contributed significantly to the growth in revenue.

For the same period, the IPM grew by 6.3%. FY 18 has witnessed one of the lowest growth in IPM in the last 15 years. This is owing mainly to the disruptions caused by the introduction of the Goods and Services Tax (GST). A unified, consumption-based tax on the supply of selected goods and services, the GST was officially implemented by the Government of India on 1 July, 2017. The GST system is applicable on most of the commercial supplies including the healthcare and pharma industry products and services. While the industry experienced some implementation hiccups like disruption in channel inventory levels, non-clarity regarding treatment of expired goods etc. it appears to have now safely navigated the transitory disruptions. It appears that the blip in growth witnessed in the year gone by will be compensated in the current year, thereby normalising the average growth rate for the last 2 years.

The Chronic category of the IPM constituted 62.4% of the company's revenues in FY 18 (Source: IMS TSA MAT March 18). The company is ranked 20th out of 395 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for FY 18 (Source: IMS TSA MAT, March 2018).

The company has generated 37.6% of its revenues from the acute category of the IPM in FY 18. Revenues from the acute category grew at a CAGR of 14.1% between FY 13 and FY 18 (Source: IMS TSA MAT, March 2018).

The company's therapy area wise revenue mix saw 29.3% of its revenues coming from Cardiovascular therapy area, growing at a CAGR of 20.2% over FY 13 to FY 18; 28.1% from anti-diabetes area, growing at a rate of 28.9%; 14.8% from Vitamins, Minerals & Nutrients, growing at a rate of 10.1%; 8.1% from Gastro Intestinal; growing at a rate of 6.1%; and 19.7% from other therapy areas, growing at a rate of 27% (Source: IMS TSA MAT March 18).

Earnings before Depreciation, Amortisation, Interest and Taxes (EBITDA):

The company earned INR 3220 million of EBITDA in FY 18 as against INR 2691 million in FY 17, a growth of 19.7%. The increase in the EBITDA margins to 37.6% of revenues in FY 18 from 35.9% in FY 17 was mainly due to improvement in Other Expenses from 32.6% of revenue in FY 17 to 28.3% of revenue in FY 18.

Finance Costs:

The company incurred finance costs of INR 106 million for FY 18 as against INR 10 million in FY 17. These mainly pertain to the borrowings related to the strategic acquisitions during the year.

Tax Expenses:

The tax expenses for FY 18 were INR 173 million. The manufacturing facility in Guwahati, Assam enjoys Income Tax exemption till FY 24. The company incurs income tax expenses under the Minimum Alternate Tax provisions. The company created deferred tax liability mainly for depreciation differences.

Net Profit:

Net profit for FY 18, at 34.5% of revenue, was INR 2950 million, increasing by 19.5% over FY 17.

Debt Equity:

The net borrowings (borrowings less treasury investments) of the company remain nil.

STRATEGIC ACQUISITIONS

In addition to growing its organic business, the company entered into two strategic acquisitions to gain access to new formulations businesses, products and markets. In October 2017, the company acquired the entire shareholding of UTH Healthcare Ltd (UTH) for an all-cash consideration of INR 129 million. UTH is largely engaged in the segments of Obesity, Diabetes, Gestational Diabetes Mellitus and Maternal Nutrition and Cardiovascular Diseases. The acquisition provided the company with a portfolio of products that complements its other offerings.

Also, in December 2017, the company acquired the Indian branded formulations business of Strides Shasun Ltd (Strides) for an aggregate cash consideration of INR 5000 million. With this acquisition, the company acquired the marketing and distribution rights for India for 130+ brands in the Neurology, Psychiatry, Nutraceuticals and Women Healthcare therapy areas.

The company is aggressively looking into entering into partnerships with national and multinational partners in varied areas with the intent of improving its product offerings in tune with global medical developments in the industry.

It is negotiating a strategic tie up with Microlife for a nationwide distribution of their WatchBP range of devices. The clinic variant of these devices has been validated against intra-arterial blood pressure measurement which is considered the gold standard for central blood pressure measurement. The 'Office' variant of these devices is used by clinicians for patient care while the 'Home' variant is used by patients for home blood pressure monitoring.

The company is at an advanced stage for commencement of distribution of dermatology range of products of Biopelle USA in India. The products offer unique personalised/ customised solutions for dermatological conditions.

The company has, in association with Batra Hospital and the Heart Care Foundation of India, initiated a clinical study, 'The India Heart Study', for documenting the prevalence of hypertension, white coat and masked hypertension and related cardio vascular risks factors in India. The study by virtue of its scale and uniqueness may provide eye opening conclusions about the need for addressing the malaise of hypertension in India.

MARKETING DIVISIONS

The company's 9 marketing divisions continue to strengthen its marketing and distribution capabilities through separate marketing strategies.

Division Name	Therapeutic Areas Covered	Super specialist /Specialist covered	Key Brands
 Eris	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Neurologists	Glimisave, Eritel
 Nikkos <small>A Division of ERIS</small>	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Consulting Physicians and others	Renerve, Rabonik, Velgut
 ADURA <small>A Division of ERIS</small>	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians	Olmin, Crevast, Remylin
 Montana <small>A Division of ERIS</small>	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Raricap, Metital, Calshine P
 Inspira <small>A Division of ERIS</small>	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Nephrologists	LN Bloc, Tayo 60K
 Victus <small>A Division of ERIS</small>	Anti-diabetes	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
 Eris KINEDEX <small>MOBILITY Specialist</small>	Mobility related disorders	Orthopedicians	Rosiflex, Mienta
 Eterna	Neurology and Psychiatry	Neurologists and Psychiatrists	Serlift, Desval
 Altiza <small>A Division of ERIS</small>	Neurology and Psychiatry	Neurologists and Psychiatrists	Levroxa, Ginkocer

MANUFACTURING

The Company has a state-of-the-art manufacturing facility at Guwahati, Assam. For FY 18 and FY 17, products manufactured at the facility contributed to 65.9% and 77.9% of its revenues, respectively. The facility is currently utilised on a single shift basis and is expandable to triple shifts. The facility enjoys fiscal benefits in terms of Income Tax exemption till FY 24 and GST subsidies till FY 25.

For FY 17 an additional 18.7% was contributed by products manufactured through the manufacturing facility of its erstwhile partnership firm, M/s Sozin Flora Pharma ("Sozin"). The company was a partner in Sozin up to August 31, 2016, and pursuant to its retirement, transitioned certain products manufactured at the Sozin manufacturing facility to its Assam Facility.

The company ensures that all manufacturing facilities (owned or contracted) availed for sourcing its products comply with Good Manufacturing Practices (GMP) stipulated by the statutes and administered by the state level food and drug administrations, Central Drug Standard Control Organisation of India (CDSCO) and other regulatory agencies. The company assures the quality of its products for the entire duration of the shelf life of the product, whether manufactured by themselves or its third party vendors. The company also complies with all environmental norms imposed by the authorities.

HUMAN RESOURCES

As on March 31st, 2018 the company had a robust and diverse workforce of 3,266 employees - including 1,970 medical representatives and 845 field managers - who are the company's greatest strength and play a key role in strengthening its market share in the highly competitive industry. The company has undertaken various Human Resource initiatives during the year:

- developing a leadership & succession framework to create a robust leadership pipeline for top critical roles in Eris
- strengthening hiring processes to hire highly motivated and efficient employees
- training around 600 field staff at the head office through various induction and skills enhancement programs and managers with "trainers' skill" by organising "Train the trainer" with Dale Carnegie.
- creating an engaged workforce by organising various employee engagement events during the year.

These initiatives have enhanced the company's operational excellence and productivity while enabling the employees to have a structured plan for career development. The employees are periodically provided information on the changing regulations to keep them updated and ensure the company maintains high compliance standards. The company has maintained cordial relationship with its employees ensuring smooth flow of operations.

DISTRIBUTION NETWORK

The company's strong and efficient distribution network consisting of 2 central ware houses, 24 CFAs/consignees and over 1800 stockists enables it to reach out to over 500,000 chemist outlets across the country.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has internal control systems commensurate with the nature, size and complexity of its business operations. These systems facilitate the optimum use and protection of resources while ensuring accuracy in recording financial transactions, authorised use of assets and compliance with all statutes and laws. The Company also has a comprehensive Code of Business Conduct which lays down the ethical standards expected from each of its employees and business associates in their everyday actions.

The Company is required to have both internal and external auditors. The internal audit department undertakes audit on a periodic basis; identifies control deficiencies, if any, along with any other area meriting improvement, flags-off significant observations and makes recommendations to the operational management for mitigation plan. The observations and mitigation plan are reported to the Audit Committee. The Audit Committee in turn reviews the observations, assesses sufficiency of the proposed actions and monitors its implementation. All actions are adequately followed-up by the internal auditors along with presenting its reports to the Audit Committee.

The Company also undertakes periodic review of these internal control systems to determine its continued effectiveness, which is critical for ensuring the reliability of financial and operational information and statutory compliances.

RISK AND RISK MITIGATION

Nature of Risk	Description of Risk and Mitigation
Economic and Political Risks	The industry is impacted by the various macro-economic factors and economic developments which have an adverse effect not only on the industry, but also the company as a whole. Any change in Government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which the company operates. These factors could depress economic activities and restrict its access to capital, which could have an adverse effect on its operations.

Nature of Risk	Description of Risk and Mitigation
Regulatory Risks	<p>The IPM is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licences and permits, could impact our business.</p> <p>The company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply chain processes, enable the company to maintain high quality standards on one hand, while securing conformity with regulatory norms on the other.</p>
Competition Risk	<p>The industry is a highly competitive one, with presence of several major players. As a result of this, products face intense competition in various therapeutic areas.</p> <p>In order to mitigate the risks arising out of competition, the company has developed capabilities in the commercialisation of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. The company's capabilities are further enhanced with the presence of nine sales division that focus on developing and growing its industry engagement.</p>

OUTLOOK

STRENGTHS AND OPPORTUNITIES:

Leading prescription ranks: The company's strong portfolio of mother brands enjoys leading prescription ranks with their respective specialities. Prescription ranks, implying the growth in new prescriptions, are a leading indicator of growth.

Strong brands: The company continues to focus on maintaining the strength of its brand portfolio; the Top 15 brands contribute 74.2% of its revenue. The company derives a significant part of its revenue from molecules in the growth phase.

Patient care initiatives: Enabling the effort of strengthening brands are the unique patient care initiatives that, while primarily helping the healthcare community manage the disease burden, create immense brand equity for the company.

Operating efficiency: The yield per man (YPM) for the company continues to increase with potential of scaling up to industry leading numbers. With improvement in the YPM metric margin efficiency also improves.

Unutilised capacity: The manufacturing facility in Guwahati, Assam currently operating at over 80% capacity utilisation on a single shift basis is capable of being scaled up to triple shift basis.

Strong balance sheet: The company has consistently generated profits and operating cash flows that it continues to use for scaling of operations and increasing shareholder value.

Demographic tailwinds: Overall healthcare spending in India is expected to rise due to rise in population, high real GDP growth rate, improving GDP per capita and rising affordability.

Increased lifestyle related diseases: increasingly sedentary lifestyle, changing food habits and rapid urbanization has led to a widespread rise in chronic diseases. As the market and economy mature, India is expected to see a higher share of chronic segment in line with other emerging and most developed nations.

Favourable policy measures: Various initiatives by the Government like the Pharma Vision 2020 (which aims to make India a major hub for end-to-end drug discovery), National Health Policy 2015 (which focuses on increasing public expenditure on healthcare segment), Ayushman Bharat etc. support growth. To ensure increased availability of specialists and super specialist doctors, the government has announced the creation of additional 5,000 post-graduate seats per year.

Health insurance coverage: Adoption of health insurance in India is increasing at a fast pace. This in addition to the National Health Protection Scheme announced in the Union Budget 2018-19 will drive the expansion of healthcare services and pharmaceuticals market in India.

Awareness: Enabled by rising medical information portals and healthcare startups, patients are becoming more aware of diseases and preventive therapies/ medicines.

Penetration of diagnostics: The government has plans of increasing focus on healthcare, doubling its share of expenditure as a % of GDP.

THREATS, RISKS AND CONCERNS:

Regulatory overhang: The Drug Price Control (Amendment) Order limits price increases in schedule drugs mentioned in the National List of Essential Medicines (NLEM). While it has been observed that competitive forces in the market have been more effective in controlling prices, amendments in the list will continue to pose challenges for the industry. As on 31st March 2018, 9.7% of the company's revenue were from drugs scheduled in the NLEM.

Competitive factors: The market remains fragmented and highly competitive, making it challenging to improve market share and profitability.

GOING AHEAD:

While the existing business remains the main engine of growth for the company, in licensing, exploring newer therapeutic areas and future patent expiries are some areas that it is exploring.

In licensing of products also remains an exciting opportunity for the company. It is aggressively looking for entering into partnerships with national and international entities to leverage its sales and marketing, distribution and manufacturing facilities.

In terms of newer therapy areas, women's health – IVF with a covered market of INR 10 billion is seeing enhanced focus with the acquisition of UTH Healthcare Ltd in October 2017. CNS saw the company's covered market increase 171% to INR 38 billion in FY18 with the acquisition of the Indian branded formulations business of Strides Shasun Ltd (Strides). In the Bone Health and mobility related therapeutic area, the company saw its covered market increase to INR 52 billion. Also in the pipeline are efforts in the Cosmeceuticals therapeutic area as research indicates favourable demographics and other social factors for Aesthetic Dermatology.

The company has also identified various key products whose patents expire in the near future.

SAFE HARBOUR AND CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the company's objectives, projections, estimates or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions finished goods prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions finished goods prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
CIN of the Company	L24232GJ2007PLC049867
Name of the company	ERIS LIFESCIENCES LIMITED
Registered Address	8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad Ahmedabad - 380015
Website	www.eris.co.in
Email id	complianceofficer@erislifesciences.com
Financial Year Reporting	Financial Year 2017-18
Sector(s) that the Company is engaged in (Industrial activity code wise)	Pharmaceuticals NIC Code- 2100
List three Key Products/ services that the Company manufactures/ provides (as in balance sheet)	Three key segments in which the company operates are Anti-diabetics, Cardiac, Nutritional supplements.
Total Number of locations where business activity is undertaken by the Company –International or national	Our sales depots are widely located within the country. Uptill now we have consciously chosen to focus on doing business at national level.
Markets served by the Company (Local/ State/ national/ international)	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Paid-up Capital	Rs. 13,75,00,000/- As on 31 st March, 2018
Total Turnover	Please refer to the financials section
Total profit after tax	Please refer to the financials section
Total spending on CSR	Refer CSR Report
List of activities in with CSR has been spent	Preventive medical screening at public places

SECTION C: OTHER DETAILS

DISCLOSURE	INFORMATION/ REFERENCE
Subsidiaries of the Company	The Company has five subsidiaries as on 31 st March, 2018: <ol style="list-style-type: none"> 1. Eris Therapeutics Private Limited 2. Aprica Healthcare Private Limited 3. Kinedex Healthcare Private Limited 4. UTH Healthcare Limited 5. Eris Healthcare Private Limited (previously known as 'Strides Healthcare Private Limited')
Participation of subsidiaries in the Business Responsibility Initiatives	The Company impresses upon its subsidiaries to follow policies and practices to the extent applicable to it.
Participation of other entities (with which the Company does business) in the Business Responsibility Initiatives	Importance of doing business in a responsible and legally compliant manner is emphasized while dealing with all business partners.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

PART-1

DISCLOSURE	INFORMATION/ REFERENCE
Details of Director/Directors responsible for BR	Board of Directors in their entirety is responsible for BR
Details of BR Head	Inderjeet Singh Negi

PART-2

Principal wise (as per National Voluntary Guidelines) BR Policy(ies)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders? Note ¹	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? Note ²	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Policies are formulated at functional level and recommended to Board or its applicable committee for information and/or approval as the case may be. Signed copies thereof are issued on an 'as needed' basis by the MD or other KMPs.								
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online? Note ³	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formally communicated to all relevant internal and external stakeholders? Note ⁴	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes:

1. The Policies have been formulated in consultation with the applicable stakeholders.
2. The policies are based on and are in compliance with the applicable regulatory requirements.
3. The Policies of the Company are available on the website of the Company <http://eris.co.in/policies/> and the internal policies are available on the intranet of the Company.
4. The Policies have been communicated to the internal / external stakeholders depending upon their applicability to them.

Principal Wise Policy index:

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Conduct Policy for Directors, Senior Management Personnel,	Eris Code of Conduct Policy	Code of Conduct Policy for Directors, Senior Management Personnel,	CSR Policy	Whistle Blower Policy, Prevention of Sexual Harassment Policy, CSR Policy	CSR Policy	Anti Bribery Policy	CSR Policy	Eris Code of Conduct Policy
Eris Code of Conduct Policy,		Whistle Blower Policy,						
Whistle Blower Policy,		Prevention of Sexual Harassment Policy,						
Prevention of Sexual Harassment Policy,		Eris Code of Conduct Policy, Internal Policies of HR (Loan Policy, Maternity , etc.)						
Anti Bribery Policy								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

NOT APPLICABLE

PART-3 Governance related to BR

- (a) Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –
- The Board of Directors, its Committees, and KMP's assess the BR implications of every company action on a continuing basis.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.eris.co.in

SECTION E : PRINCIPAL WISE PERFORMANCE

PRINCIPLE 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?	No, it extends to all subsidiaries.
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.	Nil
PRINCIPLE 2	
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	All the products and processes of the company are designed with due sensitivity to social and environmental concerns and risks.
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The stated parameters in our case cannot be quantified with certainty.
Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The company accords preference to local procurements. The rate of replenishment of resources are always borne in mind while sourcing all inputs.
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Procurement of services from local providers belonging to the communities surrounding our places of work is always encouraged. Similarly the provider pool is kept wide and new / emerging providers are accorded preference. This preferential treatment in itself generates assurance about continuing business opportunities and encourages entrepreneurship at small/ medium level.
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 10%). Also, provide details thereof, in about 50 words or so	This aspect is regulated by applicable Bio-medical waste management.

PRINCIPLE 3	
Please indicate the Total number of employees	~ 3200
Please indicate the Total number of employees hired on temporary/contractual/casual basis	~ 200
Please indicate the Number of permanent women employees	~ 110
Please indicate the Number of permanent employees with disabilities	0
Do you have an employee association that is recognized by management.	No
What percentage of your permanent employees is members of this recognized employee association?	0
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.	0
What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a) Permanent Employees	
(b) Permanent Women Employees	
(c) Casual/Temporary/Contractual Employees	600
(d) Employees with Disabilities	
PRINCIPLE 4	
Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
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.	The north-eastern states have by far remained desolate and unconnected from the developments in the rest of the country. The choice of setting up a manufacturing plant in Guwahati was guided, to a large extent, by the desire to bring about improvement in the socio-economic condition of the region.
PRINCIPLE 5	
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 policies of company are applicable to the group.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

PRINCIPLE 6	
Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The said policies extend to the whole group.
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.	Company endeavors to remain compliant with the letter and spirit of all environmental laws.
Does the company identify and assess potential environmental risks?	Yes
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?	Not applicable for the year under review.
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	The operations of the Company being not very energy intensive, the point is not applicable to the company for the year under review.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
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.	Nil
PRINCIPLE 7	
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes
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)	Not yet.
PRINCIPLE 8	
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The choice of location of the company's manufacturing unit in the north eastern state was based to a large extent on this principle.
Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	A mix of both.
Have you done any impact assessment of your initiative?	Increase in employment opportunities
What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer CSR Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Please refer CSR Report.

PRINCIPLE 9

<p>What percentage of customer complaints/consumer cases are pending as on the end of financial year.</p>	<p>Nil</p>
<p>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)</p>	<p>N.A. Claims / information in respect of pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.</p>
<p>Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</p>	<p>Nil</p>
<p>Did your company carry out any consumer survey/ consumer satisfaction trends?</p>	<p>There are specialised agencies which perform this activity. Your company avails their services</p>

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian 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 principles generally accepted in India.

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

Auditor's Responsibility

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

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For [DELOITTE HASKINS & SELLS LLP](#)
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: May 25, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the title deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The loans are repayable on demand and rate of interest is stipulated, however the terms of payment of interest are not stipulated.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations give to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, , Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) There are no dues of Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes.

Details of dues of Income-tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹. in million)
The Income Tax Act, 1961	Income Tax (Penalty)	Commissioner Income Tax (Appeals)	Assessment Year 2014-15	3.3

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Ahmedabad
Date: May 25, 2018

Gaurav J. Shah
Partner
(Membership No. 35701)

STANDALONE BALANCE SHEET

as at 31st March, 2018

(₹. in million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I. ASSETS :				
(1) Non current assets				
(a) Property, Plant and Equipment	2(a)	504.85	537.50	640.96
(b) Goodwill	2(b)	166.60	-	-
(c) Other Intangible assets	2(b)	4,226.02	380.26	6.95
(d) Financial assets				
Non current investments	3	4,518.37	2,904.29	1,543.52
Other financial asset	5	101.27	90.03	76.40
(e) Income tax assets (net)	4(d)	68.24	68.23	71.66
(f) Deferred tax assets (net)	4(f)	952.51	455.00	153.25
Total Non current assets		10,537.86	4,435.31	2,492.74
(2) Current assets				
(a) Inventories	7	575.20	472.01	494.57
(b) Financial assets				
Current investments	3	937.59	901.78	807.84
Trade receivables	8	604.96	413.02	253.62
Cash and cash equivalents	9(a)	88.08	20.00	84.77
Other bank balances	9(b)	0.06	0.55	0.53
Loans	10	403.71	158.08	10.55
Other financial asset	5	75.27	98.70	32.39
(c) Income tax assets (net)	4(d)	-	-	9.24
(d) Other current assets	6	477.02	67.40	47.14
Total Current assets		3,161.89	2,131.54	1,740.65
Total		13,699.75	6,566.85	4,233.39
II. EQUITY AND LIABILITIES :				
(1) Equity				
(a) Share capital	11	137.50	137.50	1.38
(b) Other Equity	12	8,544.29	5,608.47	3,268.09
Total Equity		8,681.79	5,745.97	3,269.47
(2) Non Current Liabilities				
(a) Financial Liabilities				
Long term Borrowings	13	2,736.88	-	-
Other financial liabilities	14	17.74	17.19	17.37
(b) Long-term provisions	15	150.16	185.35	230.98
(c) Other non-current liabilities	16	11.06	10.30	7.48
Total Non Current Liabilities		2,915.84	212.84	255.83

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(3) Current liabilities				
(a) Financial Liabilities				
Trade payables	17	790.30	251.11	278.95
Other financial liabilities	14	1,030.26	71.52	38.66
(b) Short-term provisions	15	160.11	210.18	175.30
(c) Other current liabilities	16	95.88	52.38	215.18
(d) Income tax liabilities (net)	4(e)	25.57	22.85	-
Total Current Liabilities		2,102.12	608.04	708.09
Total Liabilities		5,017.96	820.88	963.92
Total		13,699.75	6,566.85	4,233.39

See accompanying notes forming part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Gaurav J. Shah

Partner

Place: Ahmedabad

Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director
DIN: 01250925

Sachin Shah

Chief Financial Officer

Place: Ahmedabad

Date: 25th May, 2018

Himanshu J. Shah

Whole Time Director
DIN: 01301025

Milind Talegaonkar

Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

(₹. in million)

Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
REVENUE:			
Revenue from operations	18	7,606.01	7,129.04
Other income	19	282.23	250.79
Total Revenue (I)		7,888.24	7,379.83
EXPENSES:			
(a) Cost of materials consumed	20	470.79	453.75
(b) Purchases of stock-in-trade		648.90	532.35
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(35.43)	80.86
(d) Employee benefits expense	22	1,308.45	1,163.12
(e) Other expenses	23	2,054.43	2,187.54
Total (II)		4,447.14	4,417.62
Profit before interest, tax, depreciation and amortisation (I - II)		3,441.10	2,962.21
Finance costs	24	104.29	7.95
Depreciation and amortisation expense	2	217.92	214.41
Profit before tax		3,118.89	2,739.85
Tax expenses :	4		
(a) Current tax expense		679.46	557.59
(b) Deferred tax		(497.12)	(299.15)
Net tax expense		182.34	258.44
Profit for the year		2,936.55	2,481.41
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1.12)	(7.51)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.39	2.60
		(0.73)	(4.91)
Total Comprehensive Income for the year		2,935.82	2,476.50
Earnings per equity share of face value ₹1 each			
Basic and Diluted (₹)	25	21.36	18.05

See accompanying notes forming part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Gaurav J. Shah

Partner

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director

DIN: 01250925

Himanshu J. Shah

Whole Time Director

DIN: 01301025

Sachin Shah

Chief Financial Officer

Milind Talegaonkar

Company Secretary

Membership No-A26493

Place: Ahmedabad
Date: 25th May, 2018

Place: Ahmedabad
Date: 25th May, 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

A. Equity Share Capital		(₹. in million)
Particulars (Refer note-11)		Amount
As at 1st April 2016		1.38
Changes in Equity Share Capital (pursuant to bonus shares)		136.12
As at 31st March 2017		137.50
Change in Equity Share Capital		-
As at 31st March 2018		137.50

B. Other Equity				Amount (₹. in million)
Particulars (Refer note-12)	Retained Earnings	General Reserve	Total Other Equity	
As at 01-04-2016	3,261.09	7.00	3,268.09	
Less: Utilised for issuing bonus shares (Refer note-11.2)	(136.12)	-	(136.12)	
Add: Profit for the year	2,481.41	-	2,481.41	
Add: Other comprehensive Income for the year	(4.91)	-	(4.91)	
As at 31-03-2017	5,601.47	7.00	5,608.47	
Add: Profit for the year	2,936.55	-	2,936.55	
Add: Other comprehensive Income for the year	(0.73)	-	(0.73)	
As at 31-03-2018	8,537.29	7.00	8,544.29	

See accompanying notes forming part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer

Place: Ahmedabad
Date: 25th May, 2018

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹. in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	3,118.89	2,739.85
Adjustments for		
Depreciation and amortisation expense	217.92	214.41
Loss on fixed assets sold/written off	0.08	1.87
Finance costs	104.29	7.95
Diminution in value of Investment	-	3.97
Dividend income	(5.90)	(0.35)
Interest income	(35.15)	(10.29)
Net gain on sale of investments	(36.84)	(35.04)
Net gain on investments carried at fair value through profit or loss	(203.96)	(191.48)
Business combinations and acquisition expense	35.89	-
Operating profit before working capital changes	3,195.22	2,730.89
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(131.95)	(61.49)
Inventories	(15.98)	22.56
Other asset	(364.86)	(74.69)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	357.05	1.95
Cash generated from operations	3,039.48	2,619.22
Net income tax paid	(676.73)	(522.07)
Net cash flow from operating activities (A)	2,362.75	2,097.15
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including other intangible assets)	(242.69)	(488.62)
Consideration paid towards business acquisitions (Refer note-27)	(5,061.52)	(773.79)
Proceeds from disposal of business	-	35.00
Investments in mutual funds	(1,074.69)	(1,100.00)
Proceeds from redemption of investments in mutual funds	694.08	478.74
Loan to Subsidiaries	(243.77)	(146.29)
Loan to Employees	(1.86)	(1.24)
Bank balances not considered as cash and cash equivalents-Placed	0.49	(0.02)
Proceeds from sale of fixed assets	0.39	0.35
Dividend income	5.90	0.35
Interest income	32.30	8.80
Business combinations and acquisition expense	(35.89)	-
Net cash used in investing activities (B)	(5,927.26)	(1,986.72)

(₹. in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities		
Proceeds of borrowings	3,734.00	-
Repayment of borrowings	-	(5.00)
Finance costs	(101.41)	(1.08)
Dividend and dividend distribution tax paid	-	(169.12)
Net cash flow used in financing activities (C)	3,632.59	(175.20)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	68.08	(64.77)
Cash and cash equivalents at the beginning of the year	20.00	84.77
Cash and cash equivalents at end of the year {Refer note-9(a)}	88.08	20.00
Notes:		
Cash and Cash Equivalents {Refer note-9(a)}		
Cash on hand	0.22	0.46
Balance with banks		
In Current Account	87.86	19.54
Cash and Cash Equivalents as per Cash flow statement	88.08	20.00

See accompanying notes forming part of the standalone financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer

Place: Ahmedabad
Date: 25th May, 2018

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Milind Talegaonkar
Company Secretary
Membership No-A26493

Corporate Information:

Eris Lifesciences Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 8th Floor, Commerce House- IV, Prahladnagar, Ahmedabad - 380015, Gujarat, India. The Company is engaged in the manufacture and marketing of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. Refer Note no 26 for the details of first-time adoption exemptions availed by the Company.

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Investments in mutual funds & equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1-hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/noncurrent basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. Based on the nature

of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of estimates and judgements:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.3)
- Useful lives of property, plant and equipment (refer note 1.4)
- Useful lives of intangible assets (refer note 1.5)
- Impairment of asset (refer note 1.8)
- Valuation of inventories (refer note 1.9)
- Employee benefits (refer note 1.13)
- Valuation of deferred tax assets (refer note 1.14)
- Provisions & contingent liabilities (refer note 1.15)

1.3 Revenue recognition:

- a. 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 discounts, applicable taxes and returns. The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities, as described below.
- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
 - i) Dividend income is recognized when the right to receive dividend is established.
 - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
 - iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.4 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase

in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

1.5 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible asset	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.6 Business combinations and Goodwill

1.6.1 Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from transition date i.e., 1 April 2016. As such,

Indian GAAP balances relating to business combinations entered into before that date have been carried forward.

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net assets and contingent liabilities.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.6.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

1.7 Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted. Financial assets are classified, at initial recognition, as 'Financial assets measured at fair value' or as 'Financial assets measured at amortised cost'.

Subsequent measurement

- i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries is carried at cost in the financial statements.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.8 Impairment of assets:

Financial Asset

A financial Asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.9 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and Stores, Spares and Consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of CENVAT and input tax credit availed], labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.10 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding book overdrafts, if any, as they are considered an integral part of the company's cash management.

1.11 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.12 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.13 Employee Benefits:

(A) Defined contribution plan: The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

(i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

(ii) The Company also provides benefit of compensated absences to its employees which are in the nature of long -term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.14 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is 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.

Contingent liability

It is disclosed for

a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or

b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.16 Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

1.17 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(₹. in million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electrical Installation	Total
Gross carrying amount:								
As at April 1, 2016 (At deemed cost)	31.03	190.14	184.10	54.01	155.58	23.18	2.92	640.96
Additions During the Year	-	-	6.44	1.68	91.52	0.51	0.19	100.34
Deductions during the year	-	-	-	1.15	1.20	-	-	2.35
As at March 31, 2017	31.03	190.14	190.54	54.54	245.90	23.69	3.11	738.95
Additions During the Year	-	-	5.54	14.13	119.10	0.66	-	139.43
Deductions during the year	-	-	-	0.76	-	0.04	-	0.80
As at March 31, 2018	31.03	190.14	196.08	67.91	365.00	24.31	3.11	877.58
Accumulated depreciation:								
As at April 1, 2016	-	-	-	-	-	-	-	-
Depreciation for the Year	-	17.24	33.96	17.18	126.18	6.25	0.77	201.58
Deductions during the year	-	-	-	0.13	-	-	-	0.13
As at March 31, 2017	-	17.24	33.96	17.05	126.18	6.25	0.77	201.45
Depreciation for the Year	-	15.64	28.90	13.52	108.27	4.69	0.61	171.63
Deductions during the year	-	-	-	0.34	-	0.01	-	0.35
As at March 31, 2018	-	32.88	62.86	30.23	234.45	10.93	1.38	372.73
Net carrying amount								
As at April 1, 2016	31.03	190.14	184.10	54.01	155.58	23.18	2.92	640.96
As at March 31, 2017	31.03	172.90	156.58	37.49	119.72	17.44	2.34	537.50
As at March 31, 2018	31.03	157.26	133.22	37.68	130.55	13.38	1.73	504.85

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(b) Intangible Assets :

(₹. in million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at April 1, 2016 (At deemed cost)	-	0.97	-	5.98	6.95
Additions during the year	-	328.89	50.00	7.26	386.15
Deductions during the year	-	-	-	0.01	0.01
As at March 31, 2017	-	329.86	50.00	13.23	393.09
Additions during the year	-	101.25	-	1.02	102.27
Acquisition through business combinations (Refer note 27(i)(a))	166.60	3,789.79	-	-	3,789.79
Deductions during the year	-	0.01	-	-	0.01
As at March 31, 2018	166.60	4,220.89	50.00	14.25	4,285.14
Accumulated Amortisation:					
As at April 1, 2016	-	-	-	-	-
Amortisation for the year	-	4.37	6.44	2.02	12.83
Deductions during the year	-	-	-	-	-
As at March 31, 2017	-	4.37	6.44	2.02	12.83
Amortisation for the year	-	33.71	10.00	2.58	46.29
As at March 31, 2018	-	38.08	16.44	4.60	59.12
Net carrying amount					
As at April 1, 2016	-	0.97	-	5.98	6.95
As at March 31, 2017	-	325.49	43.56	11.21	380.26
As at March 31, 2018	166.60	4,182.81	33.56	9.65	4,226.02

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 3: Investments

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non current investments			
(I) At cost			
In equity instruments of subsidiaries (unquoted and fully paid)			
10,000 equity shares [31-03-2017 - 10,000 , 01-04-2016 - 10,000] of ₹ 10 each held in Eris Therapeutics Private Limited	1.06	1.06	1.06
Less: Impairment in value of investments	(1.06)	(1.06)	(1.06)
10,000 equity shares [31-03-2017 - 10,000 , 01-04-2016 - Nil] of ₹ 10 each held in Aprica Healthcare Private Limited	0.10	0.10	-
1,37,758 equity shares [31-03-2017 - 1,37,758 , 01-04-2016 - Nil] of ₹ 10 each held in Kinedex Healthcare Private Limited	773.69	773.69	-
71,42,857 equity shares [31-03-2017- Nil , 01-04-2016- Nil] of ₹ 10 each held in UTH Healthcare Limited	128.50	-	-
43,33,331 equity shares [31-03-2017- Nil , 01-04-2016- Nil] of ₹ 10 each held in Eris Healthcare Private Limited (formerly known as Strides Healthcare Private Limited)	900.00	-	-
(II) At Fair Value through Profit or Loss			
Investment in Mutual Funds (unquoted) (Refer note 3.2 below)	2,684.01	2,087.89	1,500.62
Investment in Equity Instruments			
Quoted	14.28	12.90	12.00
Unquoted	14.50	26.41	27.74
(III) At amortised cost			
Investment in Tax Free Bonds (quoted)	3.29	3.30	3.16
Total (I)+(II)+(III)	4,518.37	2,904.29	1,543.52
Aggregate carrying value of quoted investments	17.57	16.20	15.16
Aggregate market value of quoted investments	17.57	16.20	15.16
Aggregate carrying value of unquoted investments	2,698.51	2,114.30	1,528.36
Current investments			
(I) At cost			
Investment in partnership firm (Refer note 3.1 below)	-	-	176.40
Less: Impairment in value of investments	-	-	(13.49)
(II) At Fair Value through Profit or Loss			
Investment in Mutual funds (unquoted) (Refer note 3.2 below)	937.59	901.78	644.93
Total (I)+(II)	937.59	901.78	807.84

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

3.1 Details relating to investment in partnership firm:

Name of the firm: Sozin Flora Pharma

(₹. in million)

Names of partners in the firm	As at April 01, 2016	
	Profit sharing ratio(%)	Closing capital
Eris Lifesciences Limited	99.00%	176.40
Mr. Dinesh Jain	0.40%	1.28
Mr. Sukhmal Jain	0.30%	0.38
Mr. Rajesh Jain	0.30%	2.92
Total	100.00%	180.98

3.2 Details of pledged securities:

Include ₹1231.27 million (31-03-2017 - ₹1227.69 million, 01-04-2016- ₹1476.91 million) marked under lien against overdraft facilities availed by the company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 4 : Income Taxes

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	679.46	557.59
Deferred tax:		
Deferred tax (benefit) for current year	(497.12)	(299.15)
	182.34	258.44
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains on defined benefit plans	0.39	2.60
	0.39	2.60
(c) Reconciliation of tax expense :		
Profit before income taxes	3,118.89	2,739.85
Enacted tax rate in India	34.608%	34.608%
Expected income tax expenses	1,079.39	948.21
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	24.42	3.92
Effect of income exempt from taxation	(3.02)	(16.10)
Tax incentives	(864.04)	(635.21)
Others (net)	(54.02)	(39.78)
Adjusted income tax expense	182.73	261.04

(d) Income Tax Assets :

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	68.23	80.90	4.83
Add: Tax paid in advance, net of provisions during the year	0.01	(12.67)	76.07
Closing Balance	68.24	68.23	80.90
Classified as:			
Non Current	68.24	68.23	71.66
Current	-	-	9.24

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(e) Income Tax Liabilities :

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	22.85	-	-
Add: Current tax payable for the year	679.44	557.38	251.96
Less: Taxes paid	676.72	534.53	251.96
Closing Balance	25.57	22.85	-

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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(f) Deferred tax relates to :

Deferred tax assets

Property, plant and equipment	69.85	50.69	26.95
Minimum Alternate Tax credit entitlement	1,109.86	452.11	132.30
Employee benefits	29.73	20.58	24.64
Others	8.53	9.00	6.00
	1,217.97	532.38	189.89

Deferred tax liabilities

Intangible assets	209.87	29.14	0.03
Fair Valuation of Investments	55.59	48.24	36.61
	265.46	77.38	36.64
Total	952.51	455.00	153.25

(₹. in million)

Particulars	Prop- erty, plant and equipment	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investments	Others	Total
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**(g) Movement in Deferred tax Assets/
(Liabilities) relates to :**

As at 1st April, 2016	26.95	132.30	24.64	(0.03)	(36.61)	6.00	153.25
Charged/(Credited)							
- To Profit or Loss	(23.74)	(319.81)	6.66	29.11	11.63	(3.00)	(299.15)
- To other comprehensive Income	-	-	(2.60)	-	-	-	(2.60)
As at 31st March, 2017	50.69	452.11	20.58	(29.14)	(48.24)	9.00	455.00
Charged/(Credited)							
- To Profit or Loss	(19.16)	(657.75)	(8.76)	180.73	7.35	0.47	(497.12)
- To other comprehensive Income	-	-	(0.39)	-	-	-	(0.39)
As at 31st March, 2018	69.85	1,109.86	29.73	(209.87)	(55.59)	8.53	952.51

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 5: Other Financial Assets

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current			
Security deposits	41.26	40.96	38.33
Receivable on sale of Investment in subsidiary	14.16	18.43	-
Other receivables	45.85	30.64	38.07
	101.27	90.03	76.40
Current			
Insurance claim receivable	0.78	0.07	2.09
Interest accrued	0.40	0.15	0.27
IPO Expense Recoverable	-	73.54	-
Security deposits	35.00	0.01	0.23
Receivable on sale of Investment in subsidiary	12.00	5.74	-
Other receivables	27.09	19.19	29.80
	75.27	98.70	32.39
	176.54	188.73	108.79

Note 6: Other Current Assets

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expenses	35.64	9.54	9.30
Balances with government authorities			
Cenvat credit/ GST receivable	321.86	35.70	9.61
Others	1.11	1.22	1.26
Advances to suppliers	108.48	18.24	16.27
Advances to employees	9.93	2.70	10.70
Total	477.02	67.40	47.14

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials and Packing Materials {including goods-in-transit ₹ 32.15 (31-03-2017 - ₹ 3.33) , (01-04-2016 - ₹ 8.53)}	181.05	114.83	55.88
Work-in-progress	13.46	12.95	19.89
Finished goods	149.80	255.77	205.34
Stock-in-trade {including goods-in-transit ₹14.46 (31-03-2017- ₹ 3.52) , (01-04-2016 ₹ 0.25)}	228.73	87.84	212.19
Stores, spares & consumables	2.16	0.62	1.27
Total	575.20	472.01	494.57

Note 8: Trade receivables

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured			
Considered good	604.96	413.02	253.62
Considered doubtful	-	-	-
	604.96	413.02	253.62
Less: Allowance for doubtful debt	-	-	-
Total	604.96	413.02	253.62

Note 9(a) : Cash and cash equivalents

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.22	0.46	15.41
Balances with banks in current accounts	87.86	19.54	69.36
Total	88.08	20.00	84.77

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 9(b) : Other bank balances

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In fixed deposit accounts to the extent held as security deposit	0.06	0.55	0.53
Total	0.06	0.55	0.53

Note 10: Loans

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Loans and advances to related parties			
To subsidiaries	395.92	152.15	5.86
Loan to employees	7.79	5.93	4.69
Total	403.71	158.08	10.55

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 11: Share capital

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised:			
30,00,00,000 Equity Shares of ₹1 each (31-03-2017- 30,00,00,000 Equity Shares of ₹1 each, 01-04-2016- 10,000,000 Equity Shares of ₹10 each)	300.00	300.00	100.00
Total	300.00	300.00	100.00
Issued, Subscribed and Fully Paid-up :			
13,75,00,000 Equity Shares of ₹1 each (31-03-2017- 13,75,00,000 Equity Shares of ₹1 each, 01-04-2016- 1,37,500 Equity Shares of ₹10 each) fully paid up	137.50	137.50	1.38
Total	137.50	137.50	1.38

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	₹ in million
Shares outstanding at 01-04-2016	137,500	1.38
Issued during the year :		
Share Split from ₹10 to ₹1 per share	1,237,500	-
Bonus shares issued during the year (99 fully paid up equity shares for every 1 share held)	136,125,000	136.12
Shares outstanding at 31-03-2017	137,500,000	137.50
Shares outstanding at 31-03-2018	137,500,000	137.50

11.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity shares			
Bonus shares issued during the year	-	13,61,25,000	-

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

11.3 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,42,71,500	39.47	5,49,59,000	39.97	54,959	39.97
2. Himanshu Jayantbhai Shah	62,84,500	4.57	69,72,000	5.07	6,972	5.07
3. Inderjeet Singh Negi	59,39,833	4.32	69,71,000	5.07	6,971	5.07
4. Rajendrakumar Rambhai Patel	59,39,834	4.32	69,71,000	5.07	6,971	5.07
5. Bhikhalal Chimantal Shah	1,10,54,000	8.04	1,24,29,000	9.04	12,429	9.04
6. Rakeshbhai Bhikhabhai Shah	1,58,54,000	11.53	1,58,54,000	11.53	15,854	11.53
7. Botticelli	-	-	2,23,44,000	16.25	22,344	16.25

11.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 12: Other Equity

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retained Earnings	8,537.29	5,601.47	3,261.09
General Reserve	7.00	7.00	7.00
Total	8,544.29	5,608.47	3,268.09

Nature and purpose of reserves :

Retained Earnings : Retained Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

General reserve : General Reserve is created out of profits of the Company. The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Note 13: Borrowings

(₹. in million)

Particulars	Maturity	Terms of repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current					
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	3,760.77	-	-
Secured Term Loan from bank (Refer note 2 below)	Dec-2016	8 equal quarterly Instalments	-	-	5.00
			3,760.77	-	5.00
Amount of current maturities of long term debt disclosed under the head " Other Financial Liabilities" (refer Note-14)			(1,023.89)	-	(5.00)
Total			2,736.88	-	-

Term Loans from bank referred above to the extent of :

1. Term Loan of ₹3760.77 million (31-03-2017- ₹ Nil, 01-04-2016- ₹Nil) are secured by way of :

- Exclusive charge on the entire current assets of the company, both present and future.
- Exclusive charge on entire immovable fixed assets of the company, both present and future.
- Exclusive charge on movable fixed assets of Guwahati Plant of the company.
- Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.
- Creation of DSRA by earmarking of existing OD Limit backed by mutual funds equivalent to one quarterly instalment and interest.

Note- The company is in process of creating charge over assets.

2. Term Loan of ₹Nil (31-03-2017- ₹Nil, 01-04-2016- ₹5.00 million) are secured by way of pledge against Debt mutual funds.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 14: Other financial liabilities

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
Trade deposits	17.74	17.19	17.37
	17.74	17.19	17.37
Current			
Current maturities of long-term debt (Refer Note-13)	1,023.89	-	5.00
Book overdraft	3.29	71.12	32.03
Payable on purchase of fixed assets	3.08	0.40	1.63
	1,030.26	71.52	38.66
Total	1,048.00	88.71	56.03

Note 15: Provisions

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term			
Provision for employee benefits (Refer note-28)			
Compensated absences	43.41	37.58	50.86
Provision for sales returns (Refer note below)	106.75	147.77	180.12
	150.16	185.35	230.98
Short Term			
Provision for employee benefits (Refer note-28)			
Compensated absences	18.68	21.87	20.32
Gratuity	23.80	17.67	5.58
Provision for sales returns (Refer note below)	117.63	170.64	149.40
	160.11	210.18	175.30
Total	310.27	395.53	406.28

Provision for sales returns :

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms. During the year the Company has changed its incentive structure which would have consequential impact on sales return and the same has been adjusted during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Provision	318.41	329.52
Add : Provision during the year	165.45	213.24
Less : Utilisation during the year	259.48	224.35
Closing Provision	224.38	318.41
Long Term	106.75	147.77
Short Term	117.63	170.64
Total	224.38	318.41

Note 16: Other liabilities

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Deferred Lease rent payment	11.06	10.30	7.48
	11.06	10.30	7.48
Current			
Dividend distribution tax payable	-	-	169.12
Statutory liabilities	86.86	49.84	42.64
Advances from customers	9.02	2.54	3.42
	95.88	52.38	215.18
Total	106.94	62.68	222.66

Note 17: Trade payables

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to micro and small enterprises (Refer note- 37)	-	-	-
Due to others	790.30	251.11	278.95
Total	790.30	251.11	278.95

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 18: Revenue from operations

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of products (Refer note 38)	7,323.36	6,884.23
Other operating income		
GST/Excise duty refund	275.68	191.85
Share of profit from partnership firm	-	45.95
Others	6.97	7.01
	282.65	244.81
Total	7,606.01	7,129.04

Note 19: Other income

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest income	35.15	10.29
Dividend income	5.90	0.35
Net gain on sale of investments	36.84	35.04
Net gain on investments carried at fair value through profit or loss	203.96	191.48
Provision for loss on sale of Investment in partnership firm written back	-	13.49
Miscellaneous income	0.38	0.14
Total	282.23	250.79

Note 20: Cost of material consumed

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Raw materials and packing materials		
Opening stock	114.83	55.88
Add: Purchases during the year	537.01	512.70
Less: Closing stock	(181.05)	(114.83)
Total	470.79	453.75

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening stock		
Stock-in-trade	87.84	212.19
Finished goods	255.77	205.34
Work-in-progress	12.95	19.89
	356.56	437.42
Less: Closing stock		
Stock-in-trade	228.73	87.84
Finished goods	149.80	255.77
Work-in-progress	13.46	12.95
	391.99	356.56
Net (Increase) / decrease in stocks	(35.43)	80.86

Note 22: Employee benefits expense

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, wages and bonus	1,199.20	1,098.54
Contribution to provident and other funds	73.94	42.77
Staff welfare expenses	35.31	21.81
Total	1,308.45	1,163.12

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 23: Other expenses

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Power and fuel	30.35	29.32
Consumption of stores and spares (Indigenous)	21.60	21.11
Labour and security	12.93	17.76
Testing charges	6.16	5.84
Excise duties	75.09	289.66
Rent	67.28	40.61
Freight and forwarding	77.37	69.25
Commission	123.88	131.90
Advertising, publicity and awareness	345.05	315.83
Repairs and maintenance	20.90	25.01
Selling and distribution	407.29	212.95
Travelling and conveyance	518.14	640.97
Communication	14.69	20.33
Legal and professional	273.53	302.22
Rates and taxes	24.66	26.07
Insurance	6.37	7.02
Payments to statutory auditor-for audit	2.50	2.50
Payments to cost auditor-for audit	0.08	0.08
Royalty Expense	1.24	-
Research & Development Expense	7.74	-
Corporate social responsibility expenditure (Refer note-33)	7.29	1.10
Loss on fixed assets sold/written off	0.08	1.87
Donations	1.32	0.08
Bank charges	0.47	0.59
Loss on sale of Partnership firm	-	13.49
Miscellaneous	8.42	11.98
Total	2,054.43	2,187.54

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 24: Finance cost

(₹. in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on borrowings	98.63	0.50
Interest on financial liabilities at amortised cost	5.66	7.45
Total	104.29	7.95

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net profit after tax for the year (₹. in million)	2,936.55	2,481.41
Weighted average number of equity shares outstanding	137,500,000	137,500,000
Nominal value per equity share (in ₹)	1.00	1.00
Basic and diluted earnings per share (in ₹)	21.36	18.05

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 26: FIRST TIME IND AS ADOPTION RECONCILIATION

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Ind AS 101 - "First-time Adoption of Indian Accounting Standards" requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities. However this principle is subject to certain exceptions and certain optional exemptions available by the company.

Set out below are the Ind AS 101 optional exemptions availed and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

2. Deemed cost of property, plant and equipment and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

3. Business combinations :

Ind AS 101 provides option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

4. Investment in subsidiaries :

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

5. Estimates

Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

Statement of reconciliation of standalone equity under Ind AS and Indian GAAP (IGAAP)

(₹. in million)

Sr. No.	Particulars	Note	As at March 31, 2017	As at April 01, 2016
	Total equity as per IGAAP		5440.66	3,023.65
1	Fair valuation of investment (other than Investment in Subsidiaries)	Note 1	298.24	251.45
2	Effect of prior period item (Lease Rent Equalisation)	Note 2	-	(4.89)
3	Change in useful life of Intangible Asset	Note 3	11.07	-
4	Other Ind AS adjustments		(4.00)	(0.74)
	Total equity as per Ind AS		5,745.97	3,269.47

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Statement of reconciliation of Total comprehensive Income

(₹. in million)

Sr. No.	Particulars	Note	For the Year ended March 31, 2017
	Profit after tax as per IGAAP		2,417.01
1	Fair valuation of investment (other than Investment in Subsidiaries)	Note 1	46.79
2	Effect of prior period item (Lease Rent Equalisation)	Note 2	4.88
3	Change in useful life of Intangible Asset	Note 3	11.07
4	Remeasurement of gratuity recognised in other comprehensive income	Note 4	4.91
5	Other Ind AS adjustments		(3.25)
	Profit after tax as per Ind AS		2,481.41
	Other comprehensive income (net of tax)	Note 4	(4.91)
	Total comprehensive income as per Ind AS		2,476.50

Statement of reconciliation of Cash flow statement

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 1 Under previous GAAP, Investment (other than Investment in Subsidiaries) were carried at lower of cost or market value. Under Ind AS, the company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognised in retained earnings. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2017.

Note 2 Under previous GAAP, prior period items were shown saperately where as under IND AS, prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Note 3 Under previous GAAP, useful life of Intangible Asset (Brand) was considered 10 years (restricted as per AS 26), where as under IND AS useful life of Intangible Asset(Brand) is considered 50 years as per management estimates and technical evaluation.

Note 4 Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 27 : BUSINESS COMBINATIONS AND ACQUISITIONS

(i) The Company on 30th November, 2017 acquired Indian domestic formulation business of Strides Shasun Limited for ₹ 5000 million.

The India formulations business of Strides Shasun Limited was predominantly comprised of products in the Neurology, Central Nervous System (CNS), gynaecology, and gastrointestinal segments. The acquisition marks the foray of Eris in the CNS, Neurology segments and helps in scaling up its presence in the gynaecology and gastrointestinal segments.

The acquisition has been accounted for using the acquisition method of accounting. Acquisition has been divided into :

- Business Transfer Arrangement with Strides Shasun Limited for ₹ 4100 million.
- Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquired 100% shareholding for ₹ 900 million.

The following assets and liabilities were recognised provisionally as at the date of acquisition (at fair value):

a) Business Transfer Arrangement with Strides Shasun Limited

Particulars	₹ in million
Assets	
Value of Identified Intangible Assets- Brands	3,786.00
Inventories	87.21
Trade Receivables	59.99
Other Asset	29.86
Total Assets	3,963.06
Liabilities	
Trade Payable	90.18
Other Liabilities	6.46
Total Liabilities	96.64
Net Assets	3,866.42
Less: Purchase consideration *	4,033.02
Goodwill (refer note below)	166.60

* Difference between business transfer arrangement ₹ 4100 million and purchase consideration ₹ 4033.02 million is on account of Working capital adjustment.

Goodwill arose in the acquisition of the above said entity because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on the acquisition is deductible for tax purposes.

b) Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding.

Acquisition costs charged to Profit and Loss

Acquisition costs of ₹ 35.89 were charged to statement of profit and loss under the head Other Expenses.

(ii) The Company on 1st October, 2017 has acquired 100% shareholding of UTH Healthcare Limited for a consideration of ₹128.50 million.

UTH Healthcare Limited was deriving its revenue primarily from the product group covering vitamins, minerals, and nutrients. The acquisition has improved the offerings of Eris group in the nutraceuticals segment.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(iii) **The Company on 23rd november, 2016 has acquired 75.48% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 773.69 million.**

Kinedex healthcare private limited had been catering to 'pain/ analgesics' therapeutic area at the time of acquisition. The acquisition expands the product portfolio of Eris into mobility related disorders in the musculoskeletal therapy area.

(iv) Business acquisition has been done with an primary objective to diversify our existing product portfolio and expanding our business presence.

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹40.49 million (Previous Year ₹39.47 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹6.72 million (Previous year ₹4.04 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per the Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹9.56 million (Previous Year ₹(11.73) million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at 31st March, 2018: (₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	59.81	45.34
Current Service Cost	12.08	10.83
Past Service Cost	4.16	-
On Account of acquisition	6.46	-
Interest Cost	3.59	3.15
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(1.70)	1.26
- Due to experience adjustments	2.49	4.73
Benefits paid	(6.56)	(5.50)
Obligations at the end of the year	80.33	59.81
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	42.14	39.76
Interest Income	2.81	2.99
Expected returns on plan assets	(0.33)	(1.51)
Employer Contributions	18.47	6.40
Benefits paid	(6.56)	(5.50)
Fair Value of plan assets at the end of the year	56.53	42.14

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	80.33	59.81
Less : Fair value of plan assets	(56.53)	(42.14)
Funded status (deficit)	23.80	17.67
Net liability recognised in the financial statement	23.80	17.67
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	16.23	10.83
Interest Cost	0.79	0.16
Expense charged to the statement of profit and loss	17.02	10.99
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	0.33	1.52
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(1.70)	1.26
- Due to experience adjustments	2.49	4.73
Expense charged to other comprehensive income	1.12	7.51
Assumptions:		
Discount rate	7.30%	6.75%
Estimated rate of return on plan assets	7.30%	6.75%
Annual increase in salary costs	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of +0.5% in discount rate	78.85	56.41
Decrease of +0.5% in discount rate	81.87	58.66
Increase of +0.5% in salary escalation rate	81.68	58.58
Decrease of +0.5% in salary escalation rate	79.03	56.51
Expected future Cash outflows towards the plan are as follows :		
Year 1	20.02	13.18
Year 2	16.78	11.00
Year 3	13.28	9.54
Year 4	9.75	7.66
Year 5	8.33	5.56
Year 6 to 10	20.68	15.62

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	As at March 31, 2018 %	As at March 31, 2017 %
Insurer managed funds	91%	86%
Bank Balance	9%	14%

Notes:

1. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
2. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
3. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
4. The expected contribution to be made by the company for gratuity during financial year ending March 31, 2019 is ₹15.54 million (previous year ₹12.08 million).

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(₹. in million)

	As at March 31, 2018		As at March 31, 2017	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	604.96	604.96	413.02	413.02
Cash and cash equivalents	88.08	88.08	20.00	20.00
Other bank balances	0.06	0.06	0.55	0.55
Loans	403.71	403.71	158.08	158.08
Other Financial Asset	176.54	176.54	188.73	188.73
Investment in tax free bonds	3.29	3.29	3.30	3.30
Fair value through profit or loss :				
Investment in mutual funds	3,621.60	3,621.60	2,989.67	2,989.67
Investment in equity instruments (other than investment in subsidiaries)	28.78	28.78	39.31	39.31
Total	4,927.02	4,927.02	3,812.66	3,812.66

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

	As at March 31,2018		As at March 31,2017	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Liabilities :				
Amortised cost :				
Borrowings	2,736.88	2,736.88	-	-
Trade payables	790.30	790.30	251.11	251.11
Other financial liabilities	1,048.00	1,048.00	88.71	88.71
Total	4,575.18	4,575.18	339.82	339.82

(ii) Fair value hierarchy :

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

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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

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

(₹. in million)

As at March 31,2018	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,621.60	-	-	3,621.60
Equity instruments	14.28	14.50	-	28.78
Total	3,635.88	14.50	-	3,650.38
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	3,635.88	14.50	-	3,650.38

(₹. in million)

As at March 31,2017	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	2,989.67	-	-	2,989.67
Equity shares	12.90	26.41	-	39.31
Total	3,002.57	26.41	-	3,028.98
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	3,002.57	26.41	-	3,028.98

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in mutual funds : The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments : Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of a valuer.

(iii) Financial risk management :

The Company's activities are exposed to variety of financial risks. These risks include market risk , credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk sruch as commodity risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 3624.89 million and ₹ 2992.97 million as at 31-March-2018 and 31-March-2017 respectively.

The Company's borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to ₹ 3736.88 million and ₹ Nil as at 31-March-2018 and 31-March-2017 respectively.

For the year ended March 31, 2018, every 50 basis increase in interest rates would decrease the company profit by approximate ₹ 6.58 million (Previous year : ₹ Nil). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4927.02 million and ₹ 3812.64 million as at 31-March-2018 and 31-March-2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

(₹. in million)

As at March 31,2018	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,023.89	2,000.00	750.00
Trade payables	790.30	-	-
Other financial liabilities	6.37	-	17.74
	1,820.56	2,000.00	767.74
As at March 31,2017			
Borrowings	-	-	-
Trade payables	251.11	-	-
Other financial liabilities	71.52	-	17.19
	322.63	-	17.19

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Subsidiaries	
	From April 01, 2010	Eris Therapeutics Private Limited
	From July 12, 2016	Aprica Healthcare Private Limited
	From November 23, 2016	Kinedex Healthcare Private Limited
	From October 01, 2017	UTH Healthcare Limited
	From December 01, 2017	Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)
	Upto August 31, 2016	Sozin Flora Pharma
2	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Executive Director (Upto 5th January, 2017)	Mr. Kaushal Kamlesh Shah
	Executive Director (Upto 5th January, 2017)	Mr. Rajendra Rambhai Patel
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director (upto 6th October 2017)	Mr. Rajiv Gulati
	Independent Director (upto 1st February 2018)	Mr. Shardul Shroff
	Nominee Director (upto 26th May 2017)	Mr. Sanjiv Kaul
3	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
4	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

B) Transactions with related parties are as follows:

(₹. in million)

Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Transaction with Subsidiaries		
	Eris Therapeutics Private Limited		
	Loans Received Back	-	5.86
	Aprica Healthcare Private Limited		
	Net Loans and Advances Given	-	67.90
	Net Loans and Advances Received Back	9.40	-
	Royalty Income	4.01	2.45
	Interest Income	6.27	-
	Kinedex Healthcare Private Limited		
	Purchases of Stock-in-trade	1.95	-
	Sales of Stock-in-trade	1.86	-
	Net Loans and Advances Given	-	82.00
	Royalty Income	0.33	-
	Interest Income	9.23	2.50
	UTH Healthcare Limited		
	Purchases of Stock-in-trade	23.49	-
	Sales of Stock-in-trade	0.44	-
	Net Loans and Advances Given	229.70	-
	Royalty expense	0.52	-
	Interest Income	10.34	-
	Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)		
	Royalty expense	0.72	-
	Sozin Flora Pharma		
	Purchases of Stock-in-trade	-	172.71
	Sales of material	-	0.16
	Purchase of material	-	4.75
	Purchase of asset	-	3.14
	Share of profit from partnership	-	45.95
2	Key Management Personnel compensation		
	Remuneration to director	69.06	52.62
	Sitting fees to Independent Directors	1.70	-
3	Close family member of Key Management Personnel compensation		
	Salary expense	3.42	2.96
4	Other Related parties		
	Contribution to Post-employment benefit plan	23.80	17.67

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

C) Balances with related parties at end of the year:

(₹. in million)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Aprica Healthcare Private Limited		
	Loans and advances Given	64.14	67.90
	Trade Receivable	4.09	2.55
2	Kinedex Healthcare Private Limited		
	Loans and advances Given	92.56	84.25
	Trade payable	2.19	-
	Trade Receivable	2.46	-
3	UTH Healthcare Limited		
	Loans and advances Given	239.22	-
	Trade Receivable	0.44	-
	Trade payable	26.76	-
4	Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)		
	Other current asset	1.14	-

Note 31: Loans to group Companies

Disclosures pursuant to Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹. in million)

Name of the Subsidiary	Amount outstanding as at		Maximum balance during the year	
	March 31, 2018	March 31, 2017	2017-18	2016-17
Aprica Healthcare Private Limited	64.14	67.90	105.00	90.00
Kinedex Healthcare Private Limited	92.56	84.25	116.49	94.25
UTH Healthcare Limited	239.22	-	239.31	-
Eris Therapeutics Private Limited	-	-	-	5.86

Notes

- The loanees did not hold any shares in the Share capital of the Company.
- All loans given are for the purposes of the business.

Note 32

- During the May 2017, Pursuant to a tie-up agreement between the Company, Pharmanza, Aeran Lab (India) Private Limited and others, the company entered into deed of assignment to acquire rights and title to the Brands Union, Reunion and Bon-Union for an aggregate consideration of ₹ 100 million, subject to certain additional payments contingent on sales of these brands.
- During the July 2016, the company acquired 40 Brands from Amay Pharmaceuticals Private Limited (Formerly known as Aprica Pharmaceuticals Private Limited) for a consideration of ₹328.7 million. The Company has also paid ₹ 50 million to Amay as non compete fees in relation to above brand. Further, our Company acquired the entire equity shareholding of Aprica Healthcare private limited from Mr. Maharshi Sanjaykumar Vyas and Mr. Maulik Pandya, who incorporated Aprica Healthcare private limited.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 33: Corporate Social Responsibility (CSR) expenditure

(₹. in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Gross amount required to be spent by the company as per section 135 of the act	32.74	21.35
(b) Gross amount spent and paid by the company during the year (other than construction/acquisition of asset)	7.29	1.10

Note 34: Contingent Liability

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	137.93	129.03
Penalty under section 271(1)(c) of Income Tax Act for Assessment year 2014-15	3.30	-

Note: The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during the year. Management does not expect any cash outflow from this matter.

Note 35: Leases

The Company has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 67.28 million (Previous year ₹ 40.61 million). The Company has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

(₹. in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	93.94	20.94
Later than one year and not later than 5 years	114.19	86.46
Later than five years	24.15	33.17

Note 36: ESOP

The Company has granted 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares under 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/"Plan") (date of grant i.e. 12th April, 2017) to eligible employees of the company. Each option after vesting date i.e. 12th April, 2018 is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year. The exercise period would be a maximum of 5 years from the date of vesting of options. There is no accrual of option in the current year under consideration.

Note 37: Micro Small & Medium Enterprises

Based on the information available with the Company, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

Note 38: Implementation of Goods and Service Tax

Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS-18, "Revenue", GST is not included in revenue from operations. In view of the aforesaid, revenue from operations for the year ended on March 31, 2018 are not comparable with the previous period.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31st March, 2018

Note 39: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

Note 40: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary to comply with Ind AS.

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director
DIN: 01250925

Himanshu J. Shah

Whole Time Director
DIN: 01301025

Sachin Shah

Chief Financial Officer

Milind Talegaonkar

Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: 25th May, 2018

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and 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 Parent'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 statement of changes in equity of the Group in accordance with the Indian 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 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 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 Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 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 auditor's 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 Parent's preparation 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 Parent'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 and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below, 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 and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraphs, 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 895.21 million as at 31st March, 2018, total revenues of Rs. 983.34 million and net cash inflows amounting to Rs. 8.85 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have

been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The comparative financial statements for the year ended 31st March 2017 in respect of four subsidiaries and the related transition date opening balance sheet as at 1st April 2016 in respect of two subsidiaries prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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, returns and the reports of the other auditors.
- (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 Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent 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 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) (hereinafter referred to as "the Parent") 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 Parent 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent 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 criteria for internal financial control over financial reporting 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: May 25, 2018

CONSOLIDATED BALANCE SHEET

as at 31st March, 2018

(₹ in million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I. ASSETS:				
(1) Non current assets				
(a) Property, Plant and Equipment	2(a)	526.12	556.77	706.70
(b) Capital Work in progress	2(a)	-	0.74	-
(c) Goodwill	2(b)	934.74	378.11	-
(d) Intangible assets	2(b)	6,250.06	1,381.59	6.95
(e) Financial assets				
Non current investments	3	2,716.10	2,130.52	1,543.54
Other financial asset	5	101.91	90.72	77.11
(f) Income tax assets (net)	4(d)	79.18	68.74	71.66
(g) Deferred tax assets (net)	4(f)	1,005.67	498.93	186.92
Total Non current assets		11,613.78	5,106.12	2,592.88
(2) Current assets				
(a) Inventories	7	654.48	558.19	476.21
(b) Financial assets				
Current investments	3	937.59	901.78	644.93
Trade receivables	8	666.42	488.59	253.70
Cash and cash equivalents	9(a)	106.08	23.43	88.68
Other bank balances	9(b)	0.30	0.78	8.27
Loans	10	11.84	8.14	4.69
Other financial asset	5	83.04	103.50	53.40
(c) Income tax assets (net)	4(d)	-	-	15.10
(d) Other current assets	6	527.32	76.01	47.92
Total Current assets		2,987.07	2,160.42	1,592.90
Total		14,600.85	7,266.54	4,185.78
II. EQUITY AND LIABILITIES :				
(1) Equity				
(a) Share capital	11	137.50	137.50	1.38
(b) Other Equity	12	8,475.57	5,533.86	3,207.04
Equity attributable to the owners of the company		8,613.07	5,671.36	3,208.42
Non-controlling Interest		246.65	237.93	32.02
Total Equity		8,859.72	5,909.29	3,240.44
(2) Non Current Liabilities				
(a) Financial Liabilities				
Long term Borrowings	13	2,741.95	4.94	-

(₹ in million)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other financial liabilities	14	22.59	25.29	17.37
(b) Long-term provisions	15	187.13	211.52	230.98
(c) Other non-current liabilities	16	12.16	10.78	7.48
(d) Deferred tax liabilities (net)	4(f)	522.70	346.54	-
Total Non Current Liabilities		3,486.53	599.07	255.83
(3) Current liabilities				
(a) Financial Liabilities				
Trade payables	17	907.74	385.17	245.66
Other financial liabilities	14	1,034.36	73.06	39.00
(b) Short-term provisions	15	170.71	215.01	176.27
(c) Other current liabilities	16	116.22	62.09	227.23
(d) Income tax liabilities (net)	4(e)	25.57	22.85	1.35
Total Current Liabilities		2,254.60	758.18	689.51
Total Liabilities		5,741.13	1,357.25	945.34
Total		14,600.85	7,266.54	4,185.78

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer

Place: Ahmedabad
Date: 25th May, 2018

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

(₹in million)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
REVENUE:			
Revenue from operations	18	8,556.04	7,494.96
Other income	19	264.08	251.13
Total Revenue (I)		8,820.12	7,746.09
EXPENSES:			
(a) Cost of materials consumed	20	470.79	504.57
(b) Purchases of stock-in-trade		898.36	572.74
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(28.53)	(30.99)
(d) Employee benefits expense	22	1,573.22	1,312.20
(e) Other expenses	23	2,422.07	2,445.76
Total (II)		5,335.91	4,804.28
Profit before interest, tax, depreciation and amortisation (I - II)		3,484.21	2,941.81
Finance costs	24	105.50	10.33
Depreciation and amortisation expense	2	256.42	227.61
Profit before tax		3,122.29	2,703.87
Tax expenses :	5		
(a) Current tax expense		687.93	570.35
(b) Deferred tax		(515.42)	(332.55)
Net tax expense		172.51	237.80
Profit for the year		2,949.78	2,466.07
Attributable to :			
- Owners of the company		2,941.05	2,467.85
- Non controlling interest		8.73	(1.78)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.78	(7.51)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(0.12)	2.60
		0.66	(4.91)
Total Comprehensive Income for the year		2,950.44	2,461.16

(₹ in million)			
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Attributable to :			
- Owners of the company		2,941.71	2,462.94
- Non controlling interest		8.73	(1.78)
Earnings per equity share of face value ₹ 1 each			
Basic and Diluted (₹)	25	21.39	17.95

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: 25th May, 2018

Place: Ahmedabad
Date: 25th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2018

A. Equity Share Capital		(₹in million)
Particulars (Refer note-11)		Amount
As at 1st April 2016		1.38
Changes in Equity Share Capital (pursuant to bonus shares)		136.12
As at 31st March 2017		137.50
Change in Equity Share Capital		-
As at 31st March 2018		137.50

B. Other Equity		Amount (₹in million)		
Particulars (Refer note-12)	Retained Earnings	General Reserve	Total Other Equity	
As at 01-04-2016	3,200.04	7.00	3,207.04	
Less: Utilised for issuing bonus shares (Refer note-11.2)	(136.12)	-	(136.12)	
Add: Profit for the year	2,467.85	-	2,467.85	
Add: Other comprehensive Income for the year	(4.91)	-	(4.91)	
As at 31-03-2017	5,526.86	7.00	5,533.86	
Add: Profit for the year	2,941.05	-	2,941.05	
Add: Other comprehensive Income for the year	0.66	-	0.66	
As at 31-03-2018	8,468.57	7.00	8,475.57	

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer

Place: Ahmedabad
Date: 25th May, 2018

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	3,122.29	2,703.86
Adjustments for :		
Depreciation and amortisation expense	256.42	227.61
Loss on fixed assets sold/written off	0.08	1.86
Finance costs	105.50	10.34
Diminution in value of Investment	-	3.97
Dividend income	(5.90)	(0.35)
Interest income	(9.96)	(9.28)
Net gain on sale of investments	(36.84)	(35.24)
Fair value gain on investments	(203.96)	(191.48)
Profit on disposal of undertaking	-	(13.92)
Business combinations and acquisition expense	35.89	-
Operating profit before working capital changes	3,263.52	2,697.37
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(91.59)	(138.36)
Inventories	4.16	(33.98)
Other asset	(404.19)	(76.39)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	270.08	84.28
Cash generated from operations	3,041.98	2,532.92
Net income tax paid	(695.63)	(530.80)
Net cash flow from operating activities (A)	2,346.35	2,002.12
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets)	(250.96)	(497.50)
Consideration paid towards business acquisitions (Refer note-27)	(5,243.69)	(773.79)
Proceeds from disposal of business	-	35.00
Investments in mutual funds	(1,074.69)	(1,100.00)
Proceeds from redemption of investments in mutual funds	694.08	478.95
Loan to Employees	(3.71)	(3.45)
Bank balances not considered as cash and cash equivalents-Placed	0.48	7.70
Proceeds from sale of fixed assets	0.40	0.37
Dividend income	5.90	0.35
Interest income	7.11	7.80
Business combinations and acquisition expense	(35.89)	-
Net cash used in investing activities (B)	(5,900.97)	(1,844.57)

(₹in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities		
Proceeds of long-term borrowings	3,734.74	-
Repayment of long-term borrowings	-	(65.09)
Finance costs	(102.62)	(2.42)
Dividend and dividend distribution tax paid	-	(169.12)
Net cash flow used in financing activities (C)	3,632.12	(236.63)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	77.50	(79.08)
Cash and cash equivalents at the beginning of the year	23.43	88.68
Cash and cash equivalents acquired pursuant to acquisition	5.15	15.63
Cash and cash equivalents disposed pursuant to disposal	-	(1.80)
Cash and cash equivalents at end of the year {Refer note- 9(a)}	106.08	23.43
Notes:		
Cash and Cash Equivalents {Refer note- 9(a)}		
Cash on hand	0.61	0.81
Balance with banks		
In Current Account	105.47	22.62
Cash and Cash Equivalents as per Cash flow statement	106.08	23.43

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Gaurav J. Shah

Partner

Place: Ahmedabad
Date: 25th May, 2018

For and on behalf of the Board of Directors

Amit I. Bakshi

Managing Director
DIN: 01250925

Sachin Shah

Chief Financial Officer

Place: Ahmedabad
Date: 25th May, 2018

Himanshu J. Shah

Whole Time Director
DIN: 01301025

Milind Talegaonkar

Company Secretary
Membership No-A26493

Corporate Information:

Eris Lifesciences Limited ("Parent Company") and its subsidiaries (together referred to as "the group") is engaged in the manufacture and marketing of pharmaceutical products. The Parent Company has a manufacturing plant located in Guwahati, Assam. The Parent Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These are the Group's first Ind AS financial statements. Refer Note no 26 for the details of first-time adoption exemptions availed by the Group.

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Investments in mutual funds & equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/noncurrent basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Basis of consolidation:

The Group consolidates all entities which it controls. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.3 Use of estimates and judgements:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.4)
- Useful lives of property, plant and equipment (refer note 1.5)
- Useful lives of intangible assets (refer note 1.6)
- Impairment of asset (refer note 1.9)
- Valuation of inventories (refer note 1.10)
- Employee benefits (refer note 1.14)

- Valuation of deferred tax assets (refer note 1.15)
- Provisions & contingent liabilities (refer note 1.16)

1.4 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 discounts, applicable taxes and returns. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group activities, as described below.
- Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- Other income:
 - Dividend income is recognized when the right to receive dividend is established.
 - Interest income is recognized using the time proportion method, based on rates implicit in the transaction.
 - Other income is recognized when no significant uncertainty as to its determination or realisation exists.

1.5 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments, in

whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

1.6 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible asset	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.7 Business combinations and Goodwill

1.7.1 Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from transition date i.e., 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward.

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net assets and contingent liabilities.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the

combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.7.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

1.8 Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted. Financial assets are classified, at initial recognition, as 'Financial assets measured at fair value' or as 'Financial assets measured at amortised cost'.

Subsequent measurement

- i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - > The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - > Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
 After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries is carried at cost in the financial statements.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.9 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sale and value in use.

Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.10 Inventories:

- a. Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, packing materials and Stores, Spares and Consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of CENVAT and input tax credit availed], labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.11 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding book overdrafts, if any, as they are considered an integral part of the Group's cash management.

1.12 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the Parent company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.14 Employee Benefits:

(A) Defined contribution plan:

The Group's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

(i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

ii) The Group also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Group recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.15 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is

probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.16 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is 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.

Contingent liability

It is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.17 Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

1.18 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(₹in million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fitures	Electrical Installtion	Total
Gross carrying amount:								
As at April 1, 2016 (At deemed cost)	44.04	207.00	212.75	55.72	156.04	23.57	7.58	706.70
Additions During the Year	-	-	6.70	1.75	98.95	0.51	0.19	108.10
Deductions during the year	-	-	1.50	2.67	1.19	-	-	5.36
Acquisition through business combination	-	3.99	-	9.85	4.13	0.21	-	18.18
Derecognised on disposal of a subsidiary	13.01	16.85	27.41	0.18	0.48	0.38	4.66	62.97
As at March 31, 2017	31.03	194.14	190.54	64.47	257.45	23.91	3.11	764.65
Additions During the Year	-	-	5.54	14.13	122.15	6.69	-	148.51
Deductions during the year	-	-	-	0.78	-	0.04	-	0.82
Acquisition through business combination	-	-	-	3.65	-	-	-	3.65
As at March 31, 2018	31.03	194.14	196.08	81.47	379.60	30.56	3.11	915.99
Accumulated depreciation:								
As at April 1, 2016	-	-	-	-	-	-	-	-
Depreciation for the Year	-	18.03	35.68	18.03	128.73	6.28	0.96	207.71
Deductions during the year	-	-	-	0.12	-	-	-	0.12
Acquisition through business combination	-	0.02	-	1.60	1.31	0.04	-	2.97
Eliminated on disposal of business	-	0.70	1.72	0.01	0.04	0.02	0.19	2.68
As at March 31, 2017	-	17.35	33.96	19.50	130.00	6.30	0.77	207.88
Depreciation for the Year	-	15.88	28.90	16.68	114.05	5.82	0.61	181.94
Deductions during the year	-	-	-	0.34	-	0.01	-	0.35
Acquisition through business combination	-	-	-	0.40	-	-	-	0.40
As at March 31, 2018	-	33.23	62.86	36.24	244.05	12.11	1.38	389.87
Net carrying amount								
As at April 1, 2016	44.04	207.00	212.75	55.72	156.04	23.57	7.58	706.70
As at March 31, 2017	31.03	176.79	156.58	44.97	127.45	17.61	2.34	556.77
As at March 31, 2018	31.03	160.91	133.22	45.23	135.55	18.45	1.73	526.12
Capital work in progress								
As at April 1, 2016	-	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-	0.74	-	0.74
As at March 31, 2018	-	-	-	-	-	-	-	-

Note: 1. Refer note 13 for details of Charge/pledge on above assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(b) Intangible Assets :

(₹ in million)

Particulars	Goodwill	Other Intangible Assets			Total
		Trademark/ Brand	Non compete fees	Computer Software	
Gross carrying amount:					
As at April 1, 2016 (At deemed cost)	-	0.96	-	5.99	6.95
Additions during the year	-	328.88	50.00	7.27	386.15
Acquisition through business combinations	378.11	1,008.40	-	-	1,008.40
Deductions during the year	-	-	-	0.01	0.01
As at March 31, 2017	378.11	1,338.24	50.00	13.25	1,401.49
Additions during the year	-	101.26	-	1.01	102.27
Acquisition through business combinations	556.63	4,840.70	-	-	4,840.70
Deductions during the year	-	0.01	-	-	0.01
As at March 31, 2018	934.74	6,280.19	50.00	14.26	6,344.45
Accumulated Amortisation:					
As at April 1, 2016	-	-	-	-	-
Amortisation for the year	-	11.44	6.44	2.02	19.90
Deductions during the year	-	-	-	-	-
As at March 31, 2017	-	11.44	6.44	2.02	19.90
Amortisation for the year	-	61.91	10.00	2.57	74.48
Deductions during the year	-	-	-	-	-
As at March 31, 2018	-	73.35	16.44	4.59	94.38
Net carrying amount					
As at April 1, 2016	-	0.96	-	5.99	6.95
As at March 31, 2017	378.11	1,326.80	43.56	11.23	1,381.59
As at March 31, 2018	934.74	6,206.84	33.56	9.67	6,250.07

Note: 1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 3: Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non current investments			
(I) At Fair Value through Profit or Loss			
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)	2,684.01	2,087.89	1,500.62
Investment in Equity Instruments			
Quoted	14.28	12.90	12.00
Unquoted	14.50	26.41	27.74
(II) At amortised cost			
Investment in Tax Free Bonds (quoted)	3.29	3.30	3.16
Investment in NSC (unquoted)	0.02	0.02	0.02
Total (I)+(II)	2,716.10	2,130.52	1,543.54
Aggregate carrying value of quoted investments	17.57	16.20	15.16
Aggregate market value of quoted investments	17.57	16.20	15.16
Aggregate carrying value of unquoted investments	2,698.53	2,114.32	1,528.38
Current investments			
At Fair Value through Profit or Loss			
Investment in Mutual funds (unquoted) (Refer note 3.1 below)	937.59	901.78	644.93
Total	937.59	901.78	644.93

3.1 Details of pledged securities:

Include ₹1231.27 million (31-03-2017 - ₹1227.69 million, 01-04-2016- ₹1476.91 million) marked under lien against overdraft facilities availed by the Parent company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 4: Income Taxes

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	687.93	570.35
Deferred tax:		
Deferred tax (benefit) / expense for current year	(515.42)	(332.55)
	172.51	237.80
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(0.12)	2.60
	(0.12)	2.60
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	3,122.29	2,703.87
Enacted tax rate in India	34.608%	34.608%
Expected income tax expenses	1,080.57	935.76
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	26.45	6.12
Effect of income exempt from taxation	(3.02)	(16.10)
Tax incentives	(864.04)	(635.21)
Others (net)	(67.57)	(50.17)
Adjusted income tax expense	172.39	240.40

(d) Income Tax Assets :

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	71.79	86.79	10.69
Add: Tax paid in advance, net of provisions during the year	7.39	(18.05)	76.07
Closing Balance	79.18	68.74	86.76
Classified as:			
Non Current	79.18	68.74	71.66
Current	-	-	15.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(e) Income Tax Liabilities:

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	22.85	-	-
Add: Current tax payable for the year	687.91	557.38	253.31
Less: Taxes paid	685.19	534.53	251.96
Closing Balance	25.57	22.85	1.35

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(f) Deferred tax relates to :			
Deferred tax assets			
Property, plant and equipment	71.75	51.75	26.95
Minimum Alternate Tax credit entitlement	1,118.31	452.11	162.68
Carry forward tax losses and accumulated depreciation	47.05	39.66	-
Employee benefits	32.41	23.31	24.63
Other	9.03	9.48	9.32
	1,278.55	576.31	223.58
Deferred tax liabilities			
Intangible Assets	739.99	375.68	0.05
Fair Valuation of Investment	55.59	48.24	36.61
	795.58	423.92	36.66
Total	482.97	152.39	186.92

The deferred tax liabilities / assets are off-set, where the Group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

(₹in million)

Deferred tax assets	1,005.67	498.93	186.92
Deferred tax liabilities	522.70	346.54	-
Net Deferred Tax	482.97	152.39	186.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(₹ in million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Carry Forward Losses and accumulated depreciation	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to :								
As at 1st April, 2016	26.95	162.68	-	24.63	(0.05)	(36.61)	9.32	186.92
Charged/(Credited)								
- To Profit or Loss	(23.79)	(319.81)	(30.97)	3.92	26.63	11.63	(0.16)	(332.55)
- To other comprehensive Income	-	-	-	(2.60)	-	-	-	(2.60)
Acquisition/disposal	1.01	(30.38)	8.69	-	(349.00)	-	-	(369.68)
As at 31st March, 2017	51.75	452.11	39.66	23.31	(375.68)	(48.24)	9.48	152.39
Charged/(Credited)								
- To Profit or Loss	(20.00)	(666.20)	(7.39)	(9.22)	179.59	7.35	0.45	(515.42)
- To other comprehensive Income	-	-	-	0.12	-	-	-	0.12
Acquisition/disposal	-	-	-	-	(184.72)	-	-	(184.72)
As at 31st March, 2018	71.75	1,118.31	47.05	32.41	(739.99)	(55.59)	9.03	482.97

Note 5: Other Financial Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
Security deposits	41.90	41.65	39.04
Receivable on sale of Investment in subsidiary	14.16	18.43	-
Other receivables	45.85	30.64	38.07
	101.91	90.72	77.11
Current			
Insurance claim receivable	0.78	0.07	2.92
Interest accrued	0.40	0.15	0.27
IPO Expense Recoverable	-	73.54	-
Security deposits	39.17	3.76	0.23
Receivable on sale of Investment in subsidiary	12.00	5.74	-
Other receivables	30.69	20.24	49.98
	83.04	103.50	53.40
	184.95	194.22	130.51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 6: Other Current Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	37.01	11.16	9.81
Balances with government authorities			
Cenvat credit/ GST receivable	361.75	35.70	9.61
Others	1.11	1.22	1.42
Advance to suppliers	116.34	25.23	16.33
Advances to employees	11.11	2.70	10.75
Total	527.32	76.01	47.92

Note 7: Inventories

(At lower of cost and net realisable value)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Material and Packing Material {including goods-in-transit ₹ 32.15 (31-03-2017- ₹ 3.33), (01-04-2016 - ₹9.72)}	181.05	114.83	62.30
Work-in-progress	13.46	12.95	43.28
Finished goods	149.80	255.77	205.92
Stock-in-trade {including goods-in-transit ₹16.75 (31-03-2017- ₹ 5.54), (01-04-2016 - ₹0.25)}	308.01	174.02	162.55
Stores, spares & consumables	2.16	0.62	2.16
Total	654.48	558.19	476.21

Note 8: Trade receivables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured			
Considered good	666.42	488.59	253.70
Considered doubtful	-	-	-
	666.42	488.59	253.70
Less: Allowance for doubtful debt	-	-	-
Total	666.42	488.59	253.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 9 (a) : Cash and cash equivalents

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.61	0.81	16.84
Balances with banks in current accounts	105.47	22.62	71.84
Total	106.08	23.43	88.68

Note 9 (b) : Other bank balances

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In fixed deposit accounts to the extent held as security deposit	0.30	0.78	8.27
Total	0.30	0.78	8.27

Note 10: Loans

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Loans to employees	11.84	8.14	4.69
Total	11.84	8.14	4.69

Note 11: Share Capital

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised:			
30,00,00,000 Equity Shares of ₹1 each (31-03-2017- 30,00,00,000 Equity Shares of ₹1 each, 01-04-2016- 10,00,00,000 Equity Shares of ₹10 each)	300.00	300.00	100.00
Total	300.00	300.00	100.00
Issued, Subscribed and Fully Paid-up :			
13,75,00,000 Equity Shares of ₹1 each (31-03-2017- 13,75,00,000 Equity Shares of ₹1 each, 01-04-2016- 1,37,500 Equity Shares of ₹10 each) fully paid up	137.50	137.50	1.38
Total	137.50	137.50	1.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 11.1 : Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	No. of equity shares	₹ in million
Shares outstanding at 01-04-2016	1,37,500	1.38
Issued during the year :		
Share Split from ₹10 to ₹1 per share	12,37,500	-
Bonus shares issued during the year (99 fully paid up equity shares for every 1 share held)	13,61,25,000	136.12
Shares outstanding at 31-03-2017	13,75,00,000	137.50
Shares outstanding at 31-03-2018	13,75,00,000	137.50

Note 11.2 : Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity shares			
Bonus shares issued during the year	-	13,61,25,000	-

Note 11.3: Details of shareholders holding more than 5 % equity shares in the Parent Company as at the end of the year

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,42,71,500	39.47	5,49,59,000	39.97	54,959	39.97
2. Himanshu Jayantibhai Shah	62,84,500	4.57	69,72,000	5.07	6,972	5.07
3. Inderjeet Singh Negi	59,39,833	4.32	69,71,000	5.07	6,971	5.07
4. Rajendrakumar Rambhai Patel	59,39,834	4.32	69,71,000	5.07	6,971	5.07
5. Bhikhalal Chimanlal Shah	1,10,54,000	8.04	1,24,29,000	9.04	12,429	9.04
6. Rakeshbhai Bhikhabhai Shah	1,58,54,000	11.53	1,58,54,000	11.53	15,854	11.53
7. Botticelli	-	-	2,23,44,000	16.25	22,344	16.25

Note 11.4: Terms / Rights attached to the equity shares:

The Parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Parent Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 12: Other Equity

(₹ in million)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retained Earnings	8,468.57	5,526.86	3,200.04
General Reserve	7.00	7.00	7.00
Total	8,475.57	5,533.86	3,207.04

Nature and purpose of reserves :

Retained Earnings: Retained Earnings are the profits that the Group has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

General reserve: General Reserve is created out of profits of the Group. The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Note 13: Borrowings

(₹ in million)					
Particulars	Maturity	Terms of repayment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current					
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	3,763.11	-	-
Secured Term Loan from bank (Refer note 2 below)	Dec-2016	8 equal quarterly Instalments	-	-	5.00
Secured Loan from bank	Sep-2018 to July-2021		4.88	6.48	-
			3,767.99	6.48	5.00
Amount of current maturities of long term debt disclosed under the head " Other Financial Liabilities" (refer Note-14)			(1,026.04)	(1.54)	(5.00)
Total			2,741.95	4.94	-

Term Loans from bank referred above to the extent of :

1. Term Loan of ₹3984.76 million (March-31-2017- ₹Nil, April-01-2016- ₹Nil) are secured by way of :

- (i) Exclusive charge on the entire current assets of the Parent Company, both present and future.
- (ii) Exclusive charge on entire immovable fixed assets of the Parent Company, both present and future.
- (iii) Exclusive charge on movable fixed assets of Guwahati Plant of the Parent Company.
- (iv) Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.
- (v) Creation of DSRA by earmarking of existing OD Limit backed by mutual funds equivalent to one quarterly instalment and interest.

Note- The company is in process of creating charge over assets.

2. Term Loan of ₹ Nil (March-31-2017- ₹ Nil, April-01-2016- ₹5.00 million) are secured by way of pledge against Debt mutual funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 14: Other financial liabilities

(₹in million)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
Trade deposits	22.59	25.29	17.37
	22.59	25.29	17.37
Current			
Trade deposits	1.95	-	-
Current maturities of long-term debt (refer Note-13)	1,026.04	1.54	5.00
Book overdraft	3.29	71.12	32.03
Payable on purchase of fixed assets	3.08	0.40	1.97
	1,034.36	73.06	39.00
Total	1,056.95	98.35	56.37

Note 15: Provisions

(₹in million)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term			
Provision for employee benefits (Refer note-28)			
Compensated absences	50.05	39.62	50.86
Gratuity	2.88	6.42	-
Provision for sales returns (Refer note below)	134.20	165.48	180.12
	187.13	211.52	230.98
Short Term			
Provision for employee benefits (Refer note-28)			
Compensated absences	19.41	21.99	20.32
Gratuity	24.26	17.95	6.55
Provision for sales returns (Refer note below)	127.04	175.07	149.40
	170.71	215.01	176.27
Total	357.84	426.53	407.25

Provision for sales returns :

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms. During the year the Group has changed its incentive structure which would have consequential impact on sales return and the same has been adjusted during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Provision	357.45	358.36
Add : Provision during the year	185.12	219.20
Less : Utilisation during the year	281.33	237.01
Closing Provision	261.24	340.55
Long Term	134.20	165.48
Short Term	127.04	175.07
Total	261.24	340.55

Note 16: Other liabilities

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Deferred Lease rent payment	12.16	10.78	7.48
	12.16	10.78	7.48
Current			
Dividend distribution tax payable	-	-	169.13
Statutory liabilities	95.25	58.59	54.68
Advances from customers	20.97	3.50	3.42
	116.22	62.09	227.23
Total	128.38	72.87	234.71

Note 17: Trade payables

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to micro and small enterprises (Refer note-35)	-	-	-
Due to others	907.74	385.17	245.66
Total	907.74	385.17	245.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 18: Revenue from operations

	(₹in million)	
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of products (Refer note 36)	8,271.04	7,298.32
Other operating income		
GST/Excise duty refund	278.94	191.85
Share of profit from partnership firm	-	0.01
Others	6.06	4.78
	285.00	196.64
Total	8,556.04	7,494.96

Note 19: Other income

	(₹in million)	
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest income	9.96	8.56
Dividend income	5.90	0.35
Net gain on sale of investments	36.84	35.24
Net gain on investments carried at fair value through profit or loss	203.96	191.48
Profit on disposal of the investment in subsidiary	-	13.92
Miscellaneous income	7.42	1.58
Total	264.08	251.13

Note 20: Cost of material consumed

	(₹in million)	
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Raw materials and packing materials		
Opening stock	114.83	62.30
Add: Purchases during the year	537.01	557.10
Less: Closing stock	(181.05)	(114.83)
Total	470.79	504.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹ in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening stock		
Stock-in-trade	174.02	162.55
Finished goods	255.77	205.92
Work-in-progress	12.95	43.28
	442.74	411.75
Less: Closing stock		
Stock-in-trade	308.01	174.02
Finished goods	149.80	255.77
Work-in-progress	13.46	12.95
	471.27	442.74
Net (Increase) / decrease in stocks	(28.53)	(30.99)

Note 22: Employee benefits expense

(₹ in million)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, wages and bonus	1,444.31	1,227.48
Contribution to provident and other funds	89.32	49.94
Staff welfare expenses	39.59	34.78
Total	1,573.22	1,312.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 23: Other expenses

	(₹in million)	
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Power and fuel	31.69	30.17
Consumption of stores and spares (Indigenous)	21.60	24.96
Labour and security	12.93	18.91
Testing charges	6.67	6.59
Excise duties	75.09	289.67
Rent	80.85	46.13
Freight and forwarding	87.64	75.03
Commission	151.75	146.87
Advertising, publicity and awareness	373.37	378.27
Repairs and maintenance	29.84	37.39
Selling and distribution	463.95	243.04
Travelling and conveyance	692.33	733.58
Communication	16.60	21.59
Legal and professional	307.82	331.15
Rates and taxes	30.55	33.00
Insurance	8.05	7.50
Payments to statutory auditor-for audit	2.50	2.50
Payments to cost auditor-for audit	0.08	0.08
Research & Development Expense	7.74	-
Corporate social responsibility expenditure	7.29	1.10
Loss on fixed assets sold/written off	0.08	1.86
Donations	1.40	0.13
Bank charges	1.03	0.70
Miscellaneous	11.22	15.54
Total	2,422.07	2,445.76

Note 24: Finance cost

	(₹in million)	
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on borrowings	99.84	1.83
Interest on financial liabilities at amortised cost	5.66	8.50
Total	105.50	10.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net profit after tax for the year (₹ in million)	2,941.05	2467.85
Weighted average number of equity shares outstanding	13,75,00,000	13,75,00,000
Nominal value per equity share (in ₹)	1.00	1.00
Basic and diluted earnings per share (in ₹)	21.39	17.95

Note 26: FIRST TIME IND AS ADOPTION RECONCILIATION

These financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Ind AS 101 - "First-time Adoption of Indian Accounting Standards" requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Group, be applied retrospectively and consistently for all financial years presented. The Group has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities. However this principle is subject to certain exceptions and certain optional exemptions availed by the Group.

Set out below are the Ind AS 101 optional exemptions availed and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Classification and measurement of financial assets

The Group has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

2. Deemed cost of property, plant and equipment and intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

3. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

4. Estimates

Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Statement of reconciliation of consolidated equity under Ind AS and Indian GAAP (IGAAP)

(₹in million)

Sr. No.	Particulars	Note	As at 31-Mar-2017	As at 01-Apr-2016
	Total equity as per IGAAP - attributable to the owners of the Company		5360.72	2,962.60
1	Fair valuation of investment (other than Investment in Subsidiaries)	Note 1	298.24	251.45
2	Effect of prior period item (Lease Rent Equalisation)	Note 2	-	(4.89)
3	Change in useful life of Intangible Asset	Note 3	11.07	-
4	Other Ind AS adjustments		1.33	(0.74)
	Total equity as per Ind AS - attributable to the owners of the Company		5,671.36	3,208.42

Statement of reconciliation of Total comprehensive Income

(₹in million)

Sr. No.	Particulars	Note	For Year ended 31-Mar-2017
	Profit after tax as per IGAAP - attributable to the owners of the Company		2,412.11
1	Fair valuation of investment (other than Investment in Subsidiaries)	Note 1	46.79
2	Effect of prior period item (Lease Rent Equalisation)	Note 2	4.89
3	Change in useful life of Intangible Asset	Note 3	11.07
4	Remeasurement of gratuity recognised in other comprehensive income	Note 4	4.91
5	Other Ind AS adjustments		(11.92)
	Profit after tax as per Ind AS - attributable to the owners of the Company		2,467.85
	Other comprehensive income (net of tax)	Note 4	(4.91)
	Total comprehensive income as per Ind AS - attributable to the owners of the Company		2,462.94

Statement of reconciliation of Cash flow statement

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

- Note 1: Under previous GAAP, Investment (other than Investment in Subsidiaries) were carried at lower of cost or market value. Under Ind AS, the Group has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognised in retained earnings. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2017.
- Note 2: Under previous GAAP, prior period items were shown saperately where as under IND AS, prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.
- Note 3: Under previous GAAP, useful life of Intangible Asset (Brand) was considered 10 years (restricted as per AS 26), where as under IND AS useful life of Intangible Asset(Brand) is considered 50 years as per management estimates and technical evaluation.
- Note 4: Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 27: BUSINESS COMBINATIONS AND ACQUISITIONS

- (i) The Parent Company on 30th November 2017 has acquired Indian domestic formulation business of Strides Shasun Limited for ₹5000 million.

The India formulations business of Strides Shasun Limited was predominantly comprised of products in the Neurology, Central Nervous System (CNS), gynaecology, and gastrointestinal segments. The acquisition marks the foray of Eris in the CNS, Neurology segments and helps in scaling up its presence in the gynaecology and gastrointestinal segments.

The acquisition has been accounted for using the acquisition method of accounting. Acquisition has been divided into :

- Business Transfer Arrangement with Strides Shasun Limited for ₹ 4100 million.
- Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquired 100% shareholding for ₹ 900 million.

The following assets and liabilities were recognised provisionally as at the date of acquisition (at fair value):

(a) **Business Transfer Arrangement with Strides Shasun Limited**

Particulars	(₹in million)
Assets	
Value of Identified Intangible Assets- Brands	3,786.00
Inventories	87.21
Trade Receivables	59.99
Other Asset	29.86
Total Assets	3,963.06
Liabilities	
Trade Payable	90.18
Other Liabilities	6.46
Total Liabilities	96.64
Net Assets	3,866.42
Less: Purchase consideration *	4,033.02
Goodwill (refer note 27 (iv) below)	166.60

* Difference between business transfer arrangement ₹ 4100 million and purchase consideration ₹ 4033.02 million is on account of Working capital adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(b) Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding.

Particulars	(₹in million)
Assets	
Value of Identified Intangible Assets- Brands	715.90
Other Asset	3.03
Cash and cash equivalents	0.56
Total Assets	719.49
Liabilities	
Trade Payable	0.07
Other Liabilities	2.34
Total Liabilities	2.41
Net Assets	717.08
Less: Purchase consideration	900.00
Goodwill (refer note 27 (iv) below)	182.92
Revenue and profit contributed to the group are as follows:	
Particulars	(₹in million)
Revenue	0.72
Profit/(Loss) before tax	(2.81)

Acquisition costs charged to Profit and Loss

Acquisition costs of ₹35.89 were charged to statement of profit and loss under the head Other Expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(ii) The Parent Company on 1st October 2017 has acquired 100% shareholding of UTH Healthcare Limited for a consideration of ₹128.50 million.

UTH Healthcare Limited was deriving its revenue primarily from the product group covering vitamins, minerals, and nutrients. The acquisition has improved the offerings of Eris group in the nutraceuticals segment.

a) The following assets and liabilities were recognised provisionally as at the date of acquisition (at fair value):

Particulars	(₹in million)
Assets	
Value of Identified Intangible Assets- Brands	335.00
Property Plant and Equipment	3.25
Inventories	13.24
Trade Receivables	26.25
Other Asset	2.23
Cash and cash equivalents	4.61
Total Assets	384.58
Liabilities	
Borrowings	182.16
Trade Payable	55.60
Other Liabilities	40.74
Total Liabilities	278.50
Net Assets	106.08
Less: Purchase consideration	128.50
Goodwill (refer note 27 (iv) below)	22.42

b) Revenue and profit contributed to the group are as follows:

Particulars	(₹in million)
Revenue	68.47
Profit/(Loss) before tax	(19.81)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(iii) The Parent Company on 23rd november 2016 has acquired 75.48% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 773.69 million.

Kinedex healthcare private limited had been catering to 'pain/ analgesics' therapeutic area at the time of acquisition. The acquisition expands the product portfolio of Eris into mobility related disorders in the musculoskeletal therapy area.

a) The following assets and liabilities were recognised as at the date of acquisition (at fair value):

Particulars	(₹in million)
Assets	
Value of Identified Intangible Assets- Brands	1,008.40
Property Plant and Equipment	15.20
Inventories	48.00
Trade Receivables	96.54
Other Asset	7.36
Cash and cash equivalents	15.85
Total Assets	1,191.35
Liabilities	
Borrowings	66.57
Trade Payable	96.38
Other Liabilities	28.55
Total Liabilities	191.50
Net Assets	999.85
Non-controlling interest	24.52%
Non- controlling interest measured at the Group's proportionate share in net assets	245.16
Less: Purchase consideration	773.69
Goodwill (refer note 27 (iv) below)	19.00

b) Revenue and profit contributed to the group are as follows:

Particulars	(₹in million)
	March 31, 2017
Revenue	171.57
Profit/(Loss) before tax	(47.14)

(iv) Goodwill arose in the acquisition of the above said entities because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is deductible for tax purposes except ₹166.60 million recognised on business Transfer arrangement with Strides Shasun Limited.

(v) Business acquisition has been done with an primary objective to diversify our existing product portfolio and expanding our business presence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 28: EMPLOYEE BENEFIT PLANS

(A) Defined contribution plans:

The Group makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Group recognized ₹49.47 million (Previous Year ₹43.52 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹7.92 million (Previous year ₹4.37 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

(B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of Profit and Loss amounting to ₹9.56 million (Previous Year ₹(11.73) million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The Parent Company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Group financial statements as at 31st March, 2018:

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	66.50	46.31
Obligations due to acquisition beginning of the year		6.33
Current Service Cost	14.53	11.57
Past Service Cost	4.83	-
On Account of acquisition	6.46	-
Interest Cost	4.06	3.15
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(2.06)	1.26
- Due to experience adjustments	0.94	4.73
Benefits paid	(7.17)	(6.85)
Obligations at the end of the year	88.09	66.50
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	42.13	39.76
Interest Income	2.81	2.99
Expected returns on plan assets	(0.33)	(1.52)
Employer Contributions	18.47	6.40
Benefits paid	(6.56)	(5.50)
Fair Value of plan assets at the end of the year	56.52	42.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(₹in million)

Particulars	As at March 31, 2018	As at March 31, 2017
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	88.09	66.50
Less : Fair value of plan assets	(56.52)	(42.13)
Funded status (deficit)	31.57	24.37
Net liability recognised in the financial statement	31.57	24.37
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	19.35	11.57
Interest Cost	1.26	0.16
Expense charged to the statement of profit and loss	20.61	11.73
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	0.33	1.52
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(2.06)	1.26
- Due to experience adjustments	0.94	4.73
Expense charged to other comprehensive income	(0.79)	7.51
Assumptions:		
Discount rate	7.30% to 7.60%	6.70% to 7.20%
Estimated rate of return on plan assets	7.30% to 7.60%	6.70% to 7.20%
Annual increase in salary costs	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of +0.5% in discount rate	86.22	62.73
Decrease of +0.5% in discount rate	90.09	65.76
Increase of +0.5% in salary escalation rate	89.84	65.69
Decrease of +0.5% in salary escalation rate	86.45	62.85
Expected future Cash outflows towards the plan are as follows :		
Year 1	20.28	13.46
Year 2	17.10	11.32
Year 3	13.65	9.90
Year 4	10.46	8.06
Year 5	9.00	6.06
Year 6 to 10	24.37	18.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	(₹in million)	
	As at March 31, 2018 %	As at March 31, 2017 %
Insurer managed funds	91%	86%
Bank Balance	9%	14%

Notes:

1. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
2. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
3. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
4. The expected contribution to be made by Group for gratuity during financial year ending March 31, 2019 is ₹17.97 million (previous year ₹14.53 million).

Note 29: FAIR VALUE MEASUREMENT

(I) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows:

	As at March 31, 2018		As at March 31, 2017	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	666.42	666.42	488.59	488.59
Cash and cash equivalents	106.08	106.08	23.43	23.43
Other bank balances	0.30	0.30	0.78	0.78
Loans	11.84	11.84	8.14	8.14
Other Financial Asset	184.95	184.95	194.22	194.22
Investment in tax free bonds	3.29	3.29	3.30	3.30
Investment in NSC	0.02	0.02	0.02	0.02
Fair value through profit or loss :				
Investment in mutual funds	3,621.60	3,621.60	2,989.67	2,989.67
Investment in equity instruments (other than investment in subsidiaries)	28.78	28.78	39.31	39.31
Total	4,623.28	4,623.28	3,747.46	3,747.46
Financial Liabilities :				
Amortised cost :				
Borrowings	2,741.95	2,741.95	4.94	4.94
Trade payables	907.74	907.74	385.17	385.17
Other financial liabilities	1,056.95	1,056.95	98.35	98.35
Total	4,706.64	4,706.64	488.46	488.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(ii) Fair value hierarchy :

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

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

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

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

(₹in million)				
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,621.60	-	-	3,621.60
Equity instruments	14.28	14.50	-	28.78
Total	3,635.88	14.50	-	3,650.38
Financial Liabilities :				
	-	-	-	-
Net Assets/(Liabilities)	3,635.88	14.50	-	3,650.38

(₹in million)				
As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	2,989.67	-	-	2,989.67
Equity shares	12.90	26.41	-	39.31
Total	3,002.57	26.41	-	3,028.98
Financial Liabilities :				
	-	-	-	-
Net Assets/(Liabilities)	3,002.57	26.41	-	3,028.98

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in mutual funds:

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments:

Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

(iii) Financial risk management:

The Group activities are exposed to variety of financial risks. These risks include market risk , credit risks and liquidity risk. The Group overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

(a) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as commodity risk. The Group is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Parent Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 3624.89 million and ₹ 2992.97 million as at 31-March-2018 and 31-March-2017 respectively.

The Group borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to ₹ 3743.54 million and ₹ 6.48 million as at 31-March-2018 and 31-March-2017 respectively.

For the year ended March 31, 2018, every 50 basis increase in interest rates would decrease the Group profit by approximate ₹ 6.58 million (Previous year : ₹ Nil). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Group receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4623.28 million and ₹ 3747.46 million as at 31-March-2018 and 31-March-2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Group generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows:

	(₹ in million)		
As at March 31, 2018	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,026.04	2,004.37	750.70
Trade payables	907.74	-	-
Other financial liabilities	8.32	-	22.59
	1,942.10	2,004.37	773.29
As at March 31, 2017			
Borrowings	1.54	3.13	1.81
Trade payables	385.17	-	-
Other financial liabilities	74.77	-	22.04
	461.48	3.13	23.85

(iv) Capital management :

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group objective for capital management is to maintain the capital structure which will support the Group strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Group.

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Executive Director (Upto 5th January, 2017)	Mr. Kaushal Kamlesh Shah
	Executive Director (Upto 5th January, 2017)	Mr. Rajendra Rambhai Patel
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director (upto 6th October 2017)	Mr. Rajiv Gulati
	Independent Director (upto 1st February 2018)	Mr. Shardul Shroff
	Nominee Director (upto 26th May 2017)	Mr. Sanjiv Kaul
2	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
3	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

B) Transactions with related parties are as follows:

(₹in million)			
Sr. No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Key Management Personnel compensation		
	Remuneration to director	69.06	52.62
	Sitting fees to Independent Directors	1.70	-
2	Close family member of Key Management Personnel compensation		
	Salary expense	3.42	2.96
3	Other Related parties		
	Contribution to Post-employment benefit plan	23.80	17.67

C) Balances with related parties at end of the year:

There are no outstanding balances with related parties at the end of year.

Note 31:

- During the May 2017, Pursuant to a tie-up agreement between the Parent Company, Pharmeda, Aera Lab (India) Private Limited and others, the Parent company entered into deed of assignment to acquire rights and title to the Brands Union, Reunion and Bon-Union for an aggregate consideration of ₹100 million, subject to certain additional payments contingent on sales of these brands.
- During the July 2016, the Parent company acquired 40 Brands from Amay Pharmaceuticals Private Limited (Formerly known as Aprica Pharmaceuticals Private Limited) for a consideration of ₹328.7 million. Parent Company has also paid ₹50 million to Amay as non compete fees in relation to above brand. Further, our Parent Company acquired the entire equity shareholding of Aprica Healthcare private limited from Mr. Maharshi Sanjaykumar Vyas and Mr. Maulik Pandya, who incorporated Aprica Healthcare private limited.

Note 32: Contingent Liability :

(₹in million)		
Particulars	As at March 31, 2018	As at March 31, 2017
Notices relating to DPCO Matters (refer note below)	137.93	129.03
Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities	7.03	-

Note: The Parent Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during the year. Management does not expect any cash outflow from this matter.

Note 33: Leases :

The Group has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 80.85 million (Previous year ₹46.13 million). The Group has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

(₹in million)		
Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	98.23	25.23
Later than one year and not later than 5 years	129.31	108.23
Later than five years	31.75	47.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Note 34: ESOP

The Parent Company has granted 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares under 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/"Plan") (date of grant i.e. 12th April, 2017) to eligible employees of the Parent Company. Each option after vesting date i.e. 12th April, 2018 is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹451. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year. The exercise period would be a maximum of 5 years from the date of vesting of options. There is no accrual of option in the current year under consideration.

Note 35: Micro Small & Medium Enterprises

Based on the information available with the Group, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

Note 36: Implementation of Goods and Service Tax

Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS-18, "Revenue", GST is not included in revenue from operations. In view of the aforesaid, revenue from operations for the year ended on March 31, 2018 are not comparable with the previous period.

Note 37: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

Note 38: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary to comply with Ind AS.

Note 39: Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Details of entities consolidated-

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2018	Proportion of Ownership Interest as on March 31, 2017
Eris Therapeutics Private Limited	Subsidiary	India	100.00%	100.00%
Aprica Healthcare Private Limited	Subsidiary	India	100.00%	100.00%
Kinedex Healthcare Private Limited	Subsidiary	India	75.48%	75.48%
Sozin Flora Pharma	Subsidiary	India	-	-
UTH Healthcare Limited	Subsidiary	India	100.00%	-
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	Subsidiary	India	100.00%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2018)		Share in Profit or (Loss) 2017-18		Share in Other Comprehensive Income (OCI) 2017-18		Share in Total Comprehensive Income (TCI) 2017-18	
	As % of consolidated net Assets	₹ in million	As % of consoli- dated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	98.0%	8,681.79	99.8%	2,936.54	-110.6%	(0.73)	99.8%	2,935.81
Subsidiaries								
Eris Therapeutics Private Limited	0.0%	0.86	0.0%	(0.03)	0.0%	-	0.0%	(0.03)
Aprica Healthcare Private Limited	-0.3%	(27.37)	0.5%	15.03	-43.9%	(0.29)	0.5%	14.74
Kinedex Healthcare Private Limited	-0.2%	(20.14)	1.2%	35.60	254.5%	1.68	1.3%	37.28
UTH Healthcare Limited	-2.8%	(248.74)	-0.7%	(19.85)	0.0%	-	-0.7%	(19.85)
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	6.3%	557.11	-0.1%	(1.91)	0.0%	-	-0.1%	(1.91)
Non controlling interest in all subsidiaries	2.8%	246.65	-0.3%	(8.73)	0.0%	-	-0.3%	(8.73)
Intercompany Elimination and Consolidation Adjustments	-3.8%	(330.44)	-0.4%	(15.60)	0.0%	-	-0.5%	(15.60)
Total	100.0%	8,859.72	100.0%	2,941.05	100.0%	0.66	100.0%	2,941.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2018

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2017)		Share in Profit or (Loss) 2016-17		Share in Other Comprehensive Income (OCI) 2016-17		Share in Total Comprehensive Income (TCI) 2016-17	
	As % of consolidated net Assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	97.2%	5,745.97	100.6%	2,481.42	100.0%	(4.91)	100.6%	2,476.51
Subsidiaries								
Eris Therapeutics Private Limited	0.0%	0.90	0.0%	0.68	0.0%	-	0.0%	0.68
Aprica Healthcare Private Limited	-0.7%	(42.11)	-1.7%	(42.21)	0.0%	-	-1.7%	(42.21)
Kinedex Healthcare Private Limited	-1.0%	(57.41)	-1.3%	(31.76)	0.0%	-	-1.3%	(31.76)
Sozin Flora Pharma	0.0%	-	2.1%	51.40	0.0%	-	2.1%	51.40
Non controlling interest in all subsidiaries	4.0%	237.93	0.1%	1.78	0.0%	-	0.1%	1.78
Intercompany Elimination and Consolidation Adjustments	0.5%	24.01	0.2%	6.54			0.2%	6.54
Total	100.0%	5,909.29	100.0%	2,467.85	100.0%	(4.91)	100.0%	2,462.94

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: 25th May, 2018

Milind Talegaonkar
Company Secretary
Membership No-A26493

Eris

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar,
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Email: complianceofficer@erislifesciences.com Website: www.eris.co.in
Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

NOTICE

NOTICE IS HEREBY given that the twelfth Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Saturday, September 29, 2018, at 11:00 A.M., at HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderjeet Singh Negi, (DIN: 01255388) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2019 and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution
“RESOLVED THAT subject to the provisions of Section 148 and the other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the twelfth AGM payable to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2018-19.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

4. To appoint Mr. Prashant Gupta as an Independent Director and in this regard to pass the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Prashant Gupta (DIN 08122641), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 30, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT subject to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Prashant Gupta, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, commencing April 30, 2018 to April 29, 2023, be and is hereby approved.”

5. To approve the change in the 'Object Clause' of the Memorandum of Association of the Company and in this regard to pass the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s)), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law(s), regulation(s), guideline(s), and subject to such approvals, permissions and sanctions of appropriate authorities, consent of the members of the Company be and is hereby accorded for the addition of clauses in the object clause of the Memorandum of Association of the Company in the manner set-out below.

Clause III. [A] 3 be and is hereby inserted after the clause III. [A] 2 as under:

"To carry on the business of manufacturing, trading, importing, exporting, supplying, innovating, researching, developing, improvising, allowing hired use, loaning equipment relating to fitness, wellness, fitness testing or measurement (whether electronic, electrical, mechanical or any combination thereof), healthcare, laboratory, patient need tools, implements, equipment, healthcare, recuperative or preventive intervention."

Clause III. [A] 4 be and is hereby inserted after the clause III. [A] 3 as under:

"To carry on the business of manufacturing, trading, importing, exporting, supplying, innovating, researching, developing Cosmetics, Cosmeceutical, beauty, appearance enhancement products, essences, personal hygiene or personal care products, health Care products, substances adapted for medical use, nutritional products, nutritional additives or supplements and any other like healthcare, wellness, recuperative or preventive intervention including without limitation dietary supplements, vitamins, minerals, fibre, fatty acids, amino acids, protein containing supplements, modified foods, dietetic substances, health foods and allied foods products, whether in ready to drink or eat form or otherwise."

6. To authorise the Board of Director to sell, lease or dispose of the undertaking of the company and in this regard to pass the following resolution as a Special Resolution:

"RESOLVED THAT the consent of the members of the Company be and is hereby accorded pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made thereunder, to create security by way of mortgage, hypothecation, pledge and / or charge, in addition to the mortgage(s), hypothecation(s), pledge(s) and/or charge(s) already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/ partly Convertible Debentures and/or Secured/Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1) (c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation/ revaluation/fluctuation in the rate of exchange etc.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

By order of the Board of Directors

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Date: August 9, 2018
Place: Ahmedabad

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy need not be a member of the Company.
A Proxy form is attached herewith. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
3. Only Registered Members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non Members from attending the meeting.
4. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item Nos. 3 to 6 of the Notice, are annexed hereto. All 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.
5. The Register of Members and Share Transfer Books of the Company shall be closed from Saturday, September 22, 2018 to Saturday, September 29, 2018 [both days inclusive]
6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The information of the Director retiring by rotation and being eligible seeking re-appointment at the ensuing Annual General Meeting is given in the Corporate Governance Report.
8. Notice of the twelfth Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes unless any member has requested for a hard copy of the same.
9. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to carry your folio number/ demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
10. The Companies (Management and Administration) Rules, 2014 allows the companies to serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website www.eris.co.in.
11. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to Link Intime India Private Limited (Company's Registrar and Share Transfer Agent). Members holding the Company's shares in dematerialized form are requested to register/ update their e-mail address with their Depository Participant(s) directly.
12. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the Annual General Meeting.

13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
14. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.
15. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours except on holidays.
16. Voting through electronic means
 - a. The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the members to cast their votes from a place other than venue of the AGM [remote e-voting]. The facility for voting shall be made available at the AGM through polling paper and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for the members.
 - b. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
 - c. The Notice will be displayed on the website of the Company www.eris.co.in and on the website of CDSL www.evotingindia.com.
 - d. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.
 - e. The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach CDSL for issuance of the USER ID and Password for exercising their right to vote by electronic means.
 - f. Members are requested to follow the instructions below to cast their vote through e-voting:
 - (i) The remote e-voting period will commence at 9:00 a.m.(IST) on Wednesday, September 26, 2018 and will end at 5:00 p.m. (IST) on Friday, September 28, 2018. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, September 22, 2018 may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) 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.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Eris Lifesciences Limited> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details: Mr. Rakesh Dalvi, Dy. Manager, CDSL 16th Floor, PJ Towers, Dalal Street, Fort, Mumbai-400 001 Email : helpdesk.evoting@cdslindia.com Tel: 18002005533

A member can opt for only one mode of voting i.e. either through remote e-voting or voting at the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

17. The board of directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
18. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.eris.co.in and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.
19. Members are requested to bring their copy of the Annual Report to the meeting. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.

Ahmedabad, 9th August, 2018

By Order of the Board of Directors

Milind Talegaonkar

Company Secretary

Mem. No.: A26493

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

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

Item No. 3

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the re-appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2018-2019, at a remuneration of Rs. 75,000/-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

Item No. 4

The Board of Directors had appointed Prashant Gupta (DIN 08122641), as an Additional Director of the Company classified as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from April 30, 2018 to April 29, 2023, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Prashant Gupta shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received recommendation of Nomination and Remuneration Committee of the Company, recommending his candidature for the office of Director.

The Company has received consent and declaration from Mr. Prashant Gupta to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Prashant Gupta fulfills the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations for appointment as Independent Director. The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM. He does not hold any shares in the company either by himself or for the benefit of other.

Mr. Prashant Gupta holds a degree of Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He is a Partner in the corporate department of Shardul Amarchand Mangaldas. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017. Considering his experience, the Board recommends the said appointment.

Further details of Mr. Prashant Gupta have been given in the corporate governance report which forms part of annual Report.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 4 of the Notice.

Except Mr. Prashant Gupta and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

Item No. 5

The Company is in the business of manufacturing and commercializing branded pharmaceutical products in selected therapeutic areas within the chronic and acute categories of Indian Pharmaceutical Market, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; and anti-infectives. The Company intends to expand and diversify its business and operate in new areas. Hence, the Board of Directors in their meeting held on 9th August,

2018 has considered and approved the proposed amendment in the object clause as set in the resolution. The proposed activities can be carried out, under the existing circumstances, conveniently and advantageously along with the existing activities of the Company.

Copy of the existing MOA, and a copy depicting the proposed amendments and other allied documents, if any, being referred in this resolution would 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.

Pursuant to the provisions of the Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s), alteration in object clause of the MOA requires the approval of Members by way of special resolution.

Accordingly, consent of the members is sought by way of a special Resolution as set out in Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

Item No. 6

Considering the Company's future growth plans and possible requirement of additional funds for its operations, and modernization, the borrowings, if and when required, may need to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender(s) including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

As advised, it would be judicious for the Company to seek the consent of its members before exercising the powers mentioned in Section 180(1)(a) of the Companies Act, 2013 read with applicable rules framed thereunder, since creation of such securities or any possible invocation thereof may be construed as disposal of the undertaking of the Company.

The resolution contained in item no. 6 of the accompanying Notice, accordingly, seek members' approval in respect of the borrowing limits and disposal of the Company's undertaking(s) by way of creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection thereto.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

Accordingly, consent of the members is sought by way of a special Resolution as set out in Item No. 6 of the Notice.

Ahmedabad, 9th August, 2018

By Order of the Board of Directors

Milind Talegaonkar

Company Secretary

Mem. No.: A26493

Eris

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar,
100 Feet Road, Ahmedabad – 380015

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in
Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

ATTENDANCE SLIP

VENUE OF THE MEETING: HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DAY, DATE & TIME: Saturday, September 29, 2018, at 11:00 A.M

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I certify that I am a registered shareholder(s)/proxy for the registered shareholder of the Company.

I hereby record my presence at the twelfth Annual General Meeting of the Company to be held on Saturday, September 29, 2018, at 11:00 A.M at HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

Signature of Member/Proxy

Notes

1. Please check the details carefully for their correctness before submitting the slip.
2. Please carry this attendance slip (or its copy or printout) with you while coming to the meeting.



ERIS LIFESCIENCES LIMITED

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Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

VENUE OF THE MEETING: HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DAY, DATE & TIME: Saturday, September 29, 2018, at 11:00 A.M

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I/We, _____, being the member(s) of _____ shares of Eris Lifesciences Limited hereby appoint the following as my/our Proxy to attend and vote on a poll (for me/us and on my/our behalf at the twelfth Annual General Meeting of the Company to be held on Saturday, September 29, 2018, at 11:00 A.M and at any adjournment thereof) in respect of such resolutions as are indicated below;

1. Name:

Registered address:

Email id:

Signature: _____, or failing him/her

2. Name:

Registered address:

Email id:

Signature: _____, or failing him/her

3. Name:

Registered address:

Email id:

Signature: _____, or failing him/her

** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sr.No.	Resolution	Number of shares held	For	Against
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Inderjeet Singh Negi, (DIN: 01255388) who retires by rotation and, being eligible, offers himself for re-appointment.			
SPECIAL BUSINESS				
3	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2019.			
4	To appoint Mr. Prashant Gupta as an Independent Director.			
5	To approve the change in the 'Object Clause' of the Memorandum of Association of the Company.			
6	To authorise the Board of Directors to sell, lease or dispose of the undertaking of the Company.			

This is optional. Please put a tick mark(√) in the appropriate column against the resolution indicated in the box. If a Member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a Member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

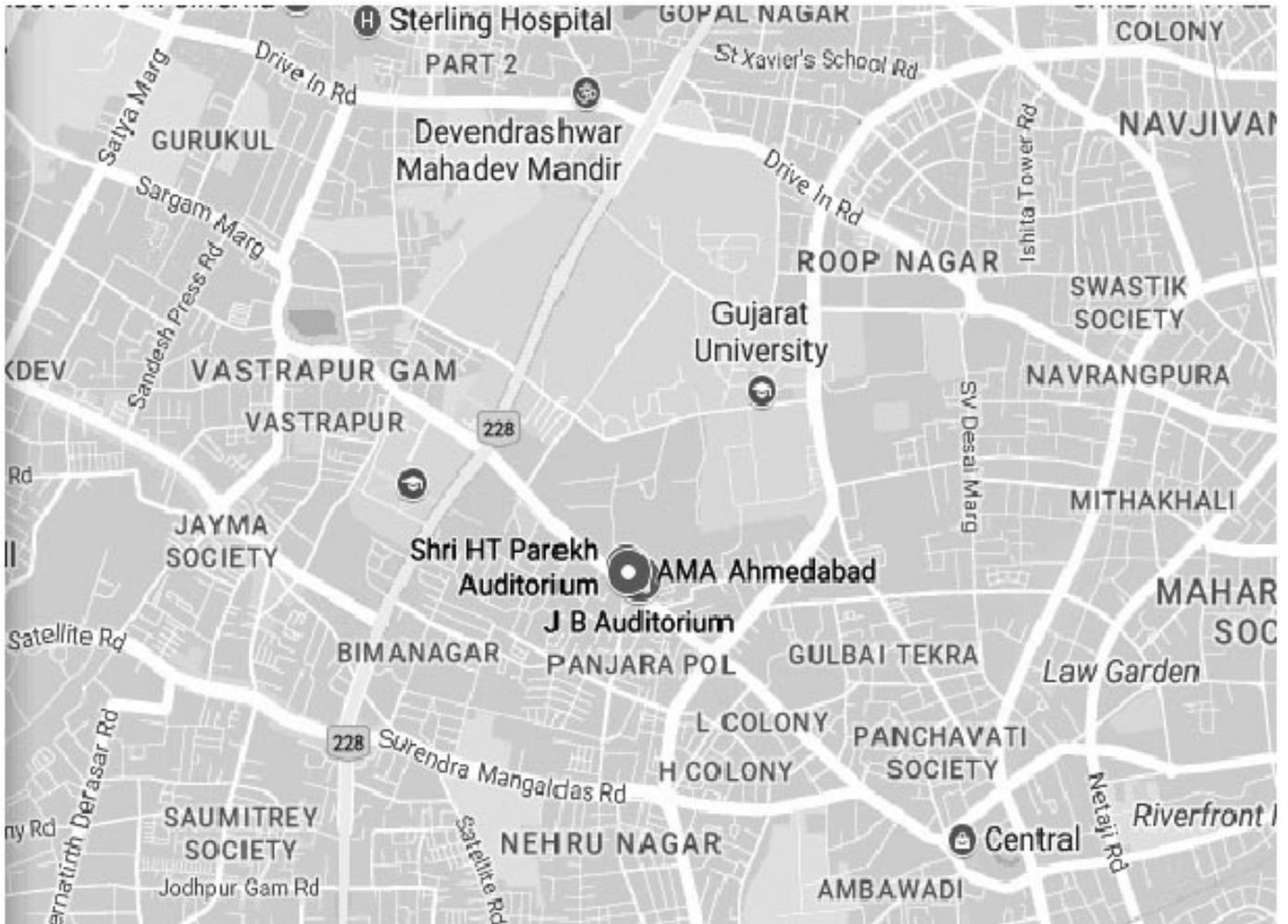
Signed this ____ day of _____ 2018.

Signature of Shareholder: _____ Signature of Proxy Holder(s): _____

Affix
Revenue
Stamp

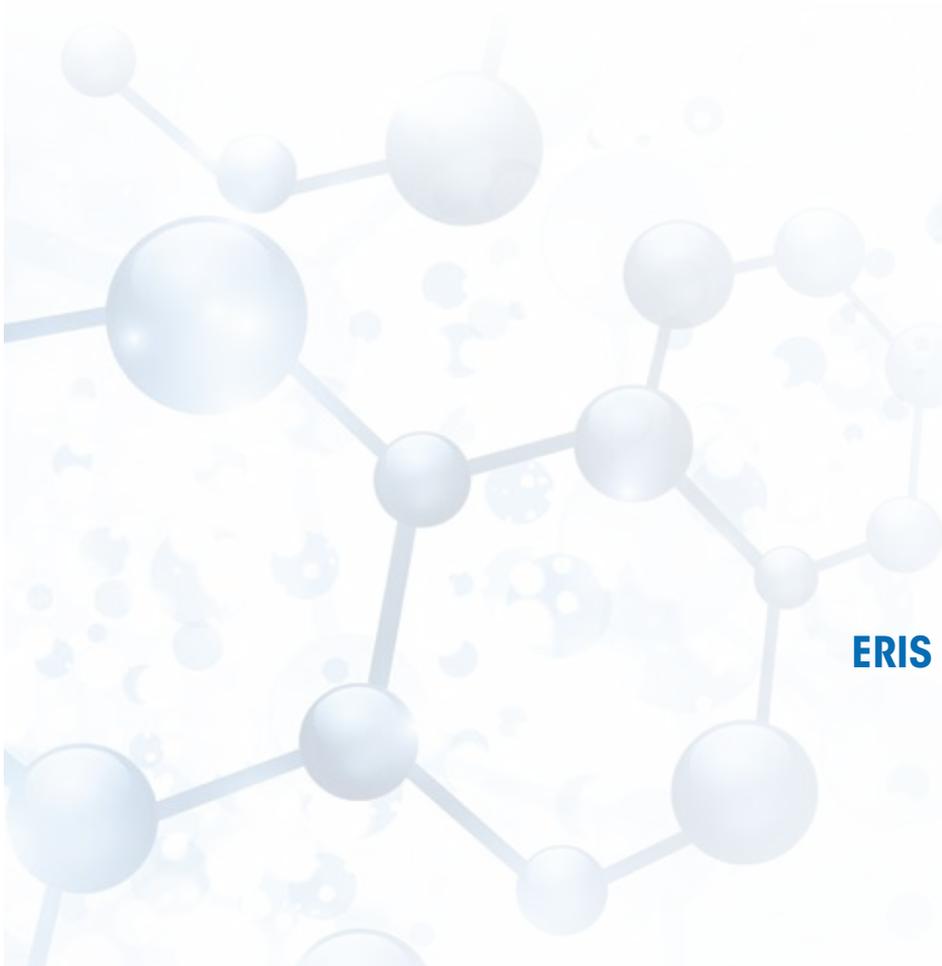
Notes

1. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.
3. In the case of joint holders, the vote of the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Shareholders may vote either for or against each resolution.



HT Parekh Hall,

Ahmedabad Management Association,
ATIRA Campus,
Dr. Vikram Sarabhai Marg,
Ahmedabad – 380 015



ERIS LIFESCIENCES LIMITED

REGISTERED & CORPORATE OFFICE
8th Floor, Commerce House IV,
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Tel: +91 79 3045 1111
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