

# **32nd ANNUAL REPORT 2017 - 2018**



## **COMBAT DRUGS LIMITED**

**Regd Office: 4th Floor, Plot No. 94, Sagar Society,  
Road No. 2, Banjara Hills, Hyderabad,  
Telangana-500034. India.  
Email: [info@combatdrugs.in](mailto:info@combatdrugs.in) URL: [www.combatdrugs.in](http://www.combatdrugs.in)**

# COMBAT DRUGS LIMITED

CIN : L24230TG1986PLC006781

**Regd. Off:** 4th Floor, Plot No. 94, Sagar Society, Road No.2, Banjara Hills,  
Hyderabad – 500 034 Tel No.: 040-48536100, Email id: info@combatdrugs.in

**1st REMINDER**

Date: 22/08/2018

Dear Shareholder(s),

Sub: Registration of your Permanent Account Number & Bank account details and dematerialization of

Ref: 01. Our earlier letter dated 28th June, 2018

02. SEBI Circular dated 20.04.2018 and SEBI (LODR) dated 08.06.2018, and BSE circular dated 05.07.2018

Please refer to our earlier referred letter, SEBI circulars and BSE circular referred to above, the shareholders who are having shares in physical mode are required to submit the details of Permanent Account Number and Bank account details alongwith the following documents to our Share Transfer Agent M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad – 500018, Tel No.040-23818475/765, email id: info@vccilindia.com.

01. Self attested copy of PAN Card of all the Holders.
02. Cancelled Original cheque leaf of sole/first holder

In case, the name of the sole/first holder is not available on the cheque leaf, kindly submit the copy of the first page of Bank Passbook/Bank Statement duly attested by Bank.

As directed by SEBI, in case of failure to register the PAN and Bank account details, any transaction in the shares of the company shall be subject to enhanced due diligence, as may be prescribed.

Further, as per SEBI (LODR) Regulations, 2018 vide No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular No. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form shall not be processed from 5th December 2018 unless the shares are held in dematerialised form with a depository. Hence, it would be in your interest, to take necessary steps to dematerialise your shares through your Depository Participant and hold them in Electronic Form.

Please note that only the new Equity Share Certificates dated 01st October, 2011, issued pursuant to the scheme of Arrangement, are valid and acceptable for transfer and/or dematerialization. Kindly contact our STA M/s Venture Capital and Corporate Investments Private Limited for further details, if required.

We request you to kindly forward attached KYC form duly filled alongwith copies of supporting documents of all Holders to our STA within 21 days from the date of receipt of this letter and advice you to take necessary steps to dematerialise your shares through your Depository Participant at the earliest and hold them in Electronic Form.

Thanking you,

Yours faithfully,  
For **COMBAT DRUGS LIMITED**,

Sd/-  
**SUSHANT MOHAN LAL**,  
Director

Encl: KYC updation form

## KYC UPDATION FORM

To \_\_\_\_\_

Date: \_\_\_\_\_

Venture Capital and Corporate Investments Private Limited

**Unit : Combat Drugs Limited**

12-10-167, Bharat Nagar, Hyderabad – 500 018

RL No. \_\_\_\_\_

Dear Sir,

In terms of SEBI Circular dated 20/04/2018 and rules made their under, I wish to inform you that update my details given below in your records and I enclosed herewith self-attested copy of my PAN Card and original cancelled cheque leaf/Bank Passbook or Bank statement duly attested by Bank.

General Information:	
Folio No.	
Name of the Sole / First Holder:	
PAN No.	
Aadhar Number	
Father's Name	
Address 1	
Address 2	
Address 3	
Address 4	
Pin Code	
Mobile No	
Email Id	
Bank Account no.	
Bank Name	
Branch Address	
IFSC Code	MICR Code
<b>2nd Holder Name</b>	
PAN No.	
<b>3rd Holder Name</b>	
PAN No.	

I/We hereby state that the above mentioned details are true and correct.

Sole/ First Holder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

2nd Holder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

3rd Holder Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Note:

1. If any change in your details already submitted to us, kindly fill the changes in the form alongwith supporting documents.
2. Your details have already submitted to us we have marked as Registered in the respective column, the other details to be submitted to us alongwith supporting documents.
3. For residents of Sikkim provide self attested copy of Aadhar Card/Passport instead of PAN Card.

## **32nd ANNUAL GENERAL MEETING**

Date : 29-09-2018

Day : SATURDAY

Time : 11.30 AM

Venue : 1st Floor, Conference Hall,  
Goodlands Banquet, Opp. CCMB  
Habsiguda X Roads,  
Hyderabad-500 007. T.S., INDIA

### **CONTENTS**

Notice .....	3
Director's Report .....	18
Management Discussion and Analysis .....	32
Report on Corporate Governance .....	34
Standalone Auditor's Report .....	66
Standalone Financials .....	73
Consolidated Auditor's Report .....	101
Consolidated Financials .....	107
Consent Form .....	133
Proxy Form/Attendance Slip .....	135
Polling Papers .....	137

No Gifts will be distributed at the meeting.

# COMBAT DRUGS LIMITED

CIN NO: CL23230TG1986PLC006781

## BOARD OF DIRECTORS

**Mr. VASUDEV KOMMARAJU**

Director

**Mr. SUSHANT MOHAN LAL**

Director

**Mrs. VEMURI SHILPA**

Independent Director

**Mr. RAGU RAGHURAM**

Independent Director

**Mr. BHUPENDRALAL WAGHRAY**

Independent Director (Upto 30-10-2017)

**Mr. SUCHIT MOHAN LAL**

Managing Director (Upto 31-03-2018)

### **Registered / Corporate Office:**

4th Floor, Plot No. 94,  
Sagar Society, Road No. 2,  
Banjara Hills, Hyderabad-34. TS  
Website: [www.combatdrugs.in](http://www.combatdrugs.in)  
Phone: 040-48536100

### **Works:**

9-109/9, Plot No.112, Rd.No.14,  
Gayatri Nagar, Boduppal,  
Hyderabad ,500039. TS  
E-mail: [Info@combatdrugs.in](mailto:Info@combatdrugs.in)

Compliance Officer:

Mr. Sushant Mohan Lal

### **Bankers:**

**Axis Bank Ltd,**  
Banjara Hills Branch,  
Hyderabad, TS, India.

### **Karnataka Bank Limited**

Karnataka Bank Ltd  
Raj Bhavan Road Branch,  
Hyderabad, TS, India

### **Auditors**

M. Anandam & Co.  
Chartered Accountants  
Secunderabad, TS. India

### **Legal Advisor**

N. Rajeshekar Reddy, Advocates  
Chitra Layout, L.B, Nagar,  
Hyderabad, TS, India.

## **REGISTRARS & TRANSFER AGENTS**

**M/s VENTURE CAPITAL & CORPORATE SERVICES PRIVATE LIMITED**

12-10-167, BHARAT NAGAR, HYDERABAD-500 018, TELANGANA  
Phone: (+91)-4023818475/476 Email id: [info@vccipl.com](mailto:info@vccipl.com)

## NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the members of Combat Drugs Limited will be held on Saturday, the 29th day of September, 2018 at 11.30 A.M. at 1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad-500 007. T.S., INDIA to transact the following items of business:

### **ORDINARY BUSINESS:**

#### **1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS**

To receive, consider and adopt the Balance Sheet as at 31st March, 2018, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.

#### **2. APPOINTMENT OF AUDITORS**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s M. Anandam & Company, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.”

### **Special Business:**

#### **3. APPOINTMENT OF Mr. RAGU RAGHURAM AS INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if

any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri Ragu Raghuram having Director Identification Number 03567941 who was appointed as an Independent / non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company till the next Annual General Meeting of the company. ”

**4. RE-APPOINTMENT OF MRS.VEMURI SHILPA AS INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Vemuri Shilpa having Director Identification Number 07140155 who was appointed as an Independent / non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company till the next AGM.

**5. BORROWING POWERS TO THE BOARD OF DIRECTORS**

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

**“RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with rules thereunder (including any statutory modifications, or re-enactments thereof for time being in force) and pursuant to the provisions of the Articles of Association of the Company and such other approval(s), permission(s) and sanction(s) as may be necessary, approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed

to include any Committee thereof), to borrow for and on behalf of the Company, from time to time, any sum or sums of monies, from any one or more of the Company's bankers and/or from any one or more other banks, persons, firms, companies/body corporates, financial institutions, institutional investor(s) and/or any other entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance, deposits, loans, or bill discounting, issue of debentures/warrants, commercial papers, long or short term loan(s), syndicated loans, either in rupees and/or such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties (whether movable or immovable, present or future) and all or any of the undertaking of the Company, stock-in-process or debts, for the purpose of the Company's business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed, at any time, the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves which are not set apart for any specific purposes, provided that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed INR 40,00,00,000/- (Rupees Forty Crores Only).”

**“RESOLVED FURTHER THAT** in connection with the aforesaid, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

## **6. AUTHORISATION TO BOARD OF DIRECTORS**

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

**“RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage,



hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture/warrant trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 40,00,00,000 (Rupees Forty Crores only) at any time.”

“**RESOLVED FURTHER THAT** in connection with the aforesaid, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

#### **7. TO FIX FEE FOR SERVING OF DOCUMENTS**

To fix minimum fee for serving various documents on members of the company and in this regard, to consider and if thought fit, to pass, with or without modifications(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the company may serve documents on its members, by sending the document(s) that he / she is entitled to receive as a member under the Act by post or by registered post or by speed post or by courier or such electronic or other mode as may be prescribed, depending on event and circumstance of each case from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or its duly constituted committee be and is hereby authorized to decide, in respect of any advance request for sending

documents in a particular mode of delivery by any member provided at least one week in advance of the dispatch of the document by the company along with requisite fee duly received by the company and that no such request shall be entertained by the company post dispatch of such documents by the company to the member, the charges payable for such delivery, as prescribed below for each mode of dispatch.

S. No.	Mode of Dispatch	Minimum Rate per document at the minimum slab of the weight of the document in each category in Rs.	
		Within India	International
1	Ordinary Post	15	1.2 times of the actual charges in each case
2	Registered Post	100	
3	Speed Post	100	
4	Courier	100	
5	Electronic Mail (Email)	20	20

**RESOLVED FURTHER THAT** the Board of Directors of the company or its duly constituted committee be and is hereby authorised to amend or alter such charges from time to time either keeping in view the change of charges as applicable to that mode or in any situation so warrants and to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. **TO KEEP REGISTER AND INDEX OF MEMBERS AT OTHER PLACE:** To keep Register and Index of Members at other place and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 94 read with Section 88 and 92 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Office of the external Registrar and Share Transfer Agent appointed by the company, presently Venture Capital and Corporate Investments Private Limited,

Registrar and Transfer Agent, situated at Bharatnagar, Hyderabad, instead of keeping and maintaining the same at Registered Office of the Company.”

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

9. **TO ALTER ARTICLES OF ASSOCIATION BY INSERTING NEW ARTICLE:** To alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14, 94 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 & 16 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Articles of Association of the Company be and are hereby altered by inserting new Article No. 182-A as under after the existing Article No. 182 of the Articles of Association of the Company :

**182-A: Inspection and copy of Register & Index of Members and Annual Return**

Notwithstanding anything contained in other Articles, the Register of Members and Index of Members as mentioned in Section 88 of the Companies Act, 2013 and copies of Annual Returns filed by the Company under Section 92 of the Companies Act, 2013 shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rs.50/- for each inspection. Any such member, debenture holder, other security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of fee of Rs.10/- for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

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

By the Order of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

**SUSHANT MOHAN LAL**  
DIRECTOR

Place: Hyderabad  
Date: 22.08.2018

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 per cent of the total Share Capital of the Company. Proxies submitted on behalf of companies must be supported by an appropriate Resolution/Authority, as applicable.
2. Register of members and share transfer books of the company will remain closed from 26/09/2017 to 29/09/2017 (both days inclusive).
3. The relevant Statement, pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the items of Special Business is annexed hereto.
4. **The Securities and Exchange Board of India (SEBI) under Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Fourth Amendment) Regulations, 2018 vide Circular no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 has stated that transfer of physical share will not be allowed after 5th December 2018.** SEBI has amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository. Therefore, for effecting any transfer, the securities shall mandatorily require to be in Demat form. Except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to convert their holdings to dematerialized form at the earliest. Members can contact the Company or VCCIPL for assistance in this regard.

The Securities and Exchange Board of India (SEBI) vide Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 had issued guidelines for strengthening and raising industry standards for Registrar and Share Transfer Agents (RTA), companies and Bankers to an Issue. One of the directions of the said Circular requires the company to take special efforts to updation of Permanent Account Number (PAN) and Bank account of all those Shareholders of the company holding shares in physical form who have not updated their PAN and Bank Account details. Members holding shares in physical form should strive to convert to demat form failing which, submit their PAN and Bank details to the Share Department of the Company/Registrar and Share Transfer Agent, Venture Capital and Corporate Investments Private Limited (VCCIPL).

Members holding shares in electronic form are requested to update the PAN and Bank Details with their depository participants with whom they are maintaining their demat accounts.

5. As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members of the Company in respect of shares held by them.

The members, who wish to nominate a person, may furnish the required details to the Company in prescribed form.

6. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / VCCIPL. Members are requested to provide their e-mail address with DP ID/Client ID / Folio No. by sending email at investorinfo@combatdrugs.in / info@vccipl.com and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
7. Electronic copy of the Notice of the 32nd 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 all the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email address, physical copies of the Notice of the 32nd 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 in the permitted mode. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.combatdrugs.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection between 2:00 p.m. to 4:00 p.m. on all working days from Monday to Friday. Even after registering for E-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company or to its Registrar and Share Transfer Agent, at the following Email ID: info@vccipl.com / investorinfo@combatdrugs.in

#### **8. VOTING THROUGH ELECTRONIC MEANS**

In compliance with the provisions of the the Listing Agreement read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 32nd Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of National Depository Services Limited (NDSL) as the authorized agency to provide the e-voting facility. The detailed instructions for E-voting are given as a separate attachment to this Notice.

9. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report.
10. Members are requested to quote their Registered Folio No. on all correspondence(s) with the Company.
11. Mr. S. S. Marthi (Membership No.FCS 1989), Practicing Company Secretary, is appointed as scrutinizer to conduct E-voting.

By the Order of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

**SUSHANT MOHAN LAL**  
DIRECTOR

Place: Hyderabad  
Date: 22.08.2018

## E-VOTING

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) executed by the company with the BSE Limited and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the company is pleased to provide Members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through evoting services provided by National Securities Depository Limited (NSDL).

A Member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with Companies (Management and Administration) Amendment Rules, 2015.

During the e-voting period, Members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) i.e., (Saturday, September 22, 2018), may cast their votes electronically.

The Company has approached NSDL for providing e-voting services through our evoting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com) or [www.combatdrugs.in](https://www.combatdrugs.in) Voting either through electronic voting system or ballot or polling paper will be available at the meeting for the members attending the meeting who have not casting their vote by remote e voting. Members who have cast their vote by remote e voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote at the AGM.

The procedure to login to e-Voting website is given below:

1. Open the attached PDF file “e-Voting.pdf ” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com)

5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles
7. Select EVEN (E-Voting Event Number) of COMBAT DRUGS LIMITED. Members can cast their vote online from September 26, 2018 (9:00 am) till September 28, 2018 (5:00 pm).
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail spcspl@gmail.com with a copy marked to evoting@nsdl.co.in
11. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday 01st September, 2018
  - a. may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
  - b. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - c. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company.
  - d. Mr. S.S.Marathi, Practicing Company Secretary, has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - e. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote evoting facility.
  - f. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.



- g. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., [www.combatdrugs.in](http://www.combatdrugs.in) and on the website of NSDL and BSE after AGM

All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to date of declaration of the result of the 32nd Annual General Meeting of the Company.

**Other information:**

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990

Members holding Equity Shares in Electronic Form and Proxies thereof, are requested to bring their DP ID and Client ID for identification

In case a Member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy], the Initial password is pasted in the Annual Report / behind cover page.

- (i) Please follow all steps from Sl. No. (2) to Sl. No. (9) above, to cast vote.
- (ii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

By the Order of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

**SUSHANT MOHAN LAL**  
DIRECTOR

Place: Hyderabad  
Date: 22.08.2018

**Brief profile of Directors Retiring and to be appointed, at the Annual General Meeting of the Company (Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

- i. Name of Director : Mr. RAGU RAGHURAM  
DIN : 03567941 Date of Birth: 05/10/1959  
Date of Appointment : 30/10/2017 Qualification: MBA  
Other Directorship : NIL Expertise: Business Development  
Chairman/Members of the Committee in other Companies: NIL  
No of shares held in the Company: NIL
- i. Name of Director : Mrs. VEMURI SHILPA  
DIN : 07140155 Date of Birth: 28/12/1978  
Date of Appointment : 30/03/2015 Qualification: MBA  
Other Directorship : NIL Expertise : H.R  
Chairman/Members of the Committee in other Companies : NIL  
No of shares held in the Company: NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO. 3**

**APPOINTMENT of Mr. Ragu Raghuram as Independent Director**

Mr. Ragu Raghuram was appointed as an Independent Director of the Company pursuant to Section 161 of the Companies Act, 2013, effective from 30th October, 2017 and holds office as director only upto the date of ensuing AGM. The Company has received a notice from a member in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ragu Raghuram as an Independent Director of the Company liable to retire by rotation along with prescribed deposit of Rs.1,00,000.

Mr. Ragu Raghuram is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director. The Board recommends the appointment of Mr. Ragu Raghuram as Independent Director liable to retire by rotation and propose to pass the resolution set out in Item No. 3 of the notice as an Ordinary Resolution.

Save and except Mr. Ragu Raghuram none of the other Directors and their relatives are in any way, are concerned or interested, financially or otherwise, in the resolution set out in Item No. 3.

**ITEM NO.4**

**APPOINTMENT of Mrs. VEMURI SHILPA as Independent Director**

Mrs. VEMURI SHILPA was appointed as an Independent Director of the Company pursuant to Section 161 of the Companies Act, 2013, effective from 30th March, 2015 and holds office as director retiring by rotation on the date of ensuing AGM. The Company has received a notice from a member in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Vemuri Shilpa as an Independent Director of the Company liable to retire by rotation along with prescribed deposit of Rs.1,00,000/-.

Mrs. Vemuri Shilpa is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends the appointment of Mrs. Vemuri Shilpa as Independent Director liable to retire by rotation and propose to pass the resolution set out in Item No. 4 of the notice as an Ordinary Resolution.

Save and except Mrs. Vemuri Shilpa none of the other Directors and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4.

#### **ITEM NO.5 & 6**

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

Keeping in view the Company's existing and future financial requirements to support its expansion plans, acquisitions and business operations, the Company may need additional funds. For this purpose, the Company may in future be desirous for raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which may exceed the aggregate of the paid-up capital and the reserves of the Company. Hence considering the future financial requirement, it is proposed to authorize the Board to the maximum borrowing limits upto Rs. 40.00 Crores (Rupees Forty Crores only).

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

Hence said resolution no. 5 & 6 is being placed before the members for their approval.

#### **ITEM NO.7**

Section 20 of the Companies Act, 2013 which deals with service of documents, inter-alia, enables the company to dispatch any document to a member as per his preferred mode of receipt of specific request subject to deposit of such fee as determined by the members in the Annual General Meeting. Accordingly, consent of the members is sought for passing a resolution authorizing the board of directors to decide the fee payable as set out at item no. 7 of the notice on dispatch of document as per the choice of mode selected by any member of the company.

The board recommends the resolution for approval of the members in the best interest of the company. The rate indicated in the resolution is minimum rate per document at the minimum slab of the weight in the respective category of each mode of dispatch as mentioned thereat.

None of the Directors, Key Managerial Personnel of the company or their relatives or any other officials of the company is, in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item No. 7.

**ITEM NO.8**

The company has appointed Venture Capital and Corporate Investments Private Limited, as its authorised Registrar and Transfer Agent, who have their office situated at Bharatnagar, Hyderabad which is away from the Registered office of the company.

The consent of the members of the Company is being sought to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Office of the appointed Share Transfer Agency, presently Venture Capital and Corporate Investments Private Limited, Registrar and Transfer Agent, situated at Bharatnagar, Hyderabad, instead of keeping and maintaining the same at Registered Office of the Company.

The board recommends the resolution for approval of the members in the best interest of the company.

None of the Directors, Key Managerial Personnel of the company or their relatives or any other officials of the company is, in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item No. 8.

**ITEM NO.9**

Approval of the Shareholders is sought to alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture/warrant holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rs.50/- for each inspection. Any such member, debenture/warrant holder, other security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of fee of Rs.10/- for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

The board recommends the resolution for approval of the members in the best interest of the company.

None of the Directors, Key Managerial Personnel of the company or their relatives or any other officials of the company is, in anyway, concerned or interested, financially or otherwise, in the resolution set out in Item No. 9.

By the Order of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

**SUSHANT MOHAN LAL**  
DIRECTOR

Place: Hyderabad  
Date: 22.08.2018

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting before you the **Thirty Second Annual Report** of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2018.

### 1. FINANCIAL RESULTS

The Company's financials for the year under review along with the corresponding figures of the previous year's figures are as under:-

(Amount in Lakhs)

	For the year ended	
	31-03-2018	31-03-2017
Sales & Other Operations	113.00	35.20
Profit before Depreciation	18.24	(18.44)
Less Depreciation	-	-
Net Profit/(Loss) after Interest and Tax	18.24	(18.44)
Balance carried to Balance Sheet	18.24	(18.44)
Earning per share	0.23	(0.23)

Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as notified by the Ministry of Corporate Affairs on February 16, 2015. Accordingly, your Company has prepared financial results on standalone basis as per Ind-AS for the first three quarters of the FY 2017-18 and on and from the period ending March 31, 2018, the formats for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet are to be submitted to the stock exchanges, shall be as per the formats for revised Balance Sheet and Statement of Profit and Loss as prescribed in Schedule III to the Companies Act, 2013.

### DIVIDEND

No dividend has been recommended by Board of Directors for the financial year 2017-18. Since the company has not declared any dividend for more than 10 years, The provisions of Section 125 (2) of the Companies Act, 2013 do not apply.

### RESERVES

There were no transfers to Reserves during the financial year 2017-18.

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, your company achieved a turnover of Rs.113.0 Lakhs in the year 2017-18 as compared to Rs. 35.20 Lakhs during 2017-2018. The Company is getting their products of WHO GMP standards manufactured

on Third Party manufacturing basis with a reputed company in Hyderabad. The company is very confident of building very decent business volumes in due course of time.

#### **CHANGE IN THE BUSINESS OF THE COMPANY:**

During the year under review, the company did not change its line of activity.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report – Annexure A.

#### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

As per Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions relating to corporate governance are not applicable to the company. However, your Company has taken adequate steps to adhere to all the stipulations laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as part of this Annual Report as "Annexure – B".

#### **LISTING & TRADING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai. The Market price of the Share as on 31st March, 2018 was 20.20 as compared to Rs.8.20 per share on even date in 2017. The Company confirms that it has paid the Annual Listing Fee for the year 2018-19 to BSE.

#### **SHARE CAPITAL**

<b>As on 31st March, 2018</b>	<b>Authorised</b>	<b>Paid-up</b>
No. of Equity Shares	80,00,000	80,00,000
Face Value	10.00	10.00
Share Capital in Rs.	8,00,00,000	8,00,00,000

During the period under review, there was No increase in share capital of the Company. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

It was proposed the increase the Authorised Capital of the company from Rupees Eight Crores, divided into Eighty Lakh Shares of Rupees Ten Each at par to Rupees Ten Crore Ten Lakhs divided into One Crore One Lakh Equity Shares of Rupees Ten Each at Par. However, the same is deferred to the current year.

## **DEMATERIALIZATION OF SHARES**

84.47% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance 15.53% is in physical form and as of 31st March, 2018.

The Company's Registrars are M/s Venture Capital & Corporate Services Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana. Phone: (+91)-4023818475/476 FAX: +91 40 23868024 Email id: info@vccipl.com.

SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form with effect from December 5, 2018.

Accordingly, the shareholders who continue to hold shares of the company in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the company / their RTAs.

The company has through its letter dated 28th June 2018 sent the communication through post for updation of KYC. Further 1st Reminder is enclosed in this Annual Report. The company will take suitable steps after the second and final reminder in order to update the records and/or to save on costs of future communications if the share holder fails to update the KYC.

All the investors who are holding shares in physical form, should consider opening a demat account at the earliest and submit request for dematerialization of their shares in order to protect the liquidity of the shares.

## **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **Change In Promoters Of The Company :**

During the period under review, there was a change in Promoters of the Company. Mr. Janaki Ram Ajarappu, after Completion of the Open Offer, with a majority equity stake of 58% has been Classified as the Promoter of the Company by SEBI/BSE Vide their permission letter dated 22nd March, 2018.

Mr. Suchit Mohan Lal & Mr. Sushant Mohan Lal, former Promoters of the Company were officially reclassified by SEBI/BSE as Non Promoters & public shareholders of the Company.

#### **Change of Name**

The company had proposed to change the name of the company in the last AGM. However, all the suggested names given by the company were Not approved by the ROC. The company will make efforts to propose new names and get the required Approvals from the concerned Authorities.

#### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no other Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no order passed by any Court or Tribunal or forum which impacted or is likely to impact the "Going concern status" of the company.

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

The company has adequate internal financial controls and has a separate Audit committee to assess the internal controls and guide the company accordingly.



## **DETAILS OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES & THEIR PERFORMANCE**

The Company has opened a Subsidiary Company in Singapore in the name & style of RA LABS Pte Ltd in the month of October, 2017, to expand the business of the company internationally. The operations of the Subsidiary did not commence in the period under review.

The Company has also opened a Subsidiary Company in Hyderabad, Telangana, India in the month of May, 2018, in the name and style of ICP Solutions Private Limited to expand the business of the company in Information Technology internationally.

## **DEPOSITS**

The Company has neither given nor accepted any Public Deposits during the year under review.

## **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has a Risk Management Policy. However the elements of risk threatening the Company's existence are very minimal.

## **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility does not apply to the company.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134, of the Companies Act, 2013, the Board of Directors of the Company make the following statements, to the best of their knowledge and belief and according to the information and explanations obtained by them:

- a) That in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards (IND AS) have been followed and there have been no material departures there from;
- b) That the accounting policies mentioned in notes to the Financials Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profits of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial control has been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively.
- f) That proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by either the Auditors or by the Practicing Company Secretary in their respective reports except the following Disclaimers:

- a) Payment of Professional Tax due of Rs.38,979/-  
The company is in the process of clearing the small amount due on account of professional Tax.
- b) The company is making efforts to appoint a full time CFO & CS at the earliest. The candidates applying & being referred were highly experienced & were not in line with the size of the Company.

**Cost Audit**

The provisions of section 148 of the company act 2013 does not apply to the company and hence no cost auditors is appointed

## COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Nomination & Remuneration Committee is vested with the powers to recommend the Appointment of a Director and fix, recommend the Remuneration accordingly.

### Managerial Remuneration:

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

Name	Designation	Yearly
	<b>Remuneration (Rs).</b>	
1. Mr. Suchit Mohan Lal	Managing Director	4,50,000.00
2. Mr. Sushant Mohan Lal	Executive Director	5,37,000.00
3. Smt. Vemuri Shilpa	Independent Director	NIL
4. Mr. Bhupendralal Waghay	Independent Director	NIL
5. Mr. VASUDEV	Independent Director	NIL
6. Mr. RAGHURAM	Independent Director	NIL

The Remuneration of Mr. Suchit Mohan Lal was Rs. 9,00,000.00 per Annum. However, Mr. Suchit Mohan Lal had requested that he will not draw the monthly Remuneration for few months in view of the open offer in the company. The request was accepted by the Board of Directors and a resolution was passed to this effect which effectively let to him drawing only partial payment.

The Remuneration of Mr. Sushant Mohan Lal was increased to 9,00,000.00 per Annum as approved by the Shareholders in the last AGM. However, he had requested that he will not draw the monthly Remuneration for some period to enable the company to make a new beginning. The request was accepted by the Board of Directors and a resolution was passed to this effect.

B) Details of every employee of the Company as required pursuant to 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

1. The Ratio as such is not applicable.

C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report — NIL

## **ANNUAL RETURN**

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in Form MGT 9 is attached to this Report at Annexure 'F'.

## **BOARD MEETINGS**

The Board during the financial year 2017-18 met Twelve times. Detailed information regarding the meetings of the Board are included in the report on Corporate Governance, which forms part of the Board's Report.

The Company constituted 3 Committees as under:

- (I) Audit Committee;
- (II) Nomination & Remuneration Committee ;
- (III) Share holders Grievance Relationship/Share Transfer Committee

The details are given as Annexure 'B' in the Corporate Governance Report.

## **DIRECTORS**

The Board as a main functionary is primarily responsible to ensure value creation for its stake holders. The Board of Directors and its committees through their leadership and guidance ensures the highest standards of corporate governance. There were 4 Directors on the Board of the Company as at 31st March 2018. There is an appropriate combination of Independent & Non-Independent Directors on Board of the Company.

## **CHANGES IN DIRECTORS AND KEY MANEGERIAL PERSONEL**

In accordance with the provisions of the Companies Act, 2013, Sri. Vasudev Kommaraju, was appointed as Director and Sri Ragu Raguram was appointed as Independent Director on 30th October, 2017, Shri Bhupendralal Waghray . Independent Director resigned from the Company as an Independent Director with effect from 30th October, 2017 due to his pre-occupation. The appointments and Resignations were duly ratified in the in the Annual General Meeting held on 30th November, 2017. Shri Suchit Mohan Lal, Managing Director resigned from the Company as the M.D & Director with effect from 31st March, 2018 as envisaged in the Open Offer of the Company and the resignation of the Directors was accepted by the Board.

## **COMPLIANCE OFFICER:**

Mr. Sushant Mohan Lal, Director, is the Compliance Officer of the Company.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The company has received necessary declarations from all the independent directors of the Company that they meet the criteria of independence as provided

in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members:

- i) Shri Bhupendralal Waghray
- ii) Smt Vemuri Shilpa
- iii) Shri. Sushant Mohan Lal

The above composition of the Audit Committee consists of independent Directors viz., Shri Bhupendralal Waghray and Smt Vemuri Shilpa, who form the majority.

ii) The Audit Committee was re-constituted on 30th October, 2017 due to the Resignation and Appointment of the Independent Director. The Reconstituted Audit Committee consists of the following members:

- i) Shri Ragu Raghuramii) Smt Vemuri Shilpa
- iii) Shri. Sushant Mohan Lal

The above composition of the Audit Committee consists of independent Directors viz., Shri Ragu Raghuram and Smt Vemuri Shilpa, who form the majority.

The Audit Committee reports to the Board. The Company has a vigil mechanism in place.

### **RISK MANAGEMENT:**

The company has formulated & adopted a Risk management policy at its board Meeting. As per the policy, the management continues to review and assess the Risk and also take steps for mitigating the same.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of the Companies Act, 2013 and rules made there under ("the Act"), forming of a Corporate Social Responsibility (CSR) Committee is Not Applicable to the Company.

### **Transfer of Amounts to Investor Education and Protection Fund**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

During the year 2017-18, No. of complaints received & disposed off were - NIL

#### **PARTICULARS OF EMPLOYEES:**

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given elsewhere in the report. As per the proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees posted and working outside India is - NIL.

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow [Clause (m) of sub-section (3) of section 134 of the Act, r/ w Rule 8 of the Companies (Accounts) Rules, 2014]

#### **(A) Conservation of energy**

The Company is getting their Products manufactured on Third Party Manufacturing basis & hence the energy consumed for manufacturing activities during the year was NIL & hence, No Additional Investments or proposals were implemented for reduction of consumption of energy.

**(B) Technology absorption:** The Company did not carry out any R & D during the year under review.

#### **(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

Foreign Exchange Inflows	:	Rs. 51.21 Lakhs
Foreign Exchange Outflows	:	Nil

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to Bankers, Business Associates, Consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board  
**For COMBAT DRUGS LIMITED**

Place: Hyderabad	Sd/-	Sd/-
Date: 22.08.2018	VASUDEV KOMMARAJU	SUSHANT MOHANLAL
	DIRECTOR	DIRECTOR

**DETAILS OF UNCLAIMED SHARES**

The Company is required to open an unclaimed suspense account with a depository participant and transfer all the unclaimed share certificates of members after giving three reminders.

All the voting rights on unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

As on March 31, 2018 your Company has no equity shares in the unclaimed suspense account.

S.No.	Particulars	Remarks
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 01.07.2018	None
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	None
3.	number of shareholders to whom shares were transferred from suspense account during the year;	None
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2018	None

The company has through its letter dated 28th June 2018 sent the communication through post for updation of KYC. Further 1st Reminder is enclosed in this Annual Report. The company will take suitable steps after the second and final reminder in order to update the records and/or to save on costs of future communications if the share holder fails to update the KYC.

**Green Initiative for Paperless Communications:**

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative. This move by the Ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

Pursuant to the said circular, the company has forwarded e-mail communication to all share holders whose email id were registered in the Depository records that the company intends to use the said e-mail id to send various Notices/ Correspondences etc .

By Understanding the underlying theme of the above circulars, to support this green initiative of the Government in full measure, the company is sending the documents like notice convening general meetings, financial statements, directors reports, auditor's report etc to the email address registered with the depositories by the shareholders holding shares in electronic form and for shareholders holding shares in physical form, the physical copy to the address registered with the Registrar and Share transfer Agents of the Company.

In this regard, we request shareholders who have not registered their email addresses, so far to register their email addresses, in respect of electronic holding with depository through their concerned depository participants and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent, M/s Venture Capital & Corporate Services Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana. Phone: (+91)-4023818475/476 FAX: +91 40 23868024 Email id: info@vccipl.com.

**Depository Services:**

For guidance on depository services, Shareholders may write to the Company / Venture Capital or to the respective Depositories:

**National Securities Depository Ltd.**

Trade World, 4th Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai-400 013.  
Tel : 091-022-24994200,  
Fax:091-022-4972993/24976351  
Email : info@nsdl.co.in

**Central Depository Services (India) Ltd.**

A-Wing, 25th Floor, N.M. Joshi Marg,  
Lower Parel, Mumbai – 400 013.  
Tel : 091-022-22723333,  
Fax : 091-022-22723199  
Email: investors@cdslindia.com



**Statement of particulars as per Rule 5 of Companies  
(Appointment and Remuneration of Managerial personnel)  
Rules, 2014.**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

<b>S.No.</b>	<b>Name of the Director</b>	<b>Ratio of the remuneration of the median remuneration of the employees</b>
1.	Mr. Suchit Mohan Lal	NA
2.	Mr. Sushant Mohan Lal	NA
3.	Smt. Vemuri Shilpa	NA
4.	Mr. Bhupendralal Waghray	NA
5.	Mr. Vasudev Kommaraju	NA
6.	Mr. Ragu Raghuram	NA

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.

<b>S.No.</b>	<b>Name of the KMP</b>	<b>% increase in remuneration</b>
1.	Mr. Suchit Mohan Lal	NA
2.	Mr. Sushant Mohan Lal	NA

For and on behalf of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

Place: Hyderabad  
Date: 22.08.2018

VASUDEV KOMMARAJU  
DIRECTOR

Sd/-

SUSHANT MOHANLAL  
DIRECTOR

**PART-B**

**Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(2) Companies (Appointment and remuneration of managerial personnel ) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2018**

Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,00,00,000 ( 1 Crore) or more

Name of the Employee	Designation	Remuneration (in Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last employment held before joining the Company	% of equity company shares held in the Company
<b>NIL</b>								

Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration for a part of that year, at a rate which, in the aggregate, was not less than 8,50,000 lakh rupees Per Month

Name of the Employee	Designation	Remuneration (in Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last employment held before joining the Company	% of equity company shares held in the Company
<b>NIL</b>								

- (iii) Employee employed throughout the financial year or the part thereof, was in receipt of remuneration in that year which, in the aggregate, or the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2 % of the equity shares of the company: Nil

For and on behalf of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

Place: Hyderabad  
Date: 22.08.2018

VASUDEV KOMMARAJU  
DIRECTOR

Sd/-

SUSHANT MOHANLAL  
DIRECTOR

## MANAGEMENT DISCUSSION & ANALYSIS

### GLOBAL PHARMACEUTICAL MARKET:

The pharmaceutical industry plays a unique role in improving the lives of patients. It is also one of the world's fastest growing industries and among the biggest contributors to the world economy. The growth of a country's pharmaceutical industry closely mirrors its general economic progress. The global pharmaceutical growth depends on worldwide economic momentum, government healthcare programs and spending patterns. Overall, generic products will continue to be an integral part of these efforts, targeted at striking a balance between access to healthcare and ability to fund it. Global growth is estimated at 3.9%, US growth at 2.6%, and the Indian growth at 7.6% from 2018 to 2019 by IMF.

US Drug market is at \$380+ billion market with patent expiry of brands worth \$88 billion by 2020. The US generic drugs market accounts for 45% of the global Generics market & is anticipated to grow further in the period of 2018 to 2020. The biggest catalyst of this industry is the significantly lower price of generics compared to branded drugs. Although generics are chemically identical to their branded counterparts, they are typically sold at substantial discounts from the branded price. This has enabled governments and third-party payers to save billions of dollars in healthcare expenditures and resulted in lower payments for patients. Other factors such as patent expiration of blockbuster innovator drugs, ageing population and an increasing prevalence of chronic diseases & Life style diseases have also acted as catalysts for this market.

### INDIAN PLAYERS IN GLOBAL MARKETS:

India's pharmaceutical exports are expected to reach \$20 billion by 2020 from \$13.1 billion in 2015. The country's share in global generics exports stands at 20% and it is the largest maker of generics drugs globally & is slated to reach \$27.9 billion by 2020 and currently forms about 70% of India's pharmaceutical industry & are rapidly expanding their presence on the list of new generic approvals by the US Food and Drug Administration (FDA).

### Combat Drugs Limited is Striving to:

1. Acquire niche, low competition and high-tech barrier/complex products.
2. Joint venture(s) to develop generic products and bring to US market in a short period of time.

The Company is concentrating on products with very high scope & are also in the process of Finalizing Joint Ventures. The Company has already opened a subsidiary in Singapore for this Purpose which is in the process of identifying the molecules & companies from where the company can export the products to USA & other Countries.

### Opportunities and Threats

The key challenges for the Indian pharmaceutical industry include the following:

- Ensuring compliances with global cGMP standards; thereby involving continuous improvement in systems and processes including training of the workforce
- The main outlook, concerns challenges and Threats for the pharmaceutical sector in the coming years will be, decline in the margins because of increasing competition from smaller new entrants & policies of various Governments.

**Risks and concerns:** Combat Drugs Limited does a regular and stringent monitoring of its business activities to identify, evaluate and resolve risks. The top management of the Company and the Board are involved in monitoring of risk assessment and mitigation, thus ensuring a quick resolution mechanism.

In line with our stated philosophy and strategy, the company will continue to pursue various options to achieve growth while trying to reduce the cost and focus more on marketing tie-ups to expand its market reach.

Your Company has adequate internal control systems commensurate with the size of its operations for the purpose of exercising adequate controls on day to day operations of the Company.

The Company is currently sourcing the products through third party manufacturing and procurement basis in GMP Manufacturing units in various locales.

The details of the financial performance of the Company are comprised in the Balance Sheet, Profit and Loss Account and other financial statements which are annexed hereto along with the Directors and the Auditors Report for the financial year 2017-18.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:** The Company has a internal control framework, which is designed to safeguard its assets against loss from unauthorized use and ensure reliability of financial reporting. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies.

**HUMAN RESOURCES:** The company is in the process of expansion of its operations and with time will need to expand the man power which had previously come down during consolidation. There is a conscious effort by the Company to build diversity in the workforce.

**DISCLAIMER:** *Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operation including changes in the industry structure, significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations. The Company does not undertake endeavours to update these statements.*

## **CORPORATE GOVERNANCE REPORT**

As per Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions relating to corporate governance are not applicable to the company. However, your Company has taken adequate steps to adhere to all the stipulations laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance systems and processes at Combat Drugs Limited are as follows:

### **1. Company's Philosophy on Code of Corporate Governance**

It is the Company's endeavor to attain highest level of governance In the conduct of your Company's business and its dealings and hence ensures adherence and enforcement of the principles of corporate governance with a focus on transparency, professionalism, fairness and accountability.

The Company is continuously making efforts for improving the Corporate Governance practices in the company which can contribute substantially in achieving good governance and thus resulting in enhancement of value to its stakeholders, customers, employees, Banks, Government Agencies, etc.

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

### **2. Change In Promoters**

Mr. Janaki Ram Ajarappu with a majority equity stake of 58% (46,39,927 equity shares representing 58.00% of the present issued, subscribed and paidup capital of the company) has been classified as Promoter of the Company and the existing Promoters, Mr. Suchit Mohan Lal & Others were classified as Public with effect from 22nd March, 2018

### **3. Board Of Directors**

Your Company had a balanced mix of Executive and Non-Executive Directors during the year. The composition of the Board is broadened to represent a blend of professionals from various backgrounds.

#### **(a) Composition and Category of Directors**

The Board of Directors had an optimum combination of Two Executive and Two Non- Executive Directors one of them being a lady Director and not less than fifty percent of the Board members are Non-Executive and Independent Directors.

<b>Executive Directors</b>	<b>Age</b>	<b>Designation</b>	<b>Date of Appointment</b>
Mr. Sushant Mohan Lal	38	Director	19th May, 2006
Mr. Vasudev Kommaraju	65	Director	30th October, 17
*Mr. Suchit Mohan Lal (Upto 31st March, 2018)	61	Managing Director	5th Aug, 1999

**Non-Executive/or Independent Directors**

Mrs. Vemuri Shilpa	30	Independent Director	30th Mar, 2015
Mr. Ragu Raghuram	66	Independent Director	30th Mar, 2017
*Mr. Bhupendralal Waghray, (Upto 30th October, 2017)	63	Independent Director	14th Nov, 2015

**Note:** *Mr. Bhupendralal Waghray, Independent Directors Resigned with effect from 30th October, 2017*

*Mr. Suchit Mohan Lal, Managing Director Resigned with effect from 31st March, 2018*

**NOTES:**

- (1) None of the Directors are related to each other except for 2 Directors;
- (2) Number of Directorship held in other companies includes all companies, whether listed or unlisted and excludes foreign companies, other bodies corporate and professional bodies. The limits on directorship of Independent Directors and Executive Directors are within the permissible limits.
- (3) The necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian companies.
- (4) Independent Director means a Non-Executive Director, who fulfils the criteria as laid down in SEBI (Listing Obligations and Disclosure Requirements) 2015
- (5) The Company has issued formal letter of appointment to its Independent Directors. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013.
- (6) The Independent Directors of the Company met every time a Board Meeting is held. These meetings are held the same day as that of the Board Meetings. In the said meetings the Independent Directors review the matters stated in SEBI (Listing Obligations and Disclosure Requirements) 2015 (b) and action items, if any, are communicated and tracked to closure to the satisfaction of Independent Directors. Break-up of other Directorships : NIL

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally.

## Meetings

The calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors well in advance. Generally, the Board Meetings are held in Hyderabad area, where the Corporate office / Registered Office of your Company is situated.

During the year under review, Your Board met 12 times during the financial year. The Board meetings were held on 04.04.2017, 30.05.2017, 14.08.2017, 24.08.2017, 12.09.2017, 20.09.2017, 10.10.2017, 30.10.2017, 30.11.2017, 14.12.2017, 14.02.2018, 31.03.2018.

The necessary quorum was present for all the Board Meetings and the Thirty First Annual General Meeting. The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013.

The AGM for the year of 2016-2017 was held on 30th November, 2017 after obtaining permission from the ROC due to the ongoing Open Offer of the Company. During the financial year No Extra Ordinary General Meeting was convened.

After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board.

(b) Attendance of the Directors at the Board Meetings and the Thirty First AGM & Shareholding of Directors as on 31st March, 2018.

No	Name	Category	No. of BM Attended	Attendance at Previous AGM	No. of Memberships (other Co's)	Shares Held	%
1	Suchit Mohan Lal	Managing Director	12	Yes	Nil	NIL	0.00
2	Sushant Mohan Lal	Director	12	Yes	Nil	6,55,200	8.19
3	Vemuri Shilpa	Indp. Dir	12	Yes	Nil	Nil	0.00
4	Bhupendralal Waghay	Indp. Dir	8	Yes	Nil	Nil	0.00
5	Vasudev Kommaraju	Director	4	Yes	Nil	Nil	0.00
6	Ragu Raghuram	Indp. Dir	4	Yes	Nil	Nil	0.00

**Note:**

- i) Mr. Vasudev Kommaraju is the Director nominated by the Promoter Mr. Janki Ram Ajarappu.
- ii) Mr. Suchit Mohan Lal was Reclassified as the Public shareholder by BSE/SEBI with effect from 22nd March, 2018. He resigned as Director & Managing Director of the company on 30-03-2018.
- iii) Mr. Bhupendralal Waghray Resigned with effect from 30th October, 2017.
- iv) Mr. Sushant Mohan Lal was Reclassified as the Public shareholder by BSE/SEBI with effect from 22nd March, 2018.

All changes being additions and deletions are communicated by the Board Members and recorded in the statutory registers and applicable disclosures also made to the Stock Exchanges.

The Board has constituted the following Committees and each Committee has their terms of reference as a Charter.

- (I) Audit Committee;
- (II) Nomination & Remuneration Committee
- (III) Share holders Grievance /Relationship/Share Transfer Committee

**I. THE AUDIT COMMITTEE**

The Audit Committee was constituted in accordance with the requirements of the Listing Agreement and reports to the Board and is primarily responsible for:

- To review the internal control systems
  - To review Quarterly and Half-yearly results
  - To review the accounting and financial policies and practices
  - To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- i) The Audit Committee consists of Three Directors, as per the details given below. All Members are financially literate and have the required accounting and financial management expertise.

The Audit Committee met 6 times during the financial year 2017-18. 30th May, 2017, 14th August 2017, 12th September, 2017, 30th November, 2017, 14th December, 2017 and 14th February, 2018 and not more than four months had elapsed between two Audit Committee meetings. The necessary quorum was present for all the said Audit Committee Meetings.



The following are the members of the Audit Committee:

<b>S.No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
1.	Mrs. Vemuri Shilpa	Chairman	Independent, Non-Executive
2.	Mr.Bhupendralal Waghray	Member	Independent, Non-Executive
3.	Mr.Raghu Raghuram	Member	Independent, Non-Executive
4.	Mr.Sushant Mohan Lal	Member	Executive

During the period under review the Board of Directors at their meeting held on 30th November, 2017 has reconstituted the audit committee on Resignation of Mr. BhupendraLal Waghray. No sitting fees was paid to them for attending the meetings of the Board and or its Committees. Mrs. Vemuri Shilpa, Independent Director, is the Chairman of the Audit Committee and was present at the Thirty First Annual General Meeting to answer the Shareholders'queries.

## **II. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

### **THE NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is primarily responsible to Identify potential candidates to become Board Members besides Recommending nominees to various Committees of the Board while Ensuring that appropriate procedures are in place to assess Board's effectiveness.

2. Developing an annual evaluation process of the Board and its Committees.
3. Devising a policy on Board diversity;
4. Assist the Board in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
5. Approve and make recommendations to the Board in respect of salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Chief Executive Officer;
6. Review and approve the overall budgetary increment proposals, disclosures in the annual report or elsewhere besides Any other matter referred to the Remuneration Committee by the Board of Directors of the Company.
7. Nomination and Remuneration Committee - salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors.
  - a. The Nomination & Remuneration Committee is vested with the powers to recommend the Appointment of a Director and fix, recommend the Remuneration accordingly.

**The Nomination and Remuneration Committee comprises of the following members**

S. No	Name of the Director	Designation	Category	No. Meeting Attended
1.	Mr. Raghu Raghuram	Chairman	Independent, Non-Executive	3
2.	Bhupendralal Waghray	Member	Independent, Non-Executive	4
3.	Vemuri Shilpa	Member	Independent, Non-Executive	7
4.	Sushant Mohan Lal	Member	Managing Director	7

The Committee held 7 (Seven) meetings during the year ended March 31st, 2018. The Audit Committee as Reconstituted on 30th October, 2017 on Resignation of Mr. BhupendraLal Waghray.

**Notes:**

- The partial Remuneration of Mr. Suchit Mohan Lal was not accounted and not paid on his request & the reasons are stated elsewhere in the document.
- The partial Remuneration of Mr. Sushant Mohan Lal was not accounted and not paid on his request & the reasons are stated elsewhere in the document.

No sitting fee or out of pocket expenses was paid to any of the Directors during the year in view of the financial constraints and performance of the company. The Comparative Ratios are– Not applicable

**Reappointment:**

As per the provision of the Companies Act, 2013 Mr. Ragu Raghram (DIN: 03567941) and Mrs. Vemuri Shilpa, (DIN: 07140155) Independent Directors of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible to offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013 and pursuant to Articles of Association of the Company. The Board recommends their reappointment.

**III. SHAREHOLDERS' RELATIONSHIP / INVESTOR GRIEVANCE/ SHARE TRANSFER COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has constituted the committee as the "Shareholders' Relationship / Investor Grievance/ Share Transfer Committee "

The Committee reviews the following: Expeditious redressal of investor's grievances, Transfer of shares, Dematerialisation/ Re-materialisation, Non receipt of Annual Reports and declared dividend, all other matters related to

shareholders Grievance & to ensure quicker investor services and expeditious disposal of the share transfer approvals. The Committee meets as and when the memorandum of transfers date is intimated by the Share Transfer Agents; VENTURE CAPITAL & CORPORATE SERVICES PRIVATE LIMITED (Registrars and Transfer Agents) and accords its approvals accordingly.

The Share Transfer Committee Met 14 times during the financial year 2017-18.

S.No	Name	category	Position held	No. of Meetings Attended
1	Suchit Mohan Lal	Managing Director	Chairman	9
2	Sushant Mohan Lal	Director	Member	14
3	Vemuri Shilpa	Indp. Director	Member	14
4	Vasudev Kommaraju	Director	Member	5

All the Share Transfers were effected on time and there is no share transfer pending for more than 15 days and there are No pending Share Transfers as on 31st March 2018. During the year 2017-2018, NIL complaints were received and resolved and as on 31st March, 2018 there were no complaints pending to be resolved.

No sitting fees was paid to them for attending any meeting of the Board and or its Committees.

Your Company has a designated e-mail ID, investorinfo@combatdrugs.in for the redressal of any Stakeholders' related grievances exclusively for the purpose of registering complaints by Members/ stakeholders. Your Company has also displayed the said email ID under the investors section at its website, and other relevant details prominently for creating investor/ stakeholder awareness. Your Company maintains a functional website containing necessary information about the Company, contact information of the designated officials of the Company and the contents of the said website are updated at any given point of time as per Clause 54 of the Listing Agreement, and as per the requirements of the Companies Act, 2013.

The Compliance Officer, monitors the share transfer process and reports to the Company's Board in each meeting and the said Officer also directly liaises with the authorities such as SEBI, Stock Exchanges, ROC etc., and investors with respect to implementation of various clause, rules, regulations and other directives of such authorities and investor service & complaints related matter. Investors may address their Communications / Suggestions / Greivance to The Compliance Officer at 4th Floor, Plot No.94, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034. TELANGANA. India. Or send a mail to investorinfo@combatdrugs.in / cs@combatdrugs.in

\* Mr. Sushant Mohan Lal is the Compliance Officer of the Company.

### 3. GENERAL BODY MEETINGS :

Date, Time and Location of the last 3 Annual General Meetings are:

AGM	DATE	LOCATION	TIME
31st	30.11.2017 Thursday	9-109/9, Plot No.112, Gayatri Nagar, Road No.14, Bouduppall, Hyderabad – 500039	3:00PM
30th	29.09.2016 Wednesday	Plot No.112, Gayatri Nagar, Road No.14, Bouduppall (V), R.R.District - 500039	11:00AM
29th	30.09.2015 Wednesday	Plot No.112, Gayatri Nagar, Road No.14, Bouduppall (V), R.R.District – 500039	11:30AM

#### Postal Ballot:

No Resolution was passed during the previous year, through Postal Ballot process.

#### Details of Non Compliance

(i) During the year 2017-18, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives, that may have a potential conflict with the interest of the Company. None of the Non-Executive Directors/ Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2018, and have given undertakings to that effect.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years, since all applicable requirements were fully complied with.

(iii) Accounting treatment in preparation of Financial Statements:

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting

standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These are the company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'.

(iv) Whistle Blower Policy: The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and Listing Agreement:

- For employees to report concerns about unethical behavior and to establish a mechanism to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Integrity Policy; and
- To ensure that adequate safeguards shall be provided to the whistle blowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.
- No personnel/ person has been denied access to the Audit Committee.

(v) Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company i.e., [www.combatdrugs.in](http://www.combatdrugs.in). All Directors and Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2018. A declaration signed by the Chief Executive Officer (CEO)/ Managing Director to this effect is attached as Annexure to the Corporate Governance Report in the Annual Report.

(vi) The Company has disclosed and complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) except the appointment of full time company secretary and Chief Financial Officer. The details of these compliances have been given in the relevant sections of this report. Among the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) the Company has complied with the following:

- Separate posts of Chairman and CEO - The Chairman and Managing Director/ CEO are two separate persons -The position of Chairman and CEO is bifurcated in the Company. The company will be appointing professional Managing Director, CEO, CFO to project itself globally.

- Your Company has comprehensive guidelines on prohibiting insider trading and the Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI

### **RECONCILIATION OF SHARE CAPITAL AUDIT**

The 'Reconciliation of Share Capital Audit' was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit has also confirmed that the aggregate of the total issued/ paid-up-capital is in agreement with the total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

### **STATUTORY AND SECRETARIAL AUDITORS**

The Auditors report and Secretarial Auditor report are given as annexure which forms part of this report.

### **Reporting of Frauds by auditors**

During the year under review, neither the statutory auditors nor the Secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

### **Internal Audit & Controls**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

### **Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

### **Risk management policy**

The Risk Management Policy is in place in the Company enables the Company to proactively take care of the internal and external risks of the Company and ensures smooth business operations.

The Company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the Company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of Company from any type of risks.

### **CEO AND CFO'S CERTIFICATION**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO's Certification is provided as Annexure to the Corporate Governance Report in the Annual Report. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO's / Managing Directors Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2018, was placed before the Board of Directors at all their meetings held.

### **MEANS OF COMMUNICATION**

- Company has regularly furnished Financial Results by email and also by way of filing through the electronic filing within the time lines to the Mumbai Stock Exchange.
- Quarterly and annual financial results are also published in English, and other regional (Telugu) newspapers.
- Website Pursuant to under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website [www.combatdrugs.in](http://www.combatdrugs.in) contains all the information as may be required by the Shareholders including press releases, financial results, fact sheet reports, additional disclosures, earnings conference, shareholding pattern, Shareholders' reports, investor presentation, Annual Reports, etc., Quarterly results are put on the Company's web-site. The Company submitted a quarterly compliance report to the stock exchanges within 45 days from the close of quarter.

**The Thirty Second Annual General Meeting (AGM)** of the Company for the financial year 2017-18 is scheduled on the 29th September, 2018 at 11.30 AM at 1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad-500 007. T.S., INDIA

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Mumbai Stock Exchange (BSE), the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically and also physically on the proposed resolutions in the Notice of the Thirty Second Annual AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to Thirty Second Annual AGM.

Those of the Shareholders/ Members, who cannot attend the AGM in person, can appoint a proxy to represent them in the AGM, for which the Shareholder/ Member needs to fill in a proxy form and send it to the Company, to its Registered Office address, on or before 10.30 AM on 25-09-2019.

#### **11. GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting	: 29th September, 2018 at 11:30 A.M. at 1st Floor, Conference Hall, Goodlands Banquet, Opp. CCMB, Habsiguda X Roads, Hyderabad-500 007. T.S., INDIA
Financial Year	: 1st April, 2017 to 31st March, 2018
Dates of Book Closure	: 26.09.2018 to 29.09.2018
Listing	: The Bombay Stock Exchange Ltd.
Stock Code	: 524752
Registrar & Transfer Agents	: <b>Venture Capital &amp; Corporate</b> Investments Pvt Ltd, 12-10-167, Bharat Nagar, Hyderabad - 500 018 Ph: +91-40+23818475 / 23818476 Fax:+91-40-23868024 E-mail:info@vccilindia.com Contact: Mr. E.S.K.Prasad / P. Srinivas Reddy
Share Transfer System	: The share transfers are affected within fifteen days from the date of the lodgment for transfer, transmission, sub-division, etc. and the Share Certificates are delivered to the Shareholders immediately.
Dematerialization of shares	: The company was allotted ISIN INE643N01012 by CDSL and NSDL and trading is being done in Dematerialized form in BSE.
Nomination Facility	: Shareholders, holding shares in physical form and desirous of making/ changing a nomination in respect of their shareholding in the Company as permitted under Section ..... of the Companies Act 2013 are requested to submit to the Compliance Officer in the prescribed form 2B for this purpose, which can be furnished by the Company on request.



Outstanding GDR's/ ADR's/ : Nil  
Warrant or any convertible  
instruments, conversion date  
and likely impact on equity.

Address for Correspondence:

**Registered Office :**

4th Floor, Plot No. 94, Sagar Society,  
Road No. 2, Banjara Hills, Hyderabad,  
Telangana-500034. India.

Email: [info@combatdrugs.in](mailto:info@combatdrugs.in)

URL: [www.combatdrugs.in](http://www.combatdrugs.in)

**Works:** 9-109/9, Plot No.112,  
Gayatri Nagar, Road No.14,  
Boduppal, Hyderabad - 500039.  
TELANGANA. INDIA

**MARKET PRICE DATA**

The closing market price of equity share on 31st March, 2017 (last trading day of the financial year) was Rs.20.20/- as compared to the price on 31st March 2016 of Rs.8.08 on BSE. The current price (as on 22nd August, 2018) is 21.50.

**1. DISTRIBUTION OF SHAREHOLDING :**

**Distribution Details Of Shares FOR THE PERIOD 31/3/2018**

Shareholders holding nominal Value of	No. of Shareholders		Nominal Value of Shares Held and percentage of Equity	
	Number	% To Total	Value	% To Total
Upto - 5000	11655	98.10	2673630	3.34
5001 - 10000	86	0.72	694960	0.87
10001 - 20000	50	0.42	741680	0.93
20001 – 30000	18	0.15	457710	0.57
30001 – 40000	7	0.06	251300	0.31
40001 – 50000	8	0.07	376360	0.47
50001 – 100000	23	0.19	1669880	2.09
100001 and above	34	0.29	73134480	91.42
<b>Total</b>	<b>11881</b>	<b>100.00</b>	<b>80000000</b>	<b>100.00</b>

**2. SHAREHOLDING PATTERN FOR THE QUARTER ENDED 31ST MARCH, 2018**

S. No.	Category of shareholder	Nos. of share holders	No. of equity shares held	Shareholding as a % of total no. of shares
(A)	<b>PROMOTER &amp; PROMOTER GROUP</b>			
	NRI Promoters: Individuals/			
	NRI / Individuals	1	4639927	58.00%
	<b>Total Promoter Shareholding</b>	<b>1</b>	<b>4639927</b>	<b>58.00%</b>
(B)	<b>NON PROMOTER / PUBLIC SHAREHOLDING</b>			
1	Financial Institutions/Banks	2	1308	0.02%
2	Bodies Corporate	40	711464	8.89%
3	Individual ShareHolders holding nominal share capital upto 2Lakh	11808	738368	9.23%
4	Individual ShareHolders holding nominal share capital in excess of 2Lakh	21	1866672	23.33%
5	Clearing Member	7	41161	0.51%
6	Non Resident Individuals	2	1100	0.01%
	<b>Total Public Shareholding</b>			
	<b>B=(B)(1+2+3+4+5+6)</b>	<b>11880</b>	<b>3360073</b>	<b>42.00%</b>
	<b>GRAND TOTAL</b>	<b>11881</b>	<b>8000000</b>	<b>100.00%</b>

For and on behalf of the Board  
**For COMBAT DRUGS LIMITED**

Sd/-

Place: Hyderabad  
Date: 22.08.2018

VASUDEV KOMMARAJU  
DIRECTOR

Sd/-

SUSHANT MOHANLAL  
DIRECTOR

**Annexure-A**  
**TO CORPORATE GOVERNANCE**

Declaration by the Managing Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2018.

For and on behalf of the Board  
**For COMBAT DRUGS LIMITED**

Place: Hyderabad  
Date: 22.08.2018

Sd/-  
VASUDEV KOMMARAJU  
DIRECTOR

Sd/-  
SUSHANT MOHANLAL  
DIRECTOR

**Annexure B to Corporate Governance**  
**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 transaction under third proviso thereto.

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

SL. No.	Particulars	Not At Arms Length	At Arms Length
1	Name (s) of the related party & nature of relationship	NIL	--
2	Nature of contracts / arrangements / transaction.	NIL	--
3	Duration of the contracts / arrangements / transaction	NIL	--
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL	--
5	Justification for entering into such contracts or arrangements or transactions'	NIL	N/A
6	Date of approval by the Board	NIL	30.10.2017
7	Amount paid as advances, if any	NIL	NIL
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL	N/A Approved in AGM 30.11.17

NOTE: The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.20(iv) of the Financial Statements

For **COMBAT DRUGS LIMITED**

Place: Hyderabad  
Date: 22.08.2018

Sd/-  
**SUSHANT MOHAN LAL**  
DIRECTOR

## **Annexure-C to Corporate Governance**

### **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

I, Mr. Vasudev Kommaraju, CEO & Director of Combat Drugs Limited to the best of my knowledge, information and belief, certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018:
  - a) These statements do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading;
  - b) These statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
  - a) Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
  - b) Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India; and
  - c) Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- 4) During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
  - a) Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
  - b) Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;

- c) Instances of significant fraud, if any, that we are aware especially, if any,  
Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2017-18;
- d) All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data; and
- e) Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- 5) In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive which was inflated on account of such mistakes or omissions.
- 6) We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 7) We further declare that, all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

**For COMBAT DRUGS LIMITED**

Sd/-

**VASUDEV KOMARAJU**  
DIRECTOR

Place: Hyderabad

Date:22.08.2018

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

**[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and  
Remuneration Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

To  
The Members of  
**M/s. Combat Drugs Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Combat Drugs Limited (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 and ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Combat Drugs Limited ("The Company") for the financial year ended on 31st March, 2018, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014 ;
  - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment, and External Commercial Borrowings (not applicable during the audit period);

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - i. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. The Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992;
  - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - (vi) Other applicable laws, including the following:
    - (a) Employees State Insurance Act 1948
    - (b) Income-tax Act 1961
    - (c) Drugs and Cosmetics Act, 1940
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the audit period:
  - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable under the provisions of Companies Act, 2013 and
  - ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited;



4. We further report that :
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - (b) 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 of the meeting.
  - (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that consequent to the completion of the acquisition process through the open offer, the existing promoters have been re-classified as public share holders w.e.f. 22nd March 2018.
7. We further report that the company has not appointed CFO & Company Secretary.

Place: Hyderabad,  
Date: 30th July, 2018

**For MARTHI & CO,**  
Company Secretaries  
Sd/-  
**S S MARTHI**  
PROPRIETOR  
FCS 1989, CP 1937

## ANNEXURE - E

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

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

#### I. REGISTRATION AND OTHER DETAILS:

- i. CIN : CL23230TG1986PLC006781  
ii. Registration Date : 17-09-1986  
iii. Name of the Company : COMBAT DRUGS LIMITED  
iv. Category / Sub-Category of the Company : Company Limited by shares and Indian Non-Government Company  
v. Address of the Registered office and contact details As per Last Year annual Return : 4th Floor, Plot No.94, Sagar Society, Road No.2, Banjara Hills, Hyd- 39. TELANGANA. India.  
vi. Whether listed company : Yes  
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Venture Capital & Corporate Services Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana.  
Phone: (+91)-4023818475/476  
Fax: +91 40 23868024  
Email Id: Info@Vccipl.Com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S No.	Name and Description of main products / services	NIC Code of the Product/ service	% of Total Turnover of the Company
1	Manufacturing & Trading	2100	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S No.	Name and Description of main products / services	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Pharmaceuticals		Subsidiary	100%	

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

i. Category-wise Share Holding

S.No.	Category of Shareholder	AT THE BEGINNING OF THE YEAR				AT THE END OF THE YEAR				% Change During the Year
		DEMAT	PHYSICAL	TOTAL	As a % of total No of Shares	DEMAT	PHYSICAL	TOTAL	As a % of total No of Shares	
<b>A</b>	<b>Promoter and Promoter Group</b>									
(a)	Indian Promoters: Individuals / HUF's / Bodies Corporate's	5295117	0	5295117	66.19%	0	0	0	0.00%	-66.19%
(b)	Individuals (Non Resident Individuals / Foreign Individuals)	0	0	0	0.00%	4639927	0	4639927	58.00%	58.00%
	<b>Total Shareholding of Promoter and Total Promoter Group</b>	<b>5295117</b>	<b>0</b>	<b>5295117</b>	<b>66.19%</b>	<b>4639927</b>	<b>0</b>	<b>4639927</b>	<b>58.00%</b>	<b>-8.19%</b>
<b>B</b>	<b>Non Promoter / Public Shareholding</b>									
1	Financial Institutions/Banks	0	300	300	0.00%	1008	300	1308	0.02%	0.02%
2	Bodies Corporate	69552	143430	212982	2.66%	322138	389326	711464	8.89%	6.23%
3	Individuals									
	I Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	505899	289811	795710	9.95%	467317	271051	738368	9.23%	-0.72%
	II Individual Shareholders holding nominal share capital in excess of Rs. 2 Lakh	728516	952614	1681130	21.01%	1284954	581718	1866672	23.33%	2.32%
4	Clearing Member	13661	0	13661	0.17%	41161	0	41161	0.51%	0.34%
5	Non Resident Individuals	1100	0	1100	0.01%	1100	0	1100	0.01%	0.00%
	<b>Total Public Shareholding</b>	<b>1318728</b>	<b>1386155</b>	<b>2704883</b>	<b>33.81%</b>	<b>2117678</b>	<b>1242395</b>	<b>3360073</b>	<b>42.00%</b>	<b>8.19%</b>
	<b>Grand Total (A)+(B)</b>	<b>6613845</b>	<b>1386155</b>	<b>8000000</b>	<b>100</b>	<b>6757605</b>	<b>1242395</b>	<b>8000000</b>	<b>100.00%</b>	

\* Change in Promoter Holding is subsequent to Open Offer by Janakiram Ajjarapu and Re-classification of Promoters. Sushant Mohan Lal has been reclassified as Public Shareholder with effect from 22nd March, 2018.

ii. Shareholding of Promoters

S.No.	Shareholder Name	Holding at beginning of the Year			Holding at End of the Year			% change during the year
		No. of Shares	% of Equity	% pledged	No. of Shares	% of Equity	% pledged	
1	Suchit Mohan Lal	2464289	30.80%	0	0	30.80%	0	-30.80%
2	Sushant Mohan Lal	2060491	25.76%	0	0	25.76%	0	-25.76%
3	Anita Mathur	714787	8.93%	0	0	8.94%	0	-8.93%
4	Ruchi Mathur	550	0.01%	0	0	0.00%	0	-0.01%
5	Ankita Mathur	55000	0.69%	0	0	0.69%	0	-0.69%
6	Janakiram Ajjarapu				4639927	58.00%	0	58.00%
	<b>Total</b>	<b>5295117</b>	<b>66.19%</b>	<b>0</b>	<b>4639927</b>	<b>58.00%</b>	<b>0</b>	

iii. Change in Promoters' Shareholding (please specify, if there is no change)  
There is Change in Promoter Holding during the Financial year due to the open offer.

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

S. 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
	At the beginning of the year	<b>52,95,117</b>	<b>66.19%</b>	<b>52,95,117</b>	<b>66.19%</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	During the period under review the Mr. Janakiram Ajjarapu has given an open offer and acquired 46,39,927 equity shares from the old promoters. The promoters have been re-classified vide SEBI/BSE approval letter dated 22 <sup>nd</sup> March, 2018.			
	At the end of the year	<b>46,39,927</b>	<b>48.00%</b>	<b>46,39,927</b>	<b>48.00%</b>

**iv) Shareholding Pattern of top ten Shareholders:**

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

S. 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
<b>1</b>	<b>SUSHANT MOHAN LAL</b>				
	At the beginning of the year	20,60,491	25.76	20,60,491	25.76
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Reduction due to tending of Shares in Open Offer and subsequent change in classification of Promoter to Public Shareholder			
	At the end of the year (or on the date of separation, if separated during the year)	6,55,200	8.19	6,55,200	8.19

S. 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
2	SESHU SRINIVAS AKULA				
	At the beginning of the year	384273	4.80	384273	4.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	384273	4.80	384273	4.80

S. 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
3	Goldsmith Landmarks Pvt Ltd				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Change is due to Acquisition of Shares			
	At the end of the year (or on the date of separation, if separated during the year)	370896	4.84	370896	4.84

S. 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
4	Gudipudi Venkateshwar Rao				
	At the beginning of the year	200000	2.50	200000	2.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	200000	2.50	200000	2.50

S. 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
	Accura Projects & Infrastructures (India) Pvt Ltd				
	At the beginning of the year	150294	1.88	150294	1.88
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	150294	1.88	150294	1.88

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	HSE Securities Limited	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	130000	1.63	130000	1.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Acquired during the year			
	At the end of the year (or on the date of separation, if separated during the year)	130000	1.63	130000	1.63

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	Ram Kumar Sarma V	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	77445	0.97	77445	0.97
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	77445	0.97	77445	0.97

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	Sree Ram Ratan Volety	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	65000	0.81	65000	0.81
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	65000	0.81	65000	0.81

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	Rahul Anantrai Mehta Sharda Anantrai Mehta	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Acquired during the year			
	At the end of the year (or on the date of separation, if separated during the year)	57223	0.72	57223	0.72



S. 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
10	Babulal Jain				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Acquired during the year			
	At the end of the year (or on the date of separation, if separated during the year)	57223	0.72	57223	0.72

**v). Shareholding of Directors and Key Managerial Personnel:**

S. 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	SUSHANT MOHAN LAL				
	At the beginning of the year	20,60,491	25.76	20,60,491	25.76
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.):	Reduction due to tending of Shares in Open Offer and subsequent change in classification of Promoter to Public Shareholder			
	At the end of the year (or on the date of separation, if separated during the year)	6,55,200	8.19	6,55,200	8.19

No other Director Holds any Equity Shares in the company

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	MD Suchit Mohan Lal	WTD Sushant Mohan Lal	MAN	4,50,000 5,37,000
	(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	NIL	--	NIL	--
3.	Sweat Equity	NIL		NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL		NIL	NIL
5.	Others, please specify	NIL		NIL	NIL
6.	Total (A)	NIL		NIL	9,87,000
	Ceiling as per the Act				

### B. Remuneration to other directors:

Independent Directors • Fee for attending board committee meetings Nil

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil			Nil
	Total (1) Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil			Nil
	Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act	Nil Nil Nil	Nil	Nil	Nil Nil Nil

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	NIL	NIL	NIL	NIL
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
<b>6.</b>	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VII. 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)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding		NIL	NIL	NIL	
<b>B. Directors</b>					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					

## INDEPENDENT AUDITORS' REPORT

To  
The Members of Combat Drugs Limited

### **Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of Combat Drugs Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, 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 and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

### **Auditors' 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, 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, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors 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 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".
- (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 does not have any pending litigations which would impact its financial position;
  - ii) The Company does 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

Sd/-

**A.V.Sadasiva**

Partner - M.No.018404

Place: Secunderabad.

Date: 30th May, 2018

## **Annexure - A to the Independent Auditors' Report**

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 Combat Drugs Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Standalone Ind AS Financial Statements.

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

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

## **Opinion**

In our opinion, 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

Sd/-

**A.V.Sadasiva**

Partner - M.No.018404

Place: Secunderabad.

Date: 30th May, 2018

## **Annexure - B to the Independent Auditors' 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) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties were held by the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has no transactions with regard to the provisions of Section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities made.
- (v) The Company has not accepted deposits within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) Maintenance of cost records by the company has not been prescribed by Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except an amount of Rs. 38,979/- due with respect to Professional tax for more than six months.

- (b) According to the information and explanations given to us and records of the Company examined by us, there are no disputes pending against the company as at 31st March, 2018.
- (viii) The Company has not taken any loans or borrowing from a financial institution, banks and Governments during the financial year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company is not having any term loans, hence the paragraph 3(ix) of the order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

Sd/-

**A.V.Sadasiva**  
Partner - M.No.018404

Place: Secunderabad.  
Date: 30th May' 2018

COMBAT DRUGS LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2018

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	31 March 2018	31 March 2017	1 April 2016
<b>I. ASSETS</b>				
<b>Non-current Assets</b>				
(a) Financial assets				
(i) Investments	3	0.05	-	-
(b) Other non-current assets	4	0.30	221.95	221.65
<b>Current Assets</b>				
(a) Inventories	5	9.73	7.03	21.03
(b) Financial assets				
(i) Trade receivables	6.1	58.78	13.52	7.18
(ii) Cash and cash equivalents	6.2	2.29	3.46	0.28
(c) Other current assets	7	225.05	11.37	10.59
<b>TOTAL ASSETS</b>		<b>296.20</b>	<b>257.33</b>	<b>260.73</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	8	800.00	800.00	800.00
(b) Other equity	9	(587.98)	(606.22)	(587.78)
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	10	-	4.79	-
<b>Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	11.1	13.30	-	-
(ii) Trade payables	11.2	55.89	46.17	39.27
(iii) Other Financial liabilities	11.3	14.42	5.70	8.86
(b) Other current liabilities	12	0.57	6.89	0.38
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>296.20</b>	<b>257.33</b>	<b>260.73</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co

For and on behalf of the Board

Chartered Accountants

Firm Registration Number: 00012553

Sd/-

A V Sadasiva

Partner

M.No. 018404

Sd/-

Sushant Mohan Lal

Director

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

Place: Hyderabad

Date: 30.05.2018

**COMBAT DRUGS LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	13	50.42	37.50
II. Other income	14	62.58	-
<b>III. Total revenue (I + II)</b>		<b>113.00</b>	<b>37.50</b>
<b>IV. Expenses</b>			
Cost of materials consumed	15	43.42	26.44
Changes in inventories of finished goods and stock in trade	16	(2.70)	-
Employee benefits expense	17	24.94	15.70
Other expenses	18	29.10	13.80
<b>Total expenses</b>		<b>94.76</b>	<b>55.94</b>
<b>V. Profit/(Loss) before tax (III - IV)</b>		<b>18.24</b>	<b>(18.44)</b>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>VII. Profit/(Loss) for the period (V-VI)</b>		<b>18.24</b>	<b>(18.44)</b>
<b>VIII. Other comprehensive income</b>		-	-
<b>IX. Total comprehensive income for the year</b>		<b>18.24</b>	<b>(18.44)</b>
<b>X. Earning per equity share</b>	24		
(1) Basic		0.23	(0.23)
(2) Diluted		0.23	(0.23)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co

For and on behalf of the Board

Chartered Accountants

Firm Registration Number: 000125S

Sd/-

A V Sadasiva

Partner

M.No. 018404

Sd/-

Sushant Mohan Lal

Director

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

Place: Hyderabad

Date: 30.05.2018

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

### **1. Background**

Combat Drugs Limited was incorporated in 1986 having its registered office in Hyderabad. The Company deals in manufacturing and trading of Pharmaceutical drugs.

### **2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **a) Statement of Compliance**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

"The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. "These Financial Statements of the Company as at and for the year ended 31st March,2018 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 30th May,2018."

#### **b) Basis of preparation**

"The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. 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."

#### **c) Use of estimates and critical accounting judgements**

"In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets

and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**d) Revenue Recognition**

**i) Sale of products**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery / dispatch of the goods. Revenue from the sale of goods is measured at the value of the consideration received or receivable, net of returns, discounts, volume rebates. Till 30th June 2017, Revenue is inclusive of excise duty and excluding taxes collected from parties such as outgoing sales taxes or value added taxes. With effect from 1st July, 2017 revenue is excluding goods and service tax.

**ii) Other income**

Dividend income is recognised when the shareholder's right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

**e) Income tax**

**Current income tax:** Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. "Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 tax:** Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**f) Impairment of assets**

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**g) Cash and cash equivalents**

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



## h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

## i) Inventories

Raw Materials, Fuel, Stores & Spares and Packing Materials

Valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost, Cost is determined on weighted Average basis.

## Work-in-Progress (WIP) and Finished Goods

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis

## j) other financial assets

- i) **Classification:** The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income. "The Company reclassifies debt investments when and only when its business model for managing those assets changes.

- ii) **Measurement:** At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial

assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:** The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. "Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- iii) **Impairment of financial assets:** The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- iv) **Derecognition of financial assets:** A financial asset is derecognized only when The Company has transferred the rights to receive cash flow from the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred

substantially all risks and rewards of ownership of the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**k) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**l) Property, plant and equipment**

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

**Transition to Ind AS:** On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation/Amortisation methods, estimated useful lives and residual value:** Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease. "The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. "Gains or losses on disposal are determined by comparing proceeds with carrying amount."

**m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**n) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

**o) Borrowing costs**

"General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized

during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

**p) Provisions**

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

**q) Employee benefits**

**Short-term obligations:** Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**r) Contributed equity**

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

**s) Dividends:** Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**t) Earning per share:** (i) Basic earnings per share“Basic earnings per share is calculated by dividing: The profit attributable to owners of the company By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.(ii) Diluted earnings per share Diluted earnings per share adjusts the figures used in the determination

of basic earnings per share to take into account: The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**u) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**v) Rounding of amounts**

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

**w) Standards issued but not yet effective**

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. "The Company has evaluated the effect of this on the financial statements and the impact is not material.

**COMBAT DRUGS LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

**3. Investments**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Investments in Equity Instruments (Unquoted - at cost)</b>			
Wholly owned subsidiary			
RA LABS Pte Ltd, Singapore	0.05	-	-
(100(2017-0, 2016-0) Equity Shares of SGD 1/- each)			
<b>TOTAL</b>	<b>0.05</b>	<b>-</b>	<b>-</b>
<b>Total amount of Aggregate value of unquoted investments</b>	<b>0.05</b>	<b>-</b>	<b>-</b>

**4. Other Non-Current assets**

Particulars	31 March 2018	31 March 2017	1 April 2016
Deposit with government	-	1.65	1.65
Deposit with Others	-	220.00	220.00
Deposit - Rent	0.30	0.30	-
<b>TOTAL</b>	<b>0.30</b>	<b>221.95</b>	<b>221.65</b>

**5. Inventories ( Valued at Lower of Cost and NRV, Unless otherwise stated)**

Particulars	31 March 2018	31 March 2017	1 April 2016
a) Packing Material	4.92	5.72	6.24
b) Finished goods	4.81	1.31	14.79
<b>TOTAL</b>	<b>9.73</b>	<b>7.03</b>	<b>21.03</b>

**6.1 . Trade receivables**

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	58.78	13.52	7.18
<b>TOTAL</b>	<b>58.78</b>	<b>13.52</b>	<b>7.18</b>

**6.2. Cash and cash equivalents**

Particulars	31 March 2018	31 March 2017	1 April 2016
a) Balances with banks			
in current accounts	2.28	3.42	0.07
b) Cash on hand	0.01	0.04	0.21
<b>TOTAL</b>	<b>2.29</b>	<b>3.46</b>	<b>0.28</b>

**7. Other current assets**

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances to Suppliers	0.11	2.23	1.45
Others	0.04	9.14	9.14
Advance given to Subsidiary Company	3.51	-	-
Deposit with others	221.39	-	-
<b>TOTAL</b>	<b>225.05</b>	<b>11.37</b>	<b>10.59</b>

**8. Equity share capital**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>AUTHORIZED:</b>			
8,000,000 (2017- 8,000,000, 2016 - 8,000,000) Equity Shares of ₹10/- each	800.00	800.00	800.00
<b>TOTAL</b>	<b>800.00</b>	<b>800.00</b>	<b>800.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>			
8,000,000 (2017- 8,000,000, 2016 - 8,000,000) Equity Shares of ₹10/- each	800.00	800.00	800.00
<b>TOTAL</b>	<b>800.00</b>	<b>800.00</b>	<b>800.00</b>

**(A) Movement in equity share capital:**

Particulars	Number of shares	Amount
Balance at April 1, 2016	8,000,000	800.00
Movement during the year	-	-
<b>Balance at March 31, 2017</b>	<b>8,000,000</b>	<b>800.00</b>
Movement during the year	-	-
<b>Balance at March 31, 2018</b>	<b>8,000,000</b>	<b>800.00</b>

**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Janakiram Ajarapu	4,639,927	58.00	-	-	-	-
Suchit Mohan Lal	-	-	2,464,289	30.80	2,464,289	30.80
Sushant Mohan Lal	655,200	8.19	2,060,491	25.76	2,060,491	25.76
Anitha Mathur	-	-	715,337	8.94	714,787	8.93

**(C) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

**9. Other equity**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Reserves and surplus</b>			
Retained earnings	(587.98)	(606.22)	212.22
<b>TOTAL</b>	<b>(587.98)</b>	<b>(606.22)</b>	<b>212.22</b>

**Retained earnings**

Particulars	31 March 2018	31 March 2017
Opening balance	193.78	212.22
Profit/(Loss) for the year	18.24	(18.44)
<b>Closing balance</b>	<b>212.02</b>	<b>193.78</b>

**10. Borrowings**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Non- Current</b>			
Loans from Related Parties			
<b>Unsecured loans</b>			
From Directors	-	4.79	-
<b>TOTAL</b>	<b>-</b>	<b>4.79</b>	<b>-</b>

**11.1 Borrowings**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>			
Loans from Related Parties			
<b>Unsecured loans</b>			
From Directors	13.30	-	-
<b>TOTAL</b>	<b>13.30</b>	<b>-</b>	<b>-</b>

**Net Debt Reconciliation**

Particulars	31 March 2018	31 March 2017
Opening Balance of borrowings	4.79	0.00
Add: Amount received during the year	19.79	4.79
Less: Amount repaid during the year	11.28	0.00
<b>Closing balance of borrowings</b>	<b>13.30</b>	<b>4.79</b>

**11.2. Trade payables**

Particulars	31 March 2018	31 March 2017	1 April 2016
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	55.89	46.17	39.27
<b>TOTAL</b>	<b>55.89</b>	<b>46.17</b>	<b>39.27</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**11.3 Other Financial liabilities**

Particulars	31 March 2018	31 March 2017	1 April 2016
Expenses payable	14.42	5.70	8.86
<b>TOTAL</b>	<b>14.42</b>	<b>5.70</b>	<b>8.86</b>

**12. Other current liabilities**

Particulars	31 March 2018	31 March 2017	1 April 2016
Statutory Liabilities	0.57	0.89	0.38
Advances from customers	-	6.00	-
<b>TOTAL</b>	<b>0.57</b>	<b>6.89</b>	<b>0.38</b>



**13. Revenue from operations**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products		
Pharma Sales	50.42	37.50
<b>TOTAL</b>	<b>50.42</b>	<b>37.50</b>

**14. Other income**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consultancy fees	51.21	-
Discount Received	0.03	-
Sundry creditors written back	10.90	-
Foreign Exchange Gain(net)	0.44	-
<b>TOTAL</b>	<b>62.58</b>	<b>-</b>

**15. Cost of materials consumed**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Material Consumed	43.42	26.44
<b>TOTAL</b>	<b>43.42</b>	<b>26.44</b>

**16. Changes in inventories of finished goods and stock in trade**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Opening inventories</b>		
Packing materials	5.72	-
Finished Goods	1.31	-
	<b>(A) 7.03</b>	<b>-</b>
<b>Closing inventories</b>		
Packing materials	4.92	-
Finished Goods	4.81	-
	<b>(B) 9.73</b>	<b>-</b>
<b>TOTAL (A-B)</b>	<b>(2.70)</b>	<b>-</b>

**17. Employee benefits expense**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Directors' Remuneration	9.87	7.26
Salaries to Staff	14.73	6.96
ESI contribution	0.04	1.24
Staff welfare expenses	0.30	0.24
<b>TOTAL</b>	<b>24.94</b>	<b>15.70</b>

**18. Other expenses**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Advertisement Expenses	0.73	0.43
Payment to Auditor (Refer Note 18a)	1.06	0.40
Consultancy & Other Charges	4.07	1.42
Conveyance & Vehicle Maintenance	1.06	0.97
Office Expenses	0.87	0.80
Postage & Telegrams	2.90	3.19
Printing & Stationery	1.11	1.07
Rent	2.17	1.95
Rates & Taxes	0.70	3.01
Telephone expenses	0.34	0.31
Travelling - Directors & Others	1.83	0.25
Listing fee	3.13	-
Balances written off	8.93	-
Miscellaneous Expenses	0.20	-
<b>TOTAL</b>	<b>29.10</b>	<b>13.80</b>

**18a. Payment to auditor**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>To statutory auditors</b>		
-Statutory audit fee	0.50	0.40
-Tax audit fee	0.10	-
-For other services (including fees for quarterly reviews)	0.46	-
<b>TOTAL</b>	<b>1.06</b>	<b>0.40</b>

**COMBAT DRUGS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs , unless otherwise stated

**19. Financial instruments and risk management**

**Fair values**

- The carrying amounts of trade payables, other financial liabilities(current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

**(i) Categories of financial instruments**

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
<b>Financial assets</b>							
<b>Measured at amortised cost:</b>							
Current	3	58.78	58.78	13.52	13.52	7.18	7.18
Trade receivables							
Cash and Cash Equivalents	3	2.29	2.29	3.46	3.46	0.28	0.28
<b>Total</b>		<b>61.07</b>	<b>61.07</b>	<b>16.98</b>	<b>16.98</b>	<b>7.46</b>	<b>7.46</b>
<b>Financial liabilities</b>							
<b>Measured at amortised cost</b>							
<b>Non-current</b>							
Borrowings	3	-	-	4.79	4.79	-	-
Current							
Borrowings	3	13.30	13.30	-	-	-	-
Trade Payables	3	55.89	55.89	46.17	46.17	39.27	39.27
Other Financial liabilities	3	14.42	14.42	5.70	5.70	8.86	8.86
<b>Total</b>		<b>83.61</b>	<b>83.61</b>	<b>56.66</b>	<b>56.66</b>	<b>48.13</b>	<b>48.13</b>

*\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:*

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**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 and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

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

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

## **20. Financial risk management**

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

### **(A) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities . The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

## (i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar and SGD against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars and SGD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

## (ii) Sensitivity

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

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Change in USD				
1% increase	0.23	-	0.23	-
1% decrease	(0.23)	-	(0.23)	-
Change in SGD				
1% increase	0.04	-	0.04	-
1% decrease	(0.04)	-	(0.04)	-

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, and SGD where the functional currency of the entity is a currency other than US dollars, and SGD.

## (B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents

company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

- i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.
- ii. Credit risk on trade receivables and other financial assets is evaluated as follows:
  - (i) Expected credit loss for trade receivable under simplified approach

Particulars	31 March 2018	31 March 2017	01 April 2016
Gross carrying amount	58.78	13.52	7.18
Expected credit losses (Loss allowance provision)	-	-	-
<b>Carrying amount of trade receivables</b>	<b>58.78</b>	<b>13.52</b>	<b>7.18</b>

**(ii) Reconciliation of loss allowance provision**

Particulars	Trade receivables
<b>Loss allowance as at 1 April 2016</b>	-
Changes in loss allowance during the period of 2016-17	-
<b>Loss allowance as at 31 March 2017</b>	-
Changes in loss allowance during the period of 2017-18	-
<b>Loss allowance as at 31 March 2018</b>	-

### (iii) Significant estimates and judgements

#### Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### (C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

#### (ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	13.30	-	-	4.79	-	-
Trade Payables	55.89	-	46.17	-	39.27	-
<b>Total</b>	<b>69.19</b>	<b>-</b>	<b>46.17</b>	<b>4.79</b>	<b>39.27</b>	<b>-</b>

## 21. Capital management

### A. Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2018	31 March 2017	01 April 2016
<b>Borrowings</b>			
Current	13.30	-	-
Non current	-	4.79	-
<b>Debt</b>	<b>13.30</b>	<b>4.79</b>	-
<b>Equity</b>			
Equity share capital	800.00	800.00	800.00
Other equity	(587.98)	(609.05)	(590.61)
<b>Total capital</b>	<b>212.02</b>	<b>190.95</b>	<b>209.39</b>
<b>Gearing ratio in % (Debt/ capital)</b>	<b>6%</b>	<b>3%</b>	<b>0%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

COMBAT DRUGS LIMITED  
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

All amounts in ₹ Lakhs, unless otherwise stated

22. Contingent liabilities and Capital Commitments- Nil ( Previous year- Nil)

23. Related party disclosures

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) <b>Subsidiary Company</b> RA Labs Pte Ltd, Singapore	Wholly owned Subsidiary Company w.e.f 24.10.2017
ii) <b>Key Management Personnel (KMP):</b> Suchit Mohan Lal Sushanth Mohan Lal Vemuri Shilpa Bhupendra Lal Vaaghray Ragu Raghuram Vasudev Komaraju	Managing Director upto 31.03.2018 Director Independent Director Independent Director upto 30.10.2017 Independent Director from 30.10.2017 Director from 30.10.2017
iii) <b>Enterprises in which key managerial personnel and/or their relatives have control:</b> Ruchi Bio Tech	Sushanth Mohan Lal - Proprietor

Details of transactions during the year where related party relationship existed:

Names of the related parties	Nature of Transactions	Year ended	
		31 March 2018	31 March 2017
Suchit Mohan Lal	Remuneration	4.50	4.50
Sushanth Mohan Lal	Remuneration	5.37	2.76
Suchit Mohan Lal	Unsecured loans repaid(Net)	0.47	4.00
Sushanth Mohan Lal	Unsecured loans taken(Net)	8.98	0.79
RA Labs Pte Ltd, Singapore	Investment made	0.05	-
RA Labs Pte Ltd, Singapore	Advance Given	3.51	-

Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance		
	31 March 2018	31 March 2017	1 April 2016
Suchit Mohan Lal	3.53	4.00	-
Sushanth Mohan Lal	9.77	0.79	-
RA Labs Pte Ltd, Singapore	3.51	-	-



## 24. Earnings per share (EPS)

Particulars	31 March 2018	31 March 2017
Profit/(Loss) after tax	18.24	(18.44)
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Number)	8,000,000	8,000,000
Face value per share ?	10.00	10.00
Basic and Diluted Earnings per Share (EPS)?	0.23	(0.23)

## 25. Segment Information

### a) Description of segments and principal activities

The Company primarily operates in the Pharmaceutical segment. The Chief Operating Decision Maker (CODM) reviews the performance of the Pharmaceutical segment at the consolidated level and makes decisions on sales volumes and profitability.

## 26. First-time adoption of Ind AS

### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### Exemptions and Exceptions availed

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

#### A. Ind AS optional exemptions

##### (i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition,

after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, Plant & Equipment at their previous GAAP carrying value.

**(ii) Impairment of financial assets**

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016.

**B. Ind AS mandatory exceptions**

**(i) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

"Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP: "Impairment of financial asset based on expected credit loss model."

**(ii) Classification and measurement of Financial Assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**C. Reconciliation between previous GAAP and Ind AS ( as at 31 March 2017 and 1 April 2016)**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	As at 31 March 2017			As at 1 April 2016		
	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>I. ASSETS</b>						
<b>Non-current Assets</b>						
(a) Financial assets	-	-	-	-	-	-
(e) Other Non-current Assets	221.95	-	221.95	221.65	-	221.65
<b>Current Assets</b>						
(a) Inventories	7.03	-	7.03	21.03	-	21.03
(b) Financial Assets						
(i) Trade Receivables	13.52	-	13.52	7.18	-	7.18
(ii) Cash and Cash Equivalents	3.46	-	3.46	0.28	-	0.28
(d) Other Current Assets	11.37	-	11.37	10.59	-	10.59
<b>Total assets</b>	<b>257.33</b>	<b>-</b>	<b>257.33</b>	<b>260.73</b>	<b>-</b>	<b>260.73</b>
<b>II. EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	800.00	-	800.00	800.00	-	800.00
(b) Other Equity	(606.22)	-	(606.22)	(587.78)	-	(587.78)
<b>Liabilities</b>						
<b>Non-Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	4.79	-	4.79	-	-	-
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Trade payables	46.17	-	46.17	39.27	-	39.27
(ii) Other Financial Liabilities	-	-	5.70	-	-	8.86
(b) Other Current Liabilities	12.59	-	6.89	9.24	-	0.38
<b>TOTAL</b>	<b>257.33</b>	<b>-</b>	<b>257.33</b>	<b>260.73</b>	<b>-</b>	<b>260.73</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of total comprehensive income for the year ended 31 March 2017**

Particulars	Previous GAAP*	Adjustments	Ind AS
I. Revenue from operations	37.50	-	37.50
II. Other Income	-	-	-
<b>III. Total Revenue (I + II)</b>	<b>37.50</b>	-	<b>37.50</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26.44	-	26.44
Changes in inventories of finished goods and stock in trade	-	-	-
Employee benefits expense	15.70	-	15.70
Other expenses	13.80	-	13.80
<b>Total Expenses</b>	<b>55.94</b>	-	<b>55.94</b>
<b>V. Profit before tax (III - IV)</b>	<b>(18.44)</b>	-	<b>(18.44)</b>
<b>VI. Tax expense:</b>			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
<b>VII. Profit for the period (V-VI)</b>	<b>(18.44)</b>	-	<b>(18.44)</b>
<b>VIII. Other Comprehensive Income</b>			
<b>IX. Total comprehensive income for the year</b>			

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

Particulars	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP	193.78	212.22
Adjustments	-	-
Add/(Less): Remeasurements of trade receivables	-	-
<b>Total equity as per Ind AS</b>	<b>193.78</b>	<b>212.22</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017**

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(1.61)	-	(1.61)
Net cash flow from investing activities	-	-	-
Net cash flow from financing activities	4.79	-	4.79
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3.18</b>	<b>-</b>	<b>3.18</b>
Cash and cash equivalents as at 1 April 2016	0.27	-	0.27
Cash and cash equivalents as at 31 March 2017	3.45	-	3.45

**\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M. Anandam & Co  
Chartered Accountants

For and on behalf of the Board

Sd/-  
A V Sadasiva  
Partner  
M.No. 018404

Sd/-  
Sushant Mohan Lal  
Director

Sd/-  
Vasudev Kommaraju  
Director

Place: Hyderabad  
Date: 30.05.2018

Place: Hyderabad  
Date: 30.05.2018

**COMBAT DRUGS LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	31 March 2018	31 March 2017
<b>Cash flow from operating activities</b>		
Profit before tax	18.24	(18.44)
<b>Adjustments for:</b>		
<b>Changes in operating assets and liabilities</b>		
(Increase) in Trade Receivables	(45.25)	(6.34)
(Increase) / Decrease in other assets	7.97	-
(Increase) / Decrease in Inventories	(2.70)	14.00
Increase / (Decrease) in other liabilities	12.11	9.17
<b>Cash Used in Operations</b>	<b>(9.63)</b>	<b>(1.61)</b>
Income taxes paid	-	-
<b>Net cash used in operating activities (A)</b>	<b>(9.63)</b>	<b>(1.61)</b>
<b>Cash flows from investing activities</b>		
Investments in Wholly Owned subsidiary Company	(0.05)	-
<b>Net cash used in investing activities (B)</b>	<b>(0.05)</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	8.51	4.79
<b>Net cash generated from financing activities (C)</b>	<b>8.51</b>	<b>4.79</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1.17)</b>	<b>3.19</b>
<b>Cash and Cash equivalents at the beginning of the Year</b>	<b>3.47</b>	<b>0.28</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>2.30</b>	<b>3.47</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date  
For M. Anandam & Co  
Chartered Accountants  
Firm Registration Number: 0001255

Sd/-  
A V Sadasiva  
Partner  
M.No. 018404

Sd/-  
Sushant Mohan Lal  
Director

Sd/-  
Vasudev Komaraju  
Director

Place: Hyderabad  
Date: 30.05.2018

Place: Hyderabad  
Date: 30.05.2018

**COMBAT DRUGS LIMITED****STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

**a. Equity share capital**

Particulars	Note	Equity share capital
As at 01 April 2016	8	800.00
Changes in equity share capital		-
As at 31 March 2017		800.00
Changes in equity share capital		-
As at 31 March 2018		800.00

**b. Other equity**

	Note	Retained Earnings	Total
Balance as at 1 April 2016	9	(587.78)	(587.78)
Profit for the year		(18.44)	(18.44)
Balance as at 31 March 2017		(606.22)	(606.22)
Profit for the year		18.24	18.24
Balance as at 31 March 2018		(587.98)	(587.98)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam &amp; Co

Chartered Accountants

Firm Registration Number: 0001255

For and on behalf of the Board

Sd/-

A V Sadasiva

Partner

M.No. 018404

Sd/-

Sushant Mohan Lal

Director

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

Place: Hyderabad

Date: 30.05.2018

## INDEPENDENT AUDITORS' REPORT

To  
The Members of Combat Drugs Limited

### **Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Consolidated Ind AS financial statements of Combat Drugs Limited (hereafter referred to as "the Parent") and its wholly owned subsidiary RA Labs PTE Ltd, Singapore (the Parent and its wholly owned subsidiary together referred to as "the Group") comprising of 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.

### **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 statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. 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 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 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 the other auditors in terms of their report referred to in paragraph (a) of the 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 report of the other auditor on separate financial statements of the wholly owned subsidiary referred to in the Other Matter paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, 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 / financial information in respect of the wholly owned subsidiary whose financial statements reflect total assets of Rs.3.56 Lakhs as at 31st March, 2018, total revenue of Rs.Nil

and net cash outflows/(inflows) amounting to Rs.3.56 Lakhs for the year ended on that date as considered in the consolidated financial statements. The Financial statements has been prepared in accordance with accounting principles generally accepted in its country and which has not been audited and which is certified by the Management. The Management has converted the financial statements of this subsidiary from accounting principles generally accepted in its country to accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information are not material to the Group. Our opinion is not modified in respect of this matter.

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

As required by Section 143(3) of the Act, 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 and the reports of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the 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, none of the directors of the Parent 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 of Parent, refer to our separate Report in "Annexure A".

- 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 and based on the consideration of the report of other auditor on separate financial statements as also the other financial information of the wholly owned subsidiary, as noted in the "Other matter" paragraph:
- i. The Group does not have any pending litigations which would impact its financial position.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2018.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.

**For M. Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

Sd/-

**A.V.Sadasiva**

Partner - M.No.018404

Place: Secunderabad.

Date: 30th May, 2018

## **Annexure - A to the Independent Auditors' 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 Combat Drugs Limited ("the Parent") as of 31st March 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Parent's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent 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 Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Parent'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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent'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 Parent 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 31st March 2018, based on the internal control over financial reporting criteria established by the Parent 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 M. Anandam & Co.,**  
Chartered Accountants  
(Firm Regn.No.000125S)

Place: Secunderabad.  
Date: 30thMay, 2018

Sd/-  
**A.V.Sadasiva**  
Partner - M.No.018404

**COMBAT DRUGS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	31 March 2018
<b>I. ASSETS</b>		
<b>Non-current Assets</b>		
(a) Other non-current assets	3	0.30
<b>Current Assets</b>		
(a) Inventories	4	9.73
(b) Financial assets		
(i) Trade receivables	5.1	58.78
(ii) Cash and cash equivalents	5.1	2.29
(c) Other current assets	6	225.10
<b>TOTAL ASSETS</b>		<b>296.20</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	7	800.00
(b) Other equity	8	(587.98)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	9.1	13.30
(ii) Trade payables	9.1	55.89
(iii) Other Financial liabilities	9.3	14.42
(b) Other current liabilities	10	0.57
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>296.20</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S2

For and on behalf of the Board

Sd/-

Sushant Mohan Lal

Director

Sd/-

A V Sadasiva

Partner

M.No. 018404

Place: Hyderabad

Date: 30.05.2018

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

**COMBAT DRUGS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March 2018
I. Revenue from operations	11	50.42
II. Other income	12	62.58
<b>III. Total revenue (I + II)</b>		<b>113.00</b>
<b>IV. Expenses</b>		
Cost of materials consumed	13	43.42
Changes in inventories of finished goods and stock in trade	14	(2.70)
Employee benefits expense	15	24.94
Other expenses	16	29.10
<b>Total expenses</b>		<b>94.76</b>
<b>V. Profit/Loss before tax (III - IV)</b>		<b>18.24</b>
<b>VI. Tax expense:</b>		
(1) Current tax		-
(2) Deferred tax		-
<b>VII. Profit/Loss for the period (V-VI)</b>		<b>18.24</b>
<b>VIII. Total comprehensive income for the year</b>		<b>18.24</b>
<b>Total comprehensive income attributable to</b>		
Owners of the parent		18.24
Non controlling Interests		-
<b>IX. Earning per equity share attributable to the owners of Combat Drugs Limited</b>	23	
(1) Basic		0.23
(2) Diluted		0.23

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 000125S

For and on behalf of the Board

Sd/-

Sushant Mohan Lal

Director

Sd/-

A V Sadasiva

Partner

M.No. 018404

Place: Hyderabad

Date: 30.05.2018

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

### **1. Group Information**

Combat Drugs Limited('the parent') is a public limited company incorporated in India in 1989 having it's registered office in Hyderabad. The parent deals in manufacturing and trading of Pharmaceutical drugs. RA Labs Pte Ltd is the wholly owned subsidiary incorporated in Singapore dealing in Pharmaceuticals (together referred to as Group).

### **2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **a) Statement of Compliance**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

#### **b) Basis of preparation**

The Consolidated Financial Statements (CFS) include the financial statements of the Company ie parent and its wholly owned subsidiary. "The assets, liabilities, income and expenses of the wholly owned subsidiary is aggregated and consolidated line by line. Profit or loss and each component of other comprehensive income are attributed to the owners. 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 financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values as per Ind AS. 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.

#### **c) Use of estimates and critical accounting judgements**

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ



from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**d) Revenue Recognition**

**i) Sale of products**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery / dispatch of the goods. Revenue from the sale of goods is measured at the value of the consideration received or receivable, net of returns, discounts, volume rebates. Till 30th June 2017, Revenue is inclusive of excise duty and excluding taxes collected from parties such as outgoing sales taxes or value added taxes. With effect from 1st July, 2017 revenue is excluding goods and service tax.

**ii) Other income**

Dividend income is recognised when the shareholder's right to receive the income is established.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

**e) Income tax**

**Current income tax** Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 tax:** Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and

their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. "Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority."

**f) Impairment of assets**

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**g) Cash and cash equivalents**

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

#### **h) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

#### **i) Inventories**

Raw Materials, Fuel, Stores & Spares and Packing Materials

Valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost, Cost is determined on weighted Average basis.

#### **Work-in-Progress (WIP) and Finished Goods**

Valued at lower of cost and NRV. Cost of Finished Goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis

#### **j) other financial assets**

i) **Classification:** The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income. "The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) **Measurement:** At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. "Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial

assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income. "Equity instruments: "The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established. "Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- iii) **Impairment of financial assets:** The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Group determines whether there has been a significant increase in credit risk. "For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- iv) **Derecognition of financial assets:** A financial asset is derecognized only when The Group has transferred the rights to receive cash flow from the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients. " Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not

derecognized. "Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**k) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**l) Property, plant and equipment**

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

Depreciation/Amortisation methods, estimated useful lives and residual value Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The Group follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortised over the period of lease. "The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

**m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially

at their fair value and subsequently measured at amortized cost using the effective interest method.

**n) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

**o) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

**p) Provisions**

Provisions for legal claims and returns are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

**q) Employee benefits**

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

**r) Contributed equity**

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

s) **Dividends:** Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

t) **Earning per share:** (i) Basic earnings per share Basic earnings per share is calculated by dividing: The profit attributable to owners of the Group. By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (ii) Diluted earnings per share Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**u) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**v) Rounding of amounts**

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

**w) Standards issued but not yet effective**

The standards issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below.

**Ind AS 115, Revenue from Contract with Customers:**

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

**Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. "The Group has evaluated the effect of this on the financial statements and the impact is not material.



**3. Other Non-Current assets**

Particulars	31 March 2018
Deposit - Rent	0.30
<b>TOTAL</b>	<b>0.30</b>

**4. Inventories ( Valued at Lower of Cost and NRV, Unless otherwise stated)**

Particulars	31 March 2018
a) Packing Material	4.92
b) Finished goods	4.81
<b>TOTAL</b>	<b>9.73</b>

**5.1 . Trade receivables**

Particulars	31 March 2018
Unsecured, considered good	58.78
<b>TOTAL</b>	<b>58.78</b>

**5.2. Cash and cash equivalents**

Particulars	31 March 2018
a) Balances with banks in current accounts	2.28
b) Cash on hand	0.01
<b>TOTAL</b>	<b>2.29</b>

**6. Other current assets**

Particulars	31 March 2018
Advances to Suppliers	0.11
Others	0.04
Deposit with others	222.89
Preliminary Expenses to the extent not written off	2.06
<b>TOTAL</b>	<b>225.10</b>

**7. Equity share capital**

Particulars	31 March 2018
<b>AUTHORIZED:</b> 8,000,000 Equity Shares of ₹10/- each	800.00
<b>TOTAL</b>	<b>800.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b> 8,000,000 Equity Shares of ₹10/- each	800.00
<b>TOTAL</b>	<b>800.00</b>

**(A) Movement in equity share capital:**

Particulars	Number of shares
Balance at March 31, 2017	8,000,000
Movement during the year	-
<b>Balance at March 31, 2018</b>	<b>8,000,000</b>

**(B) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March 2018	
	No. of Shares	% holding
Sushant Mohan Lal	655,200	8.19
Janakiram Ajarapu	4,639,927	58.00

- (C) Terms/Rights attached to equity shares: The Company has only one class of equity shares having a face value of Rs. 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (D) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company since its incorporation.

#### 8. Other equity

Particulars	31 March 2018
<b>Reserves and surplus</b>	
Retained earnings	(587.98)
<b>TOTAL</b>	<b>(587.98)</b>

#### Retained earnings

Opening balance	(606.22)
Profit/(Loss) for the year	18.24
<b>Closing balance</b>	<b>(587.98)</b>

#### 9.1 Borrowings

Particulars	31 March 2018
<b>Current</b>	
Loans from Related Parties	
Unsecured loans	
From Directors	13.30
<b>TOTAL</b>	<b>13.30</b>

#### 9.1.1 Net Debt Reconciliation

Particulars	31 March 2018
Opening Balance of borrowings	4.79
Add: Amount received during the year	19.79
Less : Amount repaid during the year	11.28
<b>Closing balance of borrowings</b>	<b>13.30</b>

#### 9.2. Trade payables

Particulars	31 March 2018
Dues to micro enterprises and small enterprises	-
Dues to creditors other than micro enterprises and small enterprises	55.89
<b>TOTAL</b>	<b>55.89</b>

#### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to creditors other than micro enterprises and small enterprises	As at
	March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting	-
(iii) The amount of interest paid along with the amounts of the payment made to the	-
(iv) The amount of interest due and payable for the year	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-
(vi) The amount of further interest due and payable even in the succeeding year, until such	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**9.3 Other Financial liabilities**

Particulars	31 March 2018
Expenses payable	14.42
<b>TOTAL</b>	<b>14.42</b>

**10. Other current liabilities**

Particulars	31 March 2018
Statutory Liabilities	0.57
<b>TOTAL</b>	<b>0.57</b>

**11. Revenue from operations**

Particulars	Year ended 31 March 2018
Sale of products	
Pharma Sales	50.42
<b>TOTAL</b>	<b>50.42</b>

**12. Other income**

Particulars	Year ended 31 March 2018
Consultancy Charges	51.21
Discount Received	0.03
Sundry creditors written back	10.90
Foreign fluctuation Gain(net)	0.44
<b>TOTAL</b>	<b>62.58</b>

**13. Cost of materials consumed**

Particulars	Year ended 31 March 2018
Material consumed	43.42
<b>TOTAL</b>	<b>43.42</b>

**14. Changes in inventories of finished goods,work in progress and traded goods**

Particulars	Year ended 31 March 2018
<b>Opening inventories</b>	
Packing materials	5.72
Finished Goods	1.31
	<b>(A)</b>
	<b>7.03</b>
<b>Closing inventories</b>	
Packing materials	4.92
Finished Goods	4.81
	<b>(B)</b>
	<b>9.73</b>
<b>TOTAL (A-B)</b>	<b>(2.70)</b>

**15. Employee benefits expense**

Particulars	Year ended 31 March 2018
Directors' Remuneration	9.87
Salaries to Staff	14.73
ESI contribution	0.04
Staff welfare expenses	0.30
<b>TOTAL</b>	<b>24.94</b>

**16. Other expenses**

Particulars	Year ended 31 March 2018
Advertisement Expenses	0.73
Payment to Auditor (Refer Note 16a)	1.06
Consultancy & Other Charges	4.07
Conveyance & Vehicle Maintenance	1.06
Office Expenses	0.87
Postage and Telegrams	2.90
Printing and Stationery	1.11
Rent	2.17
Rates and Taxes	0.70
Telephone expenses	0.34
Travelling Expenses	1.83
Listing fee	3.13
Sundry Balances written off	8.93
Miscellaneous Expenses	0.20
<b>TOTAL</b>	<b>29.10</b>

**16a. Payment to auditor**

Particulars	Year ended 31 March 2018
<b>To statutory auditors</b>	
-Statutory audit fee	0.50
-Tax Audit fee	0.10
-For other services (including fees for quarterly reviews)	0.46
<b>TOTAL</b>	<b>1.06</b>

**17. Segment Information****a) Description of segments and principal activities**

The Group primarily operates in the Pharmaceutical segment. The Chief Operating Decision Maker (CODM) reviews the performance of the Pharmaceutical segment at the consolidated level and makes decisions on sales volumes and profitability.

*All amounts Rs in Lakhs unless specified*

**18. Statement of Net Assets and Profit or Loss attributable to owners**

Name of the entity	Reporting Currency	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit or loss	Amount
Combat Drugs Limites - Parent Company	INR	98.80	292.64	100.00	18.24
Subsidiary					
RA LABS Pte Ltd, Singapore	SGD	1.20	3.56	-	-
<b>Total</b>		<b>100.00</b>	<b>296.20</b>	<b>100.00</b>	<b>18.24</b>

## 19. Financial instruments and risk management

### Fair values

- The carrying amounts of trade payables, other financial liabilities(current), borrowings (current),trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- Borrowings(non-current) consists of loans from banks and government authorities, other financial liabilities(non-current) consists of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

#### (i) Categories of financial instruments

Particulars	Level	31 March 2018	
		Carrying amount	Fair value*
<b>Financial assets</b>			
<b>Measured at amortised cost:</b>			
<b>Current</b>			
Trade receivables	3	58.78	58.78
Cash and Cash Equivalents	3	2.29	2.29
<b>Total</b>		<b>61.07</b>	<b>61.07</b>
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
<b>Current</b>			
Borrowings	3	13.30	13.30
Trade Payables	3	55.89	55.89
Other Financial liabilities	3	14.42	14.42
<b>Total</b>		<b>83.61</b>	<b>83.61</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**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 and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

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

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Group has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

## **20. Financial risk management**

The Group is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

### **(A) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at March 31, 2018. The analysis exclude the impact of movements in market variables on the carrying values of financial assets and liabilities. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018.

#### **(i) Foreign currency exchange rate risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/ other payables, trade/other receivables and derivative assets/liabilities. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following tables demonstrate the sensitivity to a reasonably possible change in US dollars rates with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

**(ii) Sensitivity**

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

Particulars	Increase/(decrease) in profit before tax	Increase/(decrease) in other components
	31 March 2018	31 March 2018
Change in USD		
1% increase	0.23	0.23
1% decrease	(0.23)	(0.23)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars where the functional currency of the group is a currency other than US dollars.

**(B) Credit Risk**

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents Group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank



deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from certain customers to mitigate credit risk.

- i. Credit risk on cash and cash equivalents and other bank balances is limited as the Group generally invest in deposits with banks with high credit ratings assigned by external agencies.
- ii. Credit risk on trade receivables and other financial assets is evaluated as follows:

**(i) Expected credit loss for trade receivable under simplified approach:**

Particulars	31 March 2018
Gross carrying amount	58.78
Expected credit losses (Loss allowance provision)	-
<b>Carrying amount of trade receivables</b>	<b>58.78</b>

**(ii) Reconciliation of loss allowance provision**

Particulars	Trade receivables
<b>Loss allowance as at 31 March 2017</b>	-
Changes in loss allowance during the period of 2017-18	-
<b>Loss allowance as at 31 March 2018</b>	-

### (iii) Significant estimates and judgements

#### Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### (C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Group's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

### (ii) Maturities of Financial liabilities

#### Contractual maturities of financial liabilities as at :

Particulars	31 March 2018	
	Less than 12 months	More than 12 months
Borrowings	13.30	-
Trade Payables	55.89	-
Expenses Payable	14.42	-
<b>Total</b>	<b>83.61</b>	<b>-</b>

## 21. Capital management

### A. Capital management and Gearing Ratio

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is debt divided by total capital. The Group includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2018
<b>Borrowings</b>	
Current	13.30
<b>Debt</b>	<b>13.30</b>
<b>Equity</b>	
Equity share capital	800.00
Other equity	(587.98)
<b>Total capital</b>	<b>212.02</b>
<b>Gearing ratio in % (Debt/ Capital)</b>	<b>6%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018.

22. Contingent liabilities and Capital Commitments- Nil

23. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
<b>i) Key Management Personnel (KMP):</b>	
Suchit Mohan Lal	Managing Director upto 31.03.2018
Sushanth Mohan Lal	Director
Vemuri Shilpa	Independent Director
Bhupendra Lal Waghray	Independent Director upto 30.10.2017
Ragu Raghuram	Independent Director from 30.10.2017
Vasudev Komaraju	Director from 30.10.2017
<b>ii) Enterprises in which key managerial personnel and/or their relatives have control:</b>	
Ruchi Bio Tech	Sushanth Mohan Lal - Proprietor

**Details of transactions during the year where related party relationship existed:**

Names of the related parties	Nature of Transactions	Year ended 31 March 2018
Suchit Mohan Lal	Remuneration	4.50
Sushanth Mohan Lal	Remuneration	5.37
Suchit Mohan Lal	Unsecured loans repaid(Net)	0.47
Sushanth Mohan Lal	Unsecured loans taken(Net)	8.98

**Details of outstanding balances as at the year end where related party relationship existed:**

Names of the related parties	Nature of Balance	31 March 2018
Suchit Mohan Lal	Unsecured loans taken	3.53
Sushanth Mohan Lal	Unsecured loans taken	9.77

**24. Earnings per share (EPS)**

Particulars	31 March 2018
Profit after tax	18.24
Weighted average number of equity shares in calculating Basic and Diluted EPS (In Numbers)	8,000,000
Face value per share ?	10.00
Basic and Diluted Earnings per Share (EPS)?	0.23

**25. Previous year figures are not given since Consolidation of financial statements are applicable for the first time.**

As per our report of even date

For M. Anandam & Co

Chartered Accountants

Firm Registration Number: 0001255

For and on behalf of the Board

Sd/-

Sushant Mohan Lal

Director

Sd/-

A V Sadasiva

Partner

M.No. 018404

Place: Hyderabad

Date: 30.05.2018

Sd/-

Vasudev Komaraju

Director

Place: Hyderabad

Date: 30.05.2018

**COMBAT DRUGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

**a. Equity share capital**

Particulars	Note	31 March 2018
As at 31 March 2017	7	800.00
Changes in equity share capital		-
<b>As at 31 March 2018</b>		<b>800.00</b>

**b. Other equity**

	Note	Retained Earnings
Balance as at 31 March 2017	8	(606.22)
Profit for the year		18.24
<b>Balance as at 31 March 2018</b>		<b>(587.98)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M. Anandam & Co  
Chartered Accountants  
Firm Registration Number: 0001255

For and on behalf of the Board

Sd/-  
Sushant Mohan Lal  
Director

Sd/-  
A V Sadasiva  
Partner  
M.No. 018404  
Place: Hyderabad  
Date: 30.05.2018

Sd/-  
Vasudev Komaraju  
Director  
Place: Hyderabad  
Date: 30.05.2018

**COMBAT DRUGS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

All amounts in ₹ Lakhs, unless otherwise stated

Particulars	31 March 2018
<b>Cash flow from operating activities</b>	
Profit before tax	18.24
<b>Adjustments for:</b>	
<b>Changes in operating assets and liabilities</b>	
(Increase) in Trade Receivables	(45.25)
(Increase) / Decrease in other assets	7.92
(Increase) / Decrease in Inventories	(2.70)
Increase / (Decrease) in other liabilities	12.11
<b>Cash Generated from Operations</b>	<b>(9.68)</b>
Income taxes paid	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>(9.68)</b>
<b>Cash flows from investing activities</b>	-
<b>Net cash inflow (outflow) from investing activities</b>	-
<b>Cash flow from financing activities</b>	
Proceeds from borrowings	8.51
<b>Net cash inflow (outflow) from financing activities</b>	<b>8.51</b>
<b>Net increase (Decrease) in cash and cash equivalents</b>	<b>(1.17)</b>
<b>Cash and Cash equivalents at the beginning of the financial Year</b>	<b>3.46</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>2.29</b>

Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For M. Anandam & Co  
Chartered Accountants  
Firm Registration Number: 0001255

For and on behalf of the Board  
Sd/-  
Sushant Mohan Lal  
Director

Sd/-  
A V Sadasiva  
Partner  
M.No. 018404  
Place: Hyderabad  
Date: 30.05.2018

Sd/-  
Vasudev Komaraju  
Director  
Place: Hyderabad  
Date: 30.05.2018

***This page is intentionally left blank***

## COMBAT DRUGS LIMITED

**Regd Office:** 4th Floor, Plot No. 94, Sagar Society, Road No. 2, Banjara Hills, Hyderabad, Telangana-500034. India. Email: info@combatdrugs.in URL: www.combatdrugs.in  
**Works:** 9-109/9, Plot No.112, Rd.No.14, Gayatri Nagar, Boduppal, Hyderabad-39. TS.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/ 2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, M/s Venture Capital & Corporate Investments Private Limited or to the company.

### CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 Dtd April 29, 2011)

To

**M/S Venture Capital & Corporate Services Private Limited**

12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana

Email id: info@vccipl.com

Dear Sir,

I/We shareholder (s) of COMBAT DRUGS LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the company's records for sending such communication through email.

Folio No ..... /DP ID No.\* ..... Client ID No.\* .....

\*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : \_\_\_\_\_

Name of the Joint Shareholders (if any) : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

E-mail id for receipt of documents in Electronic mode : \_\_\_\_\_

Date :

Place:

Signature:

(Sole / First Shareholder)

#### Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents Venture Capital & Corporate Investments Pvt Ltd, as and when there is change in their registered email-id.
2. For shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.



***This page is intentionally left blank***

## COMBAT DRUGS LIMITED

**Regd Office:** 4th Floor, Plot No. 94, Sagar Society, Road No. 2, Banjara Hills, Hyderabad, Telangana-500034. India. Email: info@combatdrugs.in URL: www.combatdrugs.in

**Works:** 9-109/9, Plot No.112, Rd.No.14, Gayatri Nagar, Boduppal, Hyderabad - 500039. TS. Phone: 040-48536100 Email: info@combatdrugs.in URL: www.combatdrugs.in

### ATTENDANCE SLIP

#### 32nd ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2018

Regd. Folio No.: ..... No. of Shares: ..... **MEMBER / PROXY**

DP ID No.: ..... Client ID No.: .....

I hereby record my presence at the 32nd ANNUAL GENERAL MEETING of the Members of Combat Drugs Limited held on 29th SEPTEMBER, 2018 at 11:30 A.M at 1st Floor, Conference Hall, Goodlands Banquet, Opposite CCMB, Habsiguda X Road, Hyd-7, T.S.

Name: ..... Name of Proxy:.....

Sign:..... Sign:.....

Note: 1. Only Members of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed. 2. Please fill this admission slip and hand it over at the entrance of the hall duly signed. 3. Members are requested to bring their copies of Annual Report with them. 4. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

## PROXY FORM

#### 32nd ANNUAL GENERAL MEETING ON 29th SEPTEMBER, 2018.

Regd. Folio No.: ..... No. of Shares: ..... DP ID No.: ..... Client ID No:.....

I/We.....of.....in the District of .....being a Member(s) of the above Company hereby appoint.....resident of .....in the District of .....as my/our Proxy to attend and to vote for me/us on my/our behalf at the 32nd Annual General Meeting of Combat Drugs Limited to be held on the 29th SEPTEMBER, 2018 at 11:30 A.M at 1st Floor, Conference Hall, Goodlands Banquet, Opposite CCMB, Habsiguda X Road, Hyd-7, T.S. and at any adjournment thereof.

Signed this..... day of .....Two Thousand and Eighteen.

I hereby record my presence at the 32nd ANNUAL GENERAL MEETING of the Members of Combat Drugs Limited held on 29th SEPTEMBER, 2018 at 11:30 A.M at 1st Floor, Conference Hall, Goodlands Banquet, Opposite CCMB, Habsiguda X Road, Hyderabad - 500007, Telangana.

Name: ..... Name of Proxy:.....

Sign:..... Sign:.....

Note: 1. This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time fixed for holding the meeting. 2. Only Members of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed. 3. Please fill this admission slip and hand it over at the entrance of the hall duly signed. 4. Members are requested to bring their copies of Annual Report with them. 5. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting

***This page is intentionally left blank***

## POLLING PAPER

[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: <b>COMBAT DRUGS LIMITED</b> 32nd AGM: 29.09.18
CIN	: CL23230TG1986PLC006781
Registered Office	: 4th Floor, Plot No.94, Sagar Society, Rd No.2, Banjara Hills, Hyderabad-39, Telangana, INDIA Phone: 040-48536100. info@combatdrugs.in
Website	: www.combatdrugs.in

## BALLOT PAPER

No.	Particulars	Details
1.	Name of the First Named Shareholder (In BLOCK letters)	
2.	Postal address	
3.	Registered Folio No./ *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	No. of Shares Held  Class of Share	Equity Shares

I / We have read the detailed Resolutions presented in the Notice and the Explanatory statements thereof and hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated in the Notice of the 32nd Annual General Meeting of the company, Combat Drugs Limited, as below, by recording my assent or dissent to the said resolution in the following manner:

Signature

I / We have read the detailed Resolutions presented in the Notice and the Explanatory statements thereof and hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated in the Notice of the 32nd Annual General Meeting of the company, Combat Drugs Limited, as below, by recording my assent or dissent to the said resolution in the following manner:

Res No.	Brief Heading of the Proposed Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Audited Accounts and Reports			
2.	Appointment of Auditors			
3.	Appointment of Mr. Ragu Raguram as Independent Director			
4.	Reappointment of Mrs. Vemuri Shilpa as Independent Director			
5	Borrowing Powers to the Board Of Directors			
6	Authorisation to the Board of Directors			
7	To fix a Fee for service of documents			
8	To keep register and index of members at other place			
9	To alter Articles of Association by inserting new Article			

Place: Hyderabad

Date: 29/09/2018

(Signature of the Shareholder)

**PRINTED MATTER**

**BOOK POST**

If Undelivered please return to:

**COMBAT DRUGS LIMITED**

**Regd Office:** 4th Floor, Plot No.94, Sagar Society,  
Rd No. 2, Banjara Hills, Hyderabad-39, Telangana, INDIA  
Phone: 040-48536100., E-mail: [info@combatdrugs.in](mailto:info@combatdrugs.in)