



## **indoco remedies limited**

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

August 10, 2017

To  
The Listing Department  
**National Stock Exchange of India Ltd**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051

To  
The Listing Department  
**Bombay Stock Exchange Limited**  
Floor 25, P. J. Towers,  
Dalal Street,  
Mumbai - 400 001


**Sub : Annual Report 2016-17**

We are enclosing herewith the Annual Report for the financial year ended 2016-17.

Kindly take it on record.

Thanking you,

Yours faithfully,  
For Indoco Remedies Limited

  
Jayshankar Menon  
AGM (Legal & Secretarial)

# ANNUAL REPORT 2016-2017



**INDOCO REMEDIES LTD.**

Constantly Evolving... Consistently Excelling...

# CORPORATE INFORMATION

## Board of Directors

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

## President (Finance) and Company Secretary

MR. SUNIL D. JOSHI

## Company Identification Number

CIN: L85190MH1947PLC005913

## Registrar & Share Transfer Agent

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

## Bankers

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

## Auditors

PATKAR & PENDSE  
 Chartered Accountants  
 9 Chartered House CHS,  
 Marine Lines, Mumbai 400 002

## Registered Office

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



## MESSAGE FROM THE TOP MANAGEMENT

Dear Stakeholders,

We take pleasure in informing you that, your Company has registered a growth of 8.8%, despite the challenges, largely caused by headwinds on account of changes in Government policies in the Indian Market and Regulatory issues in the International market.

The first half of the year FY17 showed good growth in sales of our Domestic Formulation Business. However, in the second half of FY17, the Government's demonetization initiative did impact the consumption pattern, which affected some of the therapeutic segments.

On the International Business front, the Company has given a detailed response to the USFDA to their warning letter and is hopeful to tide over this matter at the earliest. The Company has filed 42 ANDAs till now, of which, 10 ANDAs were filed during the year including 3 first-to-file (FTFs).

Looking forward, Indoco's business prospects seem to be positive, as business from US is expected to grow rapidly once the issue related to warning letter is resolved. While surging ahead in the Regulated Markets, Indoco is also strengthening its position in the Domestic and Emerging Markets through active brand promotion.

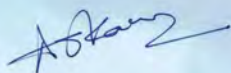
With the smooth integration of a recently acquired manufacturing facility at Baddi and CRO facility in Hyderabad, the Company is now completely equipped to cater to the rising demands from its Customers.

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

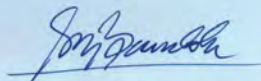
Thanking you all,



Suresh G. Kare  
Chairman



Aditi Panandikar  
Managing Director



Sundeep V. Bambolkar  
Jt. Managing Director



## CSR - Better Lives For A Brighter Future

Indoco is committed to its social responsibility and carries out CSR activities under the banner of 'Sumati Sangopan', reaching out to the under-privileged communities in India. Under the guidance of the CSR committee of Directors, the sub-committees from different departments of Indoco, identify institutions engaged in CSR activities like Healthcare, Education, Environment and Sanitation. The Company provides financial, as well as non-financial assistance by working with institutions across India.

We lend a helping hand to the needy of our society with a significant focus on women, children and the aged in the areas of health, education, sanitation, etc. Implementing this philosophy in spirit, we strive to make a positive contribution to our communities in particular and the society at large.



Renovation of the Physiotherapy Department at Wadia Hospital



Donated Tata Sumo to Rajhans Pratishthan for medical facility of the needy, at the hands of respected Chairman, Mr. Suresh G. Kare



Medical treatment of farmers' kids of drought prone Marathwada



Donated Food Distribution Vehicle to 'The Akshaya Patra Foundation', Bangalore



School Kit Donation in a rural village in Nashik

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## INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]

Registered Office: Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098.

Tel: 26541851-55 / Fax: 26520787 / email: compliance.officer@indoco.com / Website: www.indoco.com

### Notice

Notice is hereby given that the Seventieth Annual General Meeting of the members of **INDOCO REMEDIES LIMITED** will be held on Wednesday, August 9, 2017, at 10.30 a.m., at MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400 051 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt;
  - (a) The audited standalone financial statements of the Company for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon;
  - (b) The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2017 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2017.
3. To appoint a Director in place of Dr. Anand M Nadkarni (DIN 06881461), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

To appoint M/s Gokhale & Sathé, a Firm of Chartered Accountants, (Firm Registration No. 103264W), as Statutory Auditors of the Company under Section 139 & 142 of the Companies Act, 2013 & Companies (Audit & Auditors) Rules, 2014 to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the Seventy Fifth Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

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

Place : Mumbai

Date : May 26, 2017

By order of the Board

**SUNIL D JOSHI**

*President (Finance) & Company Secretary*

**Notes:**

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.
3. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.

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

The Instrument appointing the Proxy must be filled stamped and duly signed and deposited at the Registered Office of the Company not less than Forty Eight Hours before the commencement of the Meeting i.e. by 10.30 A.M. on Monday, August 7, 2017.

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

4. Bodies Corporate who are members of the Company are requested to send duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Meeting.
5. Members are requested to bring their Attendance Slip while attending the Annual General Meeting.  
Members holding shares in demat form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Numbers on the attendance slip for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, August 2, 2017 to Wednesday, August 9, 2017 (both days inclusive) for the purpose of determining the names of members eligible for final dividend on Equity Shares if declared, at the meeting.
7. The dividend for the year ended March 31, 2017 as recommended by the Board, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members on August 9, 2017. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from August 14, 2017.
8. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year 2008-2009 (Final dividend) to Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on July 29, 2016 (date of the last Annual General Meeting) on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in))



Dividends for the financial years 2009-2010 and thereafter which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year 2009-10 onwards and seek revalidation of their warrants are requested to write to Company / Company's Registrars without any delay.

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

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

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

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

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

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

(ii) Particulars of Bank Account, viz:

Name of the Bank

Name of the Branch

Complete address of the Bank with Pin Code number

Account type whether Saving or Current

Bank Account Number

MICR Code

IFSC Code

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

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

13. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DPs in case of demat holdings.
14. For any assistance or information about shares, dividend etc., members may contact the Company / Company's Registrars.
15. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.
16. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.
17. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.
19. All the documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
20. Details of Director seeking appointment in the Annual General Meeting scheduled on Wednesday, August 9, 2017, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Name of Director	<b>Dr. Anand M Nadkarni</b>
Date of Birth	December 22, 1958
Date of Appointment	May 28, 2014
Expertise in Specific Functional area	Consultant Psychiatrist / Corporate Trainer and Human Resource Consultant
Qualification	M.D. and Diploma in Psychological Medicine.
Board Membership of other Public Companies as on March 31, 2017	Nil
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2017	Nil
Chairman / Member of the Committee of Directors of the other companies in which he is a Director as on March 31, 2017	Nil
a. Audit Committee	Nil
b. Stakeholders Relationship Committee	Nil
c. Other Committees	Nil
Number of Shares held on March 31, 2017	Nil
Disclosure of relationship between director inter-se	NA

## 21. E-Voting:

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rules, 2014, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the notice of the 70<sup>th</sup> Annual General Meeting of the Company, dated May 26, 2017 (the AGM Notice).

The facility for voting through ballot/ polling paper shall also be made available at the venue of the 70<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A Y Sathe & Co., Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed July 28, 2017 as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. July 28, 2017.

The instructions for shareholders voting electronically are as under:

- (a) The remote e-voting period begins on August 3, 2017 at 10.00 a.m. (IST) and ends on August 08, 2017 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 28, 2017 may cast their votes electronically.

The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m (IST) on August 8, 2017.

- (b) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- (c) Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (d) Next enter the Image Verification as displayed and Click on Login.
- (e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

- (f) If you are a first time user, follow the steps given below:

<b>For Members holding shares in Demat Form/ Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/ Depository Participant are requested to use the Sequence Number printed on Address Sticker, in the PAN Field
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
There are 2 fields provided viz. DOB and Dividend Bank Details. Any one detail may be entered	
# Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the 'Dividend Bank Details' field as mentioned in instruction (c). Dividend Bank Details means Bank account number which is recorded in the demat account.	

- (g) After entering these details appropriately, click on "SUBMIT" tab.
- (h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (j) Click on the EVSN for the relevant <Company Name> on which you choose to vote. In this case, it would be Indoco Remedies Limited.
- (k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (p) If you as a Demat account holder have forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (q) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **[www.evotingindia.com](http://www.evotingindia.com)** and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to: **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.
- (r) Kindly note that the Shareholders can opt for only one mode of voting, i.e., either by e-voting or by Poll. If you are opting for e-voting, then please do not vote in the Poll and vice versa. However, in case Shareholders cast their vote by Poll and e-voting both, then voting done through Poll will be treated as invalid and the voting through e-voting shall prevail.
- (s) Name, email id and phone number of the person responsible to address the grievances connected with facility for voting by electronic means:  
Mr. Jayshankar Menon- AGM (Legal & Secretarial)  
Tel: 022-33861400 Extn: 477  
email: **[jmenon@indoco.com](mailto:jmenon@indoco.com)**
- (t) Website address of the Company where notice of the meeting is displayed: **[www.indoco.com](http://www.indoco.com)**

Place : Mumbai  
Date : May 26, 2017

By order of the Board  
**SUNIL D JOSHI**  
*President (Finance) & Company Secretary*



## ANNEXURE TO NOTICE

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

#### **Item No. 5**

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of ₹ 1,80,000/- to M/s. Sevekari, Khare & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

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

Accordingly consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of their remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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

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

Place : Mumbai

Date : May 26, 2017

By order of the Board

**SUNIL D JOSHI**

*President (Finance) & Company Secretary*



## Directors' Report

Dear Members,

Your Directors are pleased to present the Seventieth Annual Report on the business operations together with the Audited Financial Statements for the Financial Year ended March 31, 2017 and on the state of affairs of the Company

### Financial Performance:

The highlights of the performance of the Company for the year ended March 31, 2017 is summarized below:

(₹ crores)

<i>Particulars</i>	<i>Financial Year ended March 31, 2017</i>	<i>Financial Year ended March 31, 2016</i>
Revenue from Operations (Gross)	<b>1,094.06</b>	1,004.76
Add: Other Income	<b>4.13</b>	1.67
<b>Total Income</b>	<b>1,098.19</b>	1,006.43
Profit Before Interest, Depreciation & Tax	<b>160.76</b>	172.07
Less: Finance Cost	<b>6.16</b>	12.15
Less: Depreciation & amortisation	<b>63.26</b>	60.63
<b>Profit Before Tax</b>	<b>91.34</b>	99.29
Less: Provision for Taxation		
- Current	<b>19.62</b>	21.98
- Deferred	<b>(5.74)</b>	(5.03)
- Earlier Years	<b>-</b>	0.05
<b>Net Profit After Tax</b>	<b>77.46</b>	82.29
Balance bought forward	<b>250.83</b>	216.81
<b>Amount available for appropriation</b>	<b>328.29</b>	299.10
<b>Appropriation:</b>		
- Interim Dividend Paid	<b>-</b>	12.90
- Final Dividend Paid	<b>1.84</b>	14.74
- Dividend Tax	<b>0.39</b>	5.63
- Transfer to General Reserve	<b>15.00</b>	15.00
<b>Balance carried forward</b>	<b>311.06</b>	250.83

## Results from Operations:

The Company has prepared its Financial Statement based on the new Indian-AS notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015. The total income of the Company amounted to ₹ 1098.19 crore as compared to ₹ 1006.43 crores in the previous year. This represents a 9% growth. The Profit before tax (PBT) was ₹ 91.34 crores as compared to ₹ 99.29 crores in the previous year. After providing for Tax, the Net Profit (PAT) amounted to ₹ 77.45 crores as against ₹ 82.29 crores in the previous year. The decline in PBT and in PAT is mainly due to increase in input and other costs.

During the Year, the Company completed its restructuring exercise in domestic Formulation Business. As a result the composition of prescription from Doctor specialties has improved as planned. This helped the Company to achieve growth inspite of headwinds. The domestic business contributes to 55% of total Sales.

The Company sees a lot of potential in its Regulated Markets business in the years to come and keeping this in mind has taken steps to expand its production capacity. During the year under consideration the Company acquired a manufacturing facility located at Baddi. This facility having a manufacturing capacity to produces 4.3 billion tablets and 50 million capsules p.a. will be another manufacturing hub for the Company's solid dosages business in the regulated markets. With this acquisition, Indoco will now have 6 facilities for finished dosages and 3 for APIs. In addition to this acquisition, the Company is also carrying out expansion work at its Sterile Formulation Plant in Goa. The Company's API plant in Patalganga is also being expanded to substantially increase its production capacity

During the year, the Company received United States Food and Drugs Administration (USFDA) approval for its Abbreviated New Drug Application (ANDA) for Allopurinol 100 mg and 300 mg tablets. This Drug is used for the treatment of Gout

AnaCipher CRO- the Clinical Research Division of the Company, was audited by USFDA twice during the year- in January and February 2017. Both the audits were successful with Zero 483s.

The USFDA had inspected our drug manufacturing facilities at Goa (Plant II & Plant III) from August 31, 2016 to September 4, 2016. As an outcome of this inspection, the facility received 6 observations in Form 483, none of which pertains to data integrity. However, FDA has issued warning letter with respect to Ophthalmic Product leakage. The Company has appointed a US based Consultant to help the Company to overcome this issue. The Company is fully committed in resolving the issue and is looking into the matter on top priority. The Company is also committed to its philosophy of highest quality in manufacturing, operations, systems integrity and cGMP culture.

The Goods & Services Tax (GST) is proposed to come into effect from July 1, 2017. The Governing Council of GST has announced the rates applicable across the various sectors. The rate applicable to Pharma companies will have no major impact on your Company. Your Company has completed all the formalities required for the smooth integration with the new GST laws and rates.

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

## Dividend & Reserves:

The Board has recommended a Final Dividend of 80% (₹ 1.60 per share) i.e. ₹ 14.74 crores for the year 2016-17. The Company in the FY 2015-2016 had made a payment of both Interim Dividend and Final Dividend. The total dividend for the year 2015-16 was 80% (₹ 1.60 per share) i.e. ₹ 14.74 crores.

The Directors have recommended transfer of an amount of ₹ 15.00 crores to General Reserve (Previous year ₹ 15.00 crore)



### **Energy Conservation/Technology Absorption and Foreign Exchange Earnings and Outgo**

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

### **Share Capital:**

The paid up Equity Share Capital as on March 31, 2017 is ₹ 18.43 crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

As on March 31, 2017 other than

Mr. Suresh G Kare - Chairman

Ms. Aditi Panandikar – Managing Director

Mr. Sundeeep V Bambolkar – Jt. Managing Director

none of the Directors of the Company held shares of the Company

### **Finance:**

Cash and cash equivalent as at March 31, 2017 was ₹ 59.92 crore. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

### **Deposits:**

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

### **Particulars of Loans, Guarantees and Investments:**

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

### **Credit Rating:**

ICRA has reaffirmed Company's long term borrowings rating as AA- and the short term borrowing rating as A1+.

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

### **Corporate Social Responsibility (CSR):**

As required under Section 135 of the Companies Act, 2013, during the year, the Company undertook a number of CSR initiatives which is mainly focused on promoting education, health and public hygiene. In this connection the Company during the year under consideration spent an amount of ₹ 2.22 crores as against an amount of ₹ 2.53 crores (including an amount ₹ 0.64 crores b/f from the previous year) required to be spent. A detailed list of the CSR expenditure made is annexed herewith as **“Annexure B”**. The shortfall of ₹ 0.31 crores is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent. The balance amount on those projects will be spent in the FY 2017-2018

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

### **Internal Control Systems and their Adequacy:**

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

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

The Risk Management Policy of the Company is available on the Company Website at:

**[http://www.indoco.com/policies/the\\_risk\\_management\\_policy.pdf](http://www.indoco.com/policies/the_risk_management_policy.pdf)**

### **Vigil Mechanism / Whistle Blower Policy:**

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

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

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

### **Subsidiaries:**

The Company has three subsidiary companies:

1. Xtend Industrial Designers and Engineers Private Limited
2. Indoco Pharmchem Limited
3. Indoco Remedies Singapore Pte. Ltd.

The salient features of the financial statements of the subsidiaries are given herein below:

CIN	U93000MH1995PTC086174	U33112MH2012PLC232609	201542731W
Name of the Subsidiary	Xtend Industrial Designers and Engineers Pvt. Ltd	Indoco Pharmchem Ltd.	Indoco Remedies Singapore Pte. Ltd.
Reporting period for the subsidiary	April 1, 2016 - March 31, 2017	April 1, 2016 - March 31, 2017	April 1, 2016 - March 31, 2017
Reporting Currency	INR (₹) (in Lakhs)	INR (₹) (in Lakhs)	USD (\$) (in Lakhs)
Equity Share Capital	2.50	5.00	0.21
Preference Share Capital	200.20	-	-
Reserves and Surplus	0.98	(1.86)	(0.20)
Total Assets	386.64	3.43	0.05
Total Liabilities	386.64	3.43	0.05
Investments	Nil	Nil	Nil
Turnover	276.79	Nil	Nil
Profit / (Loss) before Taxation	(31.58)	(0.46)	(0.12)
Provision for Taxation	(0.50)	-	-
Profit/(Loss) after Taxation	(31.08)	(0.46)	(0.12)
Proposed Dividend	-	-	-
% of shareholding	100%	100%	100%

The Company has one associate LLP:

1. Indoco Analytical Solutions LLP

There was no activity in the associate LLP - Indoco Analytical Solutions LLP. The Salient features of the Financial Statement is given herein below:

Name of the Associate	Indoco Analytical Solutions LLP
Latest Audited Balance Sheet Date	April 1, 2016 - March 31, 2017
<b>Share of Associate held by the Company as on March 31, 2017</b>	
i) Nos	NA
ii) Amount of Capital Contributed	₹ 4,90,000
iii) Extent of Holding	98%
Description of how there is significant influence	The Company holds 98% of the capital of the LLP
Reason why the associate is not consolidated	NA
Net worth attributable to Shareholding as per latest Audited Balance Sheet (₹ in Lakhs)	3.91
Profit/(Loss) for the Year	
a. Considered in Consolidation	(0.12)
b. Not considered in Consolidation (₹ in Lakhs)	-

The audited financial statements, the Auditors Report thereon and the Board's Report for the year ended March 31, 2017 for each of the Company's subsidiaries and Company's associate LLP are available on the Company website.

No Company has become or ceased to be a Subsidiary, Joint Venture or Associate Company of Indoco Remedies Limited during the year under consideration.

### **Consolidated Financial Statements**

The Consolidated Financial Statements of the Company prepared in accordance with Indian-AS, notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 form part of this Annual Report.

### **Directors:**

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

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

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

During the year 4 (Four) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days. Details of the Board Meeting are given in the Report on Corporate Governance.

### **Board evaluation**

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

### **Remuneration Policy**

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

1. The Board Affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The percentage increase in the remuneration of Company Secretary in the financial year was 10%.
3. The percentage increase in the median remuneration of employees in the financial year: 17%.
4. Average percentage increase in salaries of non-managerial employees was 16% as compared to average percentage increase in managerial remuneration which was 15%.

5. Number of Permanent employees on the rolls of the Company as on March 31, 2017: **6036 Nos.**
6. The Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company during the year under consideration:

<i>Name of Director</i>	<i>Remuneration Paid (₹)</i>	<i>Median Remuneration (₹)</i>	<i>Ratio</i>
Mr. Suresh G Kare (Executive Chairman)	28711000	215760	1:133
Ms. Aditi Panandikar (Managing Director)	18241529	215760	1:85
Mr. Sundeep V Bambolkar (Jt. Managing Director)	16852188	215760	1:78
Dr. Anil M Naik (Independent Director)	340000	215760	1:1.58
Mr. D M Gavaskar (Independent Director)	280000	215760	1:1.30
Mr. Sharad P Upasani (Independent Director)	260000	215760	1:1.21
Mr. Rajiv P Kakodkar (Independent Director)	205000	215760	1:0.95
Dr. Anand M Nadkarni (Non Executive Director)	160000	215760	1:0.74

#### **Directors' Responsibility Statement**

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

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that year;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that the Company has laid down internal financial controls and such internal financial controls are adequate and operating effectively;
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

### **Related Party Transactions**

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

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

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

### **Significant and Material Orders passed by the Regulators or Courts**

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

### **Statutory Auditors:**

M/s. Patkar & Pendse, Chartered Accountants, hold office as Auditors till the conclusion of the ensuing Annual General Meeting. Pursuant to Section 139(2) of the Companies Act, 2013 and rules made thereunder, M/s. Patkar & Pendse, Chartered Accountants, shall not be eligible for re-appointment due to provisions relating to rotation of auditor.

The Audit Committee of the Board has subject to the approval of the Members at the forthcoming Annual General Meeting, recommended the appointment of M/s Gokhale & Sathe, Chartered Accountants (Firm Regn.: No. 103264W) as Statutory Auditors of the Company for a period of 5 (Five) years till the conclusion of the Seventy Fifth Annual General Meeting to be held in 2022.

M/s Gokhale & Sathe have confirmed their eligibility as required by Section 139 of the Companies Act, 2013 to act as Auditors of the Company. They have also conveyed their willingness to accept the office as Auditors, if appointed.

### **Cost Auditors:**

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

For FY 2016-2017, the Company had appointed M/s Sevekari Khare & Associates (Firm Registration No. 000084) to get the audit of the cost records done. They would be required to submit the reports by September 29, 2017.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Sevekari Khare & Associates, Cost Auditors for FY 2017-2018 is included at Item No. 5 of the Notice convening the Annual General Meeting.

## **Secretarial Audit**

The Secretarial Audit was carried out by M/s A. Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) for the financial year 2016-2017. The Report given by the Secretarial Auditors is annexed as “**Annexure D**” and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

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

## **Corporate Governance**

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

## **Extract of the Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure E**”.

## **Particulars of Employees:**

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

## **Employees Relations**

The employees' relation at all levels and at all units continued to be cordial during the year.

## **Business Responsibility Report**

As mandated by the Securities and Exchange Board of India (SEBI), the Business Responsibility Report of the Company for the year ended March 31, 2017 is annexed as “**Annexure F**” and forms integral part of this Report.

## **Acknowledgement**

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

## Cautionary Statement

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

For and on behalf of the Board of Directors

**SURESH G KARE**

*Chairman*

DIN:00179220

Place : Mumbai  
Date : May 26, 2017





## Annexure-A to the Directors' Report

**A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**  
Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Rules 8(3) of the Companies (Account) Rules, 2014.

- (a) Steps Taken or impact of conservation of energy during 2016-2017:
1. Installation of LED lamps in various departments to save electricity.
  2. Human motion sensor installed for air conditions and lamps for various location to save electricity.
  3. Installation of SCADA for temperature and humidity control in all warehouse, which controls the consumption of utility.
  4. Automated high speed machines with electrical efficient motor installed in plant to save electricity with higher output.
  5. Replacement of Reciprocating and vapour absorption chiller to screw chiller to save electricity and maintenance cost.
- (b) Steps taken by the Company for utilizing alternative sources of energy.  
Feasibility study undertaken for
1. Feasibility of gas as a fuel for boiler to reduce stack emission and cost benefit.
  2. Rain harvesting to save rain water.
  3. Replacement of old motors with 5 star rating motors to save electricity.
  4. Installation of SCADA for various utility equipments for effectively monitoring and controlling consumption of steam air and electricity.
- (c) The Capital investment on energy conservation equipments: ₹ 3.00 Crores
- (d) Total energy consumption and energy consumption per unit of production:

### FORM A

**1. Power and Fuel Consumption**

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1) Electricity		
a) Purchased Units (in lakhs)	<b>286.04</b>	294.29
Total Amount (₹ lakhs)	<b>1,936.10</b>	1,816.07
Rate/Unit (₹)	<b>6.77</b>	6.17
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	<b>991.17</b>	998.90
Units per litre of diesel oil (KWH)	<b>2.74</b>	2.66
Rate/Unit (₹)	<b>20.17</b>	19.00
ii) through steam turbine/generator		
Units	<b>15.46</b>	Nil
Units per litre of fuel oil/gas	<b>7.58</b>	
Cost/Unit (₹)	<b>49.04</b>	

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
2) Coal Qty Total cost Average rate (₹)	Nil	Nil
3) Furnace Oil Qty (Kilo litres) Total Amount (₹ lakhs) Average rate (₹)	501.02 140.54 28.05	509.64 133.23 26.14
4) Others/internal generation (briquettes, cashew seeds etc.) Quantity Total Cost (₹ lakhs) Rate/Unit	Nil 164.95 Nil	Nil 156.55 Nil

## 2. Consumption per unit of production

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

### B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption:

#### FORM B

#### Research and Development (R&D)

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

Development of Finished Dosages and APIs, backed by a strong Analytical Research team. The Chemical Research Department (CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs. The Finished Dosages Research (F&D) develops formulations in various dosage forms like immediate release tablets, capsules, multi unit Pellet Systems (MUPS), Pulsatile drug delivery systems, Sterile Ophthalmic Ointments, Ophthalmic Gels, Suspensions and Solutions, extended release tablets with matrix technology. Complex ophthalmic products like emulsions and nano suspensions as well as a range of injectable solutions, suspensions and depot based long acting injectables are being developed for highly regulated markets like US, Europe, Canada and Australia.

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

The Company has a basket of 'super generics' and prototype formulations for 505b(2) products are in progress. Few First-To-File ANDAs were registered on NCE-1 date in the last financial year and two products are in the pipeline for NCE-1 submission in 2019.

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

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

2. Benefits derived as a result of above efforts are:

- Creation of the Company's own intellectual property which can be exploited commercially.
- Preventing competitors from blocking ideas for Novel manufacturing processes.
- R&D efforts give an edge over the competitors in the market place in terms of early entry and better pricing.
- The Company's patent portfolio consists of

	<i>Granted Patents</i>	<i>Patent Application</i>
Formulation	6	24
API	17	52

3. Future plan of action:

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

4. Expenditure on R&D:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Current Year ₹ Crores</i>	<i>Previous Year ₹ Crores</i>
1.	Capital	<b>10.98</b>	31.94
2.	Recurring	<b>51.71</b>	43.18
3.	Total	<b>62.69</b>	75.12
4.	Total R&D expenditure as a % of total Gross Sales (Net of Returns)	<b>5.88</b>	7.66

#### **Technology absorption, adaptation and innovation:**

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

- a) **Canagliflozin:** The technology for synthesizing Canagliflozin was developed in-house by using a novel route and the process was successfully scaled up to manufacturing with commercially viable norms.
- b) **Neostigmine methyl sulphate:** The technology for synthesizing Neostigmine methylsulphate was developed in-house by using a novel route and the process was successfully scaled up to manufacturing with commercially viable norms.

- c) **Mirabegron:** A commercially feasible and economically viable route for Mirabegron synthesis was developed at the R&D and successfully scaled up at the plant level.
  - d) **Dorzolamide Hydrochloride:** A cost effective synthesis process is designed at R&D to reduce the raw material consumption
2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
- a) Technology Imported - None
  - b) Year of import - N.A.
  - c) Has technology been fully absorbed - N.A.
  - d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action - N.A.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company participates in International Conferences and exhibitions in US, Europe, Japan and other countries. Such participation helps us in expanding our network of customers. During the year the Company continued with its efforts of filing own Dossiers in Europe through DCP (Decentralization Procedure) route and filing own ANDA's with USFDA. The product basket has been expanded and scope of services offered is also extended to analytical and synthesis of impurities, reference standards and building blocks of NCEs for MNCs. The Company plans to move up in the value chain by offering new products/services and expanding into newer territories is well on track.

- (b) Total foreign exchange used and earned:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Current Year (₹ crores)</i>	<i>Previous Year (₹ crores)</i>
1.	Total foreign exchange earned	450.69	414.69
2.	Total foreign exchange used	114.14	101.70



## Annexure-B to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

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

#### CSR Policy:

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

#### Composition of the CSR Committee:

Dr. Anil M Naik (Independent Director)

Ms. Aditi Panandikar (Managing Director)

Mr. Sundeeep V Bambolkar (Jt. Managing Director)

**Average net profit of the Company for last three financial years: ₹ 94.30 crores**

#### Prescribed CSR Expenditure:

Two percent of the Average Net Profit as detailed above: ₹ 188.57 Lakhs

Carry Forward from FY 2015-2016 ₹ 64.36 Lakhs

**Total CSR Expenditure for FY 2016-2017 ₹ 252.93 Lakhs**

#### Details of CSR spend for the financial year:

A **Total amount spent for the financial year: ₹ 221.83 Lakhs**

B **Amount unspent, if any: ₹ 31.10 Lakhs**

The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent. The balance amount on those projects will be spent in the FY 2017-2018

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

Sl. No	Project / Activities	Sector	Location	Amount Budgeted (₹ Lakhs)	Amount Spent (₹ Lakhs)	Cumulative Spent upto Reporting Period (₹ Lakhs)	Amount Spent: Direct or through Implementing Agency
1	IMA Project Ponda	Preventive Healthcare	Goa	25.00	15.00	15.00	Direct
2	Samaj Seva Sangh	Promoting Education	Goa	146.62	144.56	144.56	Direct
3	Akshaya Patra Foundation	Sponsorship of Food Distribution vehicle	Bangalore	17.10	17.10	17.10	Direct
4	Harmal Panchakroshi Shikshan, Mandal	Promoting Education	Goa	17.43	0.60	0.60	Direct
5	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan	Preventive Healthcare	Aurangabad	5.00	5.00	5.00	Direct

Sl. No	Project / Activities	Sector	Location	Amount Budgeted (₹ Lakhs)	Amount Spent (₹ Lakhs)	Cumulative Spent upto Reporting Period (₹ Lakhs)	Amount Spent: Direct or through Implementing Agency
6	The Goa Hindu Association-Sneha Mandir	Sponsorship	Goa	0.75	0.75	0.75	Direct
7	Greenland Nursery	Plantation of Trees	Goa	1.22	1.22	1.22	Direct
8	Latisha Fernandes	Plantation of Trees	Goa	4.03	4.03	4.03	Direct
9	Pangea EcoNetAssets Pvt. Ltd	Plantation of Trees	Goa	0.85	0.85	0.85	Direct
10	Chetana Apangmati Vikas Sanstha	Machines for vocational training	Kolhapur	2.28	1.28	1.28	Direct
11	Muskan Foundation for People with Multiple Disabilities	Promoting Education	Mumbai	2.40	2.88	2.88	Direct
12	Maharashtra Mitra Mandal -Air India	Sponsorship	Mumbai	0.10	0.10	0.10	Direct
13	Adhar Association of Parents of Mentally retarded children	Preventive Sanitation	Igatpuri	1.58	1.03	1.03	Direct
14	Bharati Vidyapeth Dental College	Promoting Education	Sangali	3.00	1.00	1.00	Direct
15	Rajhan's Pratishtan	Preventive Healthcare	Mumbai	10.00	10.00	10.00	Direct
16	Madhamik Vidyamandir & Kanisht School	Promoting Education	Wada	2.85	2.55	2.55	Direct
17	The Saraswat Mahila Samaj	Promoting Education	Mumbai	0.25	0.25	0.25	Direct
18	Seva Sahayog Foundation	Promoting Education	Mumbai	0.45	0.45	0.45	Direct
19	Rotary Club Thane North	Preventive Healthcare	Thane	20.00	6.00	6.00	Direct
20	Wadia Hospital	Paediatric Physiotherapy Centre	Mumbai	10.00	7.18	7.18	Direct
	<b>Total</b>			<b>270.91</b>	<b>221.83</b>	<b>221.83</b>	

#### Summary of CSR Expenditure Incurred

Year	Amount Required to be spent on CSR	Amount Budgeted	Amount Spent
	₹ in Lakhs		
2015-2016	153.00	188.59	88.63
2016-2017	*252.93	270.90	221.83

\* Includes an amount of ₹ 64.36 Lakhs b/f from FY 2015-2016

**Annexure-C**  
**to the Directors' Report**

**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:  
**The Company has not entered into any transaction which is not on arms length basis.**
2. Details of material contracts or arrangement or transactions at arm's length basis:

<i>Name of the party with which contract is entered into</i>	<i>Principal terms and conditions</i>			<i>Date of Approval</i>	<i>Amount paid as Advance</i>
			₹		
Suresh G Kare (HUF)	Godown Rent	Yearly	1,50,000	29-07-2016	NIL
Aditi Panandikar	House Rent	Yearly	45,000	10-03-2016	NIL
Aditi Panandikar	Car Hire charges	Yearly	1,80,000	10-03-2016	NIL
Aruna S. Kare	Car Hire Charges	Yearly	1,80,000	10-03-2016	NIL
Madhura Ramani	Car Hire Charges	Yearly	1,20,000	10-03-2016	NIL
Enbee Graphics	Art Work Charges	Yearly	3,92,250	10-03-2016	NIL
A K Services	Commission & Brokerage	Yearly	71,03,638	10-03-2016	NIL
A K Services	Godown Rent	Yearly	41,37,000	10-03-2016	NIL
A K Services	C & F operation Expenses	Yearly	40,28,932	10-03-2016	NIL
A K Services	Interest on Security Deposit	Yearly	80,000	10-03-2016	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Consultancy Charges	Yearly	1,11,04,475	10-03-2016	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Salary- Office Staff	Yearly	12,59,858	10-03-2016	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Retainer Fees	Yearly	3,96,000	10-03-2016	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Purchase of Engg. Item	One Time	2,73,444	10-03-2016	NIL
Indoco Remedies Singapore Pte Ltd	Subscription to share capital	One time	6,71,900	10-03-2016	NIL
Shanteri Investment Pvt. Ltd.	House Rent charges	Yearly	60,000	10-03-2016	NIL
Blue Dart Express Limited	Courier Service Charges	Yearly	8,77,604	10-03-2016	NIL
Institute for Psychological Health	Training & HRD Expenses	Yearly	2,40,000	10-03-2016	NIL

**Annexure-D**  
**to the Directors' Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which is now The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & The Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulations, 2015 **(Not Applicable to the Company during the Audit Period)**;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- Drugs and Cosmetics Act, 1940.
- Narcotic Drugs and Psychotropic Substances Act, 1985.
- Petroleum Act, 1934.
- The Medical & Toilet Preparations (Excise Duties) Act, 1955.

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

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.

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

**I further report that -**

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

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

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

During the audit period, there were no instances like:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**For A. Y. Sathe & Co.**

*Company Secretaries*

**CS Ajit Sathe**

*(Proprietor)*

**FCS No. 2899**

**COP No. 738**

Place : Mumbai

Date: May 22, 2017

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## **Annexure to the Secretarial Audit Report**

**To,  
The Members,  
Indoco Remedies Limited**

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

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

**For A. Y. Sathe & Co.**  
*Company Secretaries*

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

Place : Mumbai

Date: May 22, 2017



**Annexure-E**  
**to the Directors' Report**

**Extract of Annual Return**

**As on the financial year ended on March 31, 2017**

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

**FORM MGT-9**

**I. REGISTRATION AND OTHER DETAILS :**

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

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

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Xtend Industrial Designers and Engineers Pvt. Ltd	U93000MH1995PTC086174	Subsidiary	100%	2(87)(ii)
2.	Indoco Pharmchem Ltd	U33112MH2012PLC232609	Subsidiary	100%	2(87)(ii)
3.	Indoco Remedies Singapore Pte. Ltd	201542731W	Subsidiary	100%	2(87)(ii)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2016				No. of shares held at the end of the year i.e. 31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	19851714	0	19851714	21.54	19871714	0	19871714	21.56	0.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	15771755	0	15771755	17.12	15771755	0	15771755	17.12	0.00
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any Other (PAC)	18971689	0	18971689	20.59	18824577	0	18824577	20.43	-0.16
<b>Sub-Total (A)(1)</b>	<b>54595158</b>	<b>0</b>	<b>54595158</b>	<b>59.25</b>	<b>54468046</b>	<b>0</b>	<b>54468046</b>	<b>59.11</b>	<b>-0.14</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>54595158</b>	<b>0</b>	<b>54595158</b>	<b>59.25</b>	<b>54468046</b>	<b>0</b>	<b>54468046</b>	<b>59.11</b>	<b>-0.14</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	8053403	0	8053403	8.74	7813752	0	7813752	8.48	-0.26
b) Banks/Fl	12391	0	12391	0.01	6862	0	6862	0.01	-0.00
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Co	0	0	0	0	0	0	0	0	0
g) FIs	11081234	0	11081234	12.03	11771030	0	11771030	12.77	0.74
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>19147028</b>	<b>0</b>	<b>19147028</b>	<b>20.78</b>	<b>19591644</b>	<b>0</b>	<b>19591644</b>	<b>21.26</b>	<b>0.48</b>
<b>2. Non Institutional</b>									
<b>a) Bodies Corporate</b>									
i) Indian	2487699	0	2487699	2.70	2593589	0	2593589	2.82	0.12
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 Lakhs	6940928	904995	7845923	8.51	7027449	859995	7887444	8.56	0.05
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 Lakhs	6923153	604725	7527878	8.17	6484191	604725	7088916	7.69	-0.48

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2016				No. of shares held at the end of the year i.e. 31.03.2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others</b>									
Clearing Member	164474	0	164474	0.18	96161	0	96161	0.10	0.08
HUF	189289	0	189289	0.20	221553	0	221553	0.24	0.04
Foreign Nationals	100	0	100	0.00	100	0	100	0.00	0.00
NRI (Repat)	126455	0	126455	0.14	136774	0	136774	0.15	0.01
NRI(Non Repat)	61664	0	61664	0.07	66128	0	66128	0.07	0.00
Trust	4687	0	4687	0.01	0	0	0	0.00	-0.01
<b>Sub total (B)(2)</b>	<b>16898449</b>	<b>1509720</b>	<b>18408169</b>	<b>19.98</b>	<b>16625945</b>	<b>1464720</b>	<b>18090665</b>	<b>19.63</b>	<b>-0.35</b>
<b>Total Public shareholding (B)= (B)(1) + (B)(2)</b>	<b>36045477</b>	<b>1509720</b>	<b>37555197</b>	<b>40.75</b>	<b>36217589</b>	<b>1464720</b>	<b>37682309</b>	<b>40.89</b>	<b>0.13</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>90640635</b>	<b>1509720</b>	<b>92150355</b>	<b>100.00</b>	<b>90685635</b>	<b>1464720</b>	<b>92150355</b>	<b>100.00</b>	

## ii) Shareholding of Promoters & Promoter Group

Sl. No	Shareholder's name	Share holding at the beginning of the year 01.04.2016			Share holding at the end of the year 31.03.2017			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Suresh G Kare	4060408	4.41	Nil	4060408	4.41	Nil	Nil
2	Suresh G Kare (HUF)	273500	0.30	Nil	273500	0.30	Nil	Nil
3	Aruna S Kare	4774714	5.18	Nil	4794714	5.20	Nil	0.02
4	Aditi Panandikar	5559013	6.03	Nil	5559013	6.03	Nil	Nil
5	Madhura A Ramani	5184079	5.63	Nil	5184079	5.63	Nil	Nil
6	Shanteri Investment Pvt. Ltd	15771755	17.12	Nil	15771755	17.12	Nil	Nil
7	SPA Holdings Pvt. Ltd	18335000	19.90	Nil	18335000	19.90	Nil	Nil
8	Laxmi V Bambolkar	144000	0.16	Nil	144000	0.16	Nil	Nil
9	Suman P Naik	236500	0.26	Nil	230800	0.25	Nil	-0.01
10	Ramnath G Kare	61500	0.07	Nil	34200	0.04	Nil	-0.03
11	Sharda R Kare	57800	0.06	Nil	35800	0.04	Nil	-0.02
12	Rajendra M Pai	10627	0.01	3700	10727	0.01	0.0037	0.0001
13	Ajit M Vaidya	26550	0.03	Nil	26550	0.03	Nil	Nil
14	Milind S Panandikar	7500	0.01	Nil	7500	0.01	Nil	Nil
15	Anup P Ramani	39337	0.04	Nil	0	0.00	Nil	-0.04
16	Vasant C Bambolkar	52875	0.06	Nil	0	0.00	Nil	-0.06

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

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Suresh G Kare	4060408	4.41		No change		4060408	4.41
2	Suresh G Kare HUF	273500	0.30		No change		273500	0.30
3	Aruna S Kare	4774714	5.18	27-09-2016	20000	Purchase	4794714	5.20
4	Aditi Panandikar	5559013	6.03		No change		5559013	6.03
5	Madhura Ramani	5184079	5.63		No change		5184079	5.63
6	Shanteri Investments Pvt. Ltd	15771755	17.12		No change		15771755	17.12

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
7	SPA Holdings Pvt. Ltd	18335000	19.90		No change		18335000	19.90
8	Laxmi V Bambolkar	144000	0.16		No change		144000	0.16
9	Suman P Naik	236500	0.26	10-05-2016	-2200	Sale	234300	0.25
				21-10-2016	-3500	Sale	230800	0.25
10	Ramnath G Kare	61500	0.07	24-08-2016	-1100	Sale	60400	0.07
				19-09-2016	-254	Sale	60146	0.07
				22-09-2016	-846	Sale	59300	0.06
				28-10-2016	-400	Sale	58900	0.06
				02-11-2016	-200	Sale	58700	0.06
				28-11-2016	-450	Sale	58250	0.06
				05-12-2016	-800	Sale	57450	0.06
				26-12-2016	-650	Sale	56800	0.06
				29-12-2016	-700	Sale	56100	0.06
				30-01-2017	-600	Sale	55500	0.06
				03-02-2017	-450	Sale	55050	0.06
				13-02-2017	-250	Sale	54800	0.06
				17-02-2017	-18000	Gift Transfer	36800	0.04
				23-02-2017	-996	Sale	35804	0.04
20-03-2017	-604	Sale	35200	0.04				
27-03-2017	-1000	Sale	34200	0.04				
11	Sharda R Kare	57800	0.06	06-05-2016	-1300	Sale	56500	0.06
				31-05-2016	-1300	Sale	55200	0.06
				15-07-2016	-1400	Sale	53800	0.06
				27-02-2017	-18000	Gift Transfer	35800	0.04
12	Rajendra M Pai	10627	0.01	28-10-2016	100	Purchase	10727	0.01
13	Ajit M Vaidya	26550	0.03		No change		26550	0.03
14	Milind S Panandikar	7500	0.01		No change		7500	0.01
15	Anup P Ramani	39337	0.04	21-07-2016	-39337	Sale	0	0.00
16	Vasant C Bambolkar	52875	0.06	19-08-2016	-52875	Gift Transfer	0	0.00

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

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	DSP Blackrock Microcap Fund	2063658	2.24	27-05-2016	140120	Purchase	2203778	2.39
				03-06-2016	22473	Purchase	2226251	2.42
				17-06-2016	38017	Purchase	2264268	2.46
				24-06-2016	7712	Purchase	2271980	2.47
				05-08-2016	28800	Purchase	2300780	2.50
				12-08-2016	22817	Purchase	2323597	2.52
				18-11-2016	100636	Purchase	2424233	2.63
02-12-2016	500000	Purchase	2924233	3.17				

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
2	Barclays Merchant Bank (Singapore) Ltd	2781226	3.02	No Change			2781226	3.02
3	First State Investments ICVC Stewart Investors Asia Pacific Fund	0	0.00	10-02-2017	2571461	Purchase	2571461	2.79
4	UTI Mutual Fund (various Funds)	1879305	2.04	31-03-2017	-65363	Sale	1813942	1.97
5	First State Investments Indian Subcontinent Fund	0	0.00	10-02-2017	1798127	Purchase	1798127	1.95
6	The Scottish Oriental Smaller Companies Trust Plc	1241469	1.35	No Change			1241469	1.35
7	Mangeshi Investment Pvt. Ltd	1167300	1.27	No change			1167300	1.27
8	India Whizdom Fund	0	0.00	08-07-2016	11945	Purchase	11945	0.01
				15-07-2016	1485	Purchase	13430	0.01
				12-08-2016	18792	Purchase	32222	0.03
				19-08-2016	5700	Purchase	37922	0.04
				26-08-2016	17000	Purchase	54922	0.06
				02-09-2016	5000	Purchase	59922	0.07
				09-09-2016	600702	Purchase	660624	0.72
				02-12-2016	200000	Purchase	860624	0.93
				09-12-2016	29000	Purchase	889624	0.97
				16-12-2016	10406	Purchase	900030	0.98
				23-12-2016	4316	Purchase	904346	0.98
				30-12-2016	30800	Purchase	935146	1.01
06-01-2017	162133	Purchase	1097279	1.19				
9	Caisse De Depot Et Placement Du Quebec-First Sate Investments International Limited	975210	1.06	15-04-2016	35234	Purchase	1010444	1.10
				15-07-2016	3619	Purchase	1014063	1.10
				19-08-2016	3709	Purchase	1017772	1.10
10	DSP Blackrock AIF Pharma Fund	0	0.00	30-09-2016	384586	Purchase	384586	0.42
				14-10-2016	100000	Purchase	484586	0.53
				28-10-2016	85000	Purchase	569586	0.62
				11-11-2016	5296	Purchase	574882	0.62
				18-11-2016	3322	Purchase	578204	0.63
				25-11-2016	13178	Purchase	591382	0.64
				02-12-2016	8400	Purchase	599782	0.65
				03-02-2017	8924	Purchase	608706	0.66
				10-02-2017	150766	Purchase	759472	0.82
				17-02-2017	180000	Purchase	939472	1.02
31-03-2017	40000	Purchase	979472	1.06				



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

Sl. No	For Each of the Directors/KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the Co.	No of shares	% of total shares of the Co
	<b>Directors</b>				
1	<b>Mr. Suresh G Kare - Chairman</b>				
	At the beginning of the Year	4060408	4.41	4060408	4.41
	Date wise Increase/Decrease in shareholding during the year, specifying the reason for increase/decrease	Nil	Nil	4060408	4.41
	At the end of the year			4060408	4.41
2	<b>Ms. Aditi Panandikar - Managing Director</b>				
	At the beginning of the Year	5559013	6.03	5559013	6.03
	Date wise Increase/Decrease in shareholding during the year, specifying the reason for increase/decrease	Nil	Nil	5559013	6.03
	At the end of the year			5559013	6.03
3	<b>Mr. Sundeep V Bambolkar - Jt. Managing Director &amp; CFO</b>				
	At the beginning of the Year	465000	0.50	465000	0.50
	Date wise Increase/Decrease in shareholding during the year, specifying the reason for increase/decrease	Nil	Nil	465000	0.50
	At the end of the year			465000	0.50
	<b>KMP</b>				
1	<b>Mr. Sunil D Joshi - President (Finance) &amp; Company Secretary</b>				
	At the beginning of the Year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

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

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
Working Capital	4,438.75	4,184.13		8,622.88
Term Loan	4,894.84	364.33		5,259.17
ii) Interest due but not paid				
iii) Interest accrued but not due	61.56	-		61.56
<b>Total (i+ii+iii)</b>	<b>9,395.15</b>	<b>4,548.46</b>		<b>13,943.61</b>
<b>Change in Indebtedness during the financial year</b>				
• Additional	14,156.49	2,328.21		16,484.70
• Reduction	2,086.45	364.33		2,450.78
<b>Net Change</b>	<b>12,070.04</b>	<b>1,963.88</b>		<b>14,033.92</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
Working Capital	5,285.74	6,512.34		11,798.08
Term Loan	16,117.89	-		16,117.89
ii) Interest due but not paid				
iii) Interest accrued but not due	93.21	-		93.21
<b>Total : (i+ii+iii)</b>	<b>21,496.84</b>	<b>6,512.34</b>		<b>28,009.18</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Name of Executive Chairman/ MD/Jt.MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	173.25	112.09	101.31	386.65
	Value of perquisites u/s 17(2) Income Tax Act, 1961	13.86	14.59	13.09	41.54
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961				
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission/Incentive	100.00	40.00	40.00	180.00
5.	Others, please specify Super Annuation	–	15.73	14.12	29.85
	<b>Total (A)</b>	<b>287.11</b>	<b>182.41</b>	<b>168.52</b>	<b>638.04</b>
	Ceiling as per the Act				<b>1009.36</b>

### B. Remuneration to other directors:

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Anil Naik	Mr. D M Gavaskar	Mr. Sharad Upasani	Mr. Rajiv P Kakodkar	Dr. Anand M Nadkarni	
	<b>Independent Directors</b>						
	Fee for attending board committee meetings	3.40	2.80	2.60	2.05	0	10.85
	Commission						
	Others, please specify						
	<b>Total (1)</b>	<b>3.40</b>	<b>2.80</b>	<b>2.60</b>	<b>2.05</b>	<b>0</b>	<b>10.85</b>
	<b>Other Non Executive Directors</b>						
	Fee for attending board committee meetings					1.60	1.60
	Commission						
	Others, please specify						
	<b>Total (2)</b>					<b>1.60</b>	<b>1.60</b>
	<b>Total (B)=(1+2)</b>	<b>3.40</b>	<b>2.80</b>	<b>2.60</b>	<b>2.05</b>	<b>1.60</b>	<b>12.45</b>

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

(₹ Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel
		Company Secretary
1.	Gross salary	
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	55.07
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	3.44
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
5.	Others, please specify	NIL
	<b>Total:</b>	<b>58.51</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		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
<b>B. DIRECTORS</b>					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA



**Annexure-F**  
**to the Directors' Report**

**Business Responsibility Report (BRR)**

<b>Section A : General Information about the Company</b>		
1	Corporate Identity Number (CIN)	L85190MH1947PLC005913
2	Name of the Company	Indoco Remedies Limited
3	Registered Address	Indoco House, 166 CST Road, Kalina, Santacruz (East) Mumbai 400098
4	Website	<a href="http://www.indoco.com">www.indoco.com</a>
5	Email id	<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>
6	Financial Year Reported	April 1, 2016 to March 31, 2017
7	Sector(s) that the Company is engaged in	<b>Industrial Group:</b> 2100 <b>Description:</b> Manufacture of Pharmaceuticals (As per National Industrial Classification 2008 (NIC) by the Ministry of Statistics and Programme Implementation)
8	List three key products that the Company manufactures	1. Febrex Plus 2. Cyclopam 3. Sensodent-K
9	Total Number of locations where business activity is undertaken by the Company	
	(i) Number of International Locations	NIL
	(ii) Number of National Locations	<b>Manufacturing Locations</b> at Goa, Baddi (Himachal Pradesh), Waluj, Rabale, Patalganga (all in Maharashtra). <b>R&amp;D Centre</b> - Rabale- Navi Mumbai Maharashtra <b>Clinical Research</b> at Hyderabad <b>C&amp;F Agents</b> across the country with a <b>Central warehouse</b> in Bhivandi, Maharashtra and at Zirakpur, Punjab. <b>The Registered and Corporate Office</b> is located in Mumbai
10	Markets Served by the Company (Local/ State/National/International)	In addition to serving the Indian Market, the Company exports to over 55 countries worldwide

**Section B : Financial Details of the Company**

1	Paid up capital (₹ crores)	18.43
2	Total Turnover (₹ crores)	1098.19
3	Total Profit After Tax (₹ crores)	77.45
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Indoco spent an amount of ₹ 221.83 Lakhs for the year ended March 31, 2017 which is 2.87% of profit after tax
5	List of activities in which expenditure in 4 above has been included	Refer to Principle 8 under Section E below

### Section C: Other Details

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

### Section D: BR Information

1	Details of Director responsible for BRR										
	a) Details of Director responsible for BRR										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	b) Details of BR Head										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	Telephone Number		022 -26541851								
e-mail id		<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>									
2	Principle-wise BR Policy										
<b>Sl.No.</b>	<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>	
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N*	Y	Y	
2	Has the Policy been formulated with the relevant Stakeholders	All Policies have been approved by the Board and have formulated in consultation with the management of the Company and is approved by the Board									
3	Does the Policy conform to National/ International Standards	The policies are broadly based on the National Voluntary Guidelines on social responsibilities and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.									
4	Has the Policy been approved by the Board	All Policies are approved by the Board and have been signed by the Managing Director									
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy	The Board has appointed Mr Sundeep V Bambolkar - Jt. Managing Director to oversee policy implementation									
6	Indicate the link for the policy to be viewed online	<a href="http://www.indoco.com">www.indoco.com</a>									

Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the Policy been formally communicated to all relevant internal and external stakeholders	Yes								
8	Does the Company have an in-house structure to implement the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to policy	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal/ external agency	Y	Y	Y	Y	Y	Y	-	Y	Y
2a	If answer to Sl. No. 1 against any principle is "No", please explain why									
Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done in the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done in the next 1 year	-	-	-	-	-	-	-	-	-
6	Any Other Reason	-	-	-	-	-	-	*	-	-
		* The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time in a responsible manner about measures to be taken by the government to address issues related to pharmaceutical industry. Hence no need has been felt to formulate a specific policy for the same								

3	Governance Related to BR	
	Indicate the frequency with which the Board of Directors assess the BR performance of the Company- within 3 months, 3-6 months, Annually, More than a Year	Annually
	Does the Company publish a BR or Sustainability Report? What is the hyper link for viewing this report? How frequently is it published	The Company does not publish a BR or Sustainability Report.

### Section E: Principle-wise performance

#### Principle 1

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

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

- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  
**During the year the Company did not receive any stakeholder complaints.**

#### Principle 2

- 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:
- 'Praztac D'** (Pantoprazol plus Domperidone with latest dual release technology for night time acidity disorders)
  - 'Durashape'** (Leucine + Pyridoxine effervescent sachets for managing overweight and associated life style related diseases like Hypertension, Diabetes , Hypercholesterol )
  - 'Cyclopam'** (Dicyclomine + Paracetamol for instant relief of acute abdominal spasm and pain due to various commonly encountered GI / Urinary tract related disorders)
- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)
- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

**The Company manufactures and distributes at its world class manufacturing facilities a wide range of branded formulations and Active Pharmaceutical Ingredients. Considering that the Company has a multi-product production system, it is not possible to determine product wise resource consumption. Indoco takes measures to create a business value chain which is sustainable- environmentally, socially and economically.**

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

**The Company's products do not have any broad based impact on energy and water consumption. Indoco uses environment friendly and safe processes in production and ensures environmental sustainability and safety by adopting best ecological practices and encouraging conservation/ judicious use of natural resources at every stage of production.**

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

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

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

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

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

**Yes. About 15% of waste water generated is recycled. Indoco also facilitates water conservation by reducing water consumption at the plants and taking rain water harvesting projects.**

### Principle 3

- 1 Please indicate the Total number of employees.

**6,036 permanent employees as on March 31, 2017.**

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

**928 employees hired on temporary/contractual/casual basis as on March 31, 2017.**

- 3 Please indicate the Number of permanent women employees.

**553 Permanent employees as on March 31, 2017.**

- 4 Please indicate the Number of permanent employees with disabilities.

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

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

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

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

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

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

**NIL**



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

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

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

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

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

#### Principle 4

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

**Yes**

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

**Yes**

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

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

#### Principle 5

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

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

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

**No Stakeholder complaints were received during the year under consideration.**

#### Principle 6

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

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

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

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

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

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

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

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

- 5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
1. **Old Reciprocating air compressors to be replaced by efficient screw air compressors in Goa I & Goa II plant.**
  2. **Replacement of reciprocating chillers to screw chiller for saving electrical and maintenance cost.**
  3. **Replacement of old motors with 5 star rating motors to save electricity.**
  4. **Installation of High speed Blister pack machine to increase production with saving of Electricity.**
- 6 Are there Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
**Yes.**
- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
**During the year the Company has received 1 Show Cause Notice from the H. P State Pollution Control Board. The Company has taken the necessary steps to comply with the requirements.**

**Principle 7**

- 1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
**Bombay Chamber of Commerce**  
**Indian Drug Manufacturers Association**  
**Maharashtra Economic Development Council**  
**Pharmexcil**
- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).  
**Yes. The Company has advocated measures to be taken in order to address basic issues related to improvement of public health. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.**

**Principle 8**

- 1 Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
**Indoco focuses on responsible business practices. The main areas are skill development, employability training, education and healthcare.**
- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?  
**Indoco conducts assessment through employee volunteerism of its CSR initiatives through feedback from the beneficiaries of projects undertaken.**
- 3 Have you done any impact assessment of your initiative?  
**Yes**

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

**These are detailed in Annexure "B" of the Director's Report.**

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

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

#### **Principle 9**

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

**NIL**

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

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

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

**No**

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

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



## Annexure to the Directors' Report

### Report on Corporate Governance for the year ended March 31, 2017

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

#### Indoco's Philosophy on Code of Governance:

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

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

#### BOARD OF DIRECTORS

##### Composition and Size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board's functions of governance from management. As at March 31, 2017 in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman – Mr. Suresh G Kare, comprises of seven other directors, out of which four directors are Independent Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies.

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

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

##### The Composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2017 is as under:

Name of Director	Category of Directorship	Number of other Directorship		Number of Chairmanship/ Membership in committees of other companies **	
		of Indian Public Limited Companies	of other Companies*	Chairman	Member
Mr. Suresh G Kare	Promoter & Chairman	2	2	Nil	Nil
Ms. Aditi Panandikar	Promoter & Managing Director	1	2	Nil	Nil
Mr. Sundeep V Bambolkar	Joint Managing Director	1	2	Nil	Nil
Mr. D M Gavaskar	Independent Non-Executive	1	3	1	1
Mr. Rajiv P Kakodkar	Independent Non-Executive	1	Nil	Nil	Nil
Mr. Sharad P Upasani	Independent Non-Executive	1	4	1	2
Dr. Anil M Naik	Independent Non-Executive	2	2	Nil	Nil
Dr. Anand M Nadkarni	Non Executive	Nil	Nil	Nil	Nil

\* Includes Directorships in Private Limited / Section 8 Companies.

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

**Note:**

- a. None of the Directors of the Company were members of more than 10 committees or acted as Chairperson of more than 5 committees across all Listed Companies in which they were Directors in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- b. None of the Directors held directorship in more than 10 Public Limited Companies.
- c. None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.

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

**Board Meetings:**

During the year, the Board met 4 (Four) times – on May 27, 2016, July 29, 2016, October 26, 2016 and January 27, 2017. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis. None of the Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2017.

**Attendance of each Director at the Board Meetings held in financial year 2016-2017 and at the last Annual General Meeting of the Company:**

<i>Name of the Director</i>	<i>No. of Board Meetings held during the year</i>	<i>No. of Board Meetings attended</i>	<i>Attendance at the last AGM held on July 29, 2016</i>
Mr. Suresh G Kare	4	4	Present
Ms. Aditi Panandikar	4	4	Present
Mr. Sundeep V Bambolkar	4	4	Present
Mr. D M Gavaskar	4	4	Present
Mr. Rajiv P Kakodkar	4	2	Present
Mr. Sharad P Upasani	4	3	Present
Dr. Anil M Naik	4	4	Present
Dr. Anand M Nadkarni	4	4	Present

**FAMILIARIZATION PROGRAMME FOR DIRECTORS**

At the time of appointment of a Director, a formal letter of appointment is given explaining the role, duties and responsibilities expected of him as a director of the Company. He is also explained the Compliance required from him under the Companies Act, 2013, Listing Regulations and other various statues and an affirmation is obtained. As part of the Agenda of the Board Meeting, presentations are regularly made to the Independent Directors on various matters covering the Company, industry, regulatory updates, strategy, finance and also the role, rights, responsibilities of the independent Directors. The details of the familiarization programme is available on the Company's website:

[http://www.indoco.com/policies/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.indoco.com/policies/familiarization_programme_for_independent_directors.pdf)

## COMMITTEES OF THE BOARD:

Currently, the Board has the following Committees

- Audit Committee
- Stakeholder Relationship Committee
- CSR Committee
- Nomination and Remuneration Committee
- Executive Committee of Directors

The Board decides the terms of reference of these Committees.

### a) AUDIT COMMITTEE:

#### Composition:

The Audit Committee comprises of following 5 members, out of whom 4 are Independent Directors and the 5<sup>th</sup> Member is the Joint Managing Director:

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

#### Terms of reference:

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

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- b. Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
- c. Reviewing with the management the quarterly financial statements before submission to the board for approval.
- d. Reviewing the adequacy of internal control systems and internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- e. Discussing with internal auditors any significant findings and follow-up thereon.
- f. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal financial control systems of a material nature and reporting the matter to the Board.
- g. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- h. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- i. Scrutiny of corporate loans and investments
- j. Approval or subsequent modification of transactions with related parties
- k. Valuation of the undertaking or asset of the Company wherever it is necessary
- l. Monitoring the end use of funds raised through public offers and related matters
- m. In addition to the above, all items listed in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Part C of Schedule II thereof.

**Meetings and attendance:**

During the Year the Committee met 5 (Five) times - on May 27, 2016, July 29, 2016, October 26, 2016, January 27, 2017 and March 14, 2017. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Audit Meetings held during the year</i>	<i>No. of Audit Meetings attended</i>
Dr. Anil M Naik	5	5
Mr. D M Gavaskar	5	5
Mr. Rajiv P Kakodkar	5	3
Mr. Sharad P Upasani	5	4
Mr. Sundeep V Bambolkar	5	5

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

Mr. Sunil D. Joshi, President (Finance) & Company Secretary, acts as the Secretary of the Committee.

The Statutory Auditors of the Company were present at 4 (Four) Audit Committee meetings held during the year.

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

**b) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee comprises of:

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

**Terms of reference:**

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

**Meetings and attendance:**

During the Year the Committee met 4 (Four) times - on April 20, 2016, July 5, 2016, October 26, 2016 and January 27, 2017. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Rajiv P Kakodkar	4	3
Ms. Aditi Panandikar	4	4
Mr. Sundeep V Bambolkar	4	3

Mr. Sunil D Joshi, President (Finance) & Company Secretary, acts as the Secretary to the Committee.

#### **Details of Shareholders Complaints:**

<i>Particulars</i>	<i>No. of complaints</i>
Investor complaints pending as at April 1, 2016	0
Investor complaints received during the year ended on March 31, 2017 (The complaint pertained to revalidation of dividend warrants)	1
Investor complaints resolved during the year ended March 31, 2017	1
Investor complaints pending as on March 31, 2017	0

#### **c) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Committee comprises of:

Ms. Aditi Panandikar, Chairperson (Managing Director)

Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)

Dr. Anil M Naik, Member (Independent Director)

#### **Terms of reference:**

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

#### **Meetings and attendance:**

During the Year the Committee met 4 (Four) times - on May 27, 2016, July 29, 2016, October 26, 2016 and January 27, 2017. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Ms. Aditi Panandikar	4	4
Mr. Sundeep V Bambolkar	4	4
Dr. Anil M Naik	4	4

Mr. Sunil D Joshi, President (Finance) & Company Secretary, acts as the Secretary of the Committee.

#### **d) NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of:

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



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

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

**Meetings and attendance:**

During the Year the Committee met 2 (Two) times - on July 29, 2016 and January 27, 2017. Meeting was held to approve the

- Remuneration of Executive Directors and KMP
- Re-appointment of Managing Director and Jt. Managing Director

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Dr. Anil M Naik	2	2
Mr. Rajiv P Kakodkar	2	2
Mr. Sharad P Upasani	2	2

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

**e) EXECUTIVE COMMITTEE OF DIRECTORS:**

The Committee comprises of:

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

**Terms of reference:**

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

### Meetings and attendance:

During the Year the Committee met 11 (Eleven) times - on April 15, 2016, June 2, 2016, July 1, 2016, August 16, 2016, September 1, 2016, September 30, 2016, November 10, 2016, December 5, 2016, January 3, 2017, February 6, 2017 & March 7, 2017. All the Directors were present at these Meetings.

### INDEPENDENT DIRECTORS MEETING:

The Independent Directors met inter alia to discuss:

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

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

- Setting up of annual goals
- Periodic review of corporate strategy
- Display of leadership qualities
- Development of Policies and strategic plans aligned with the vision and mission of the Company
- Establishment of an effective organization structure to ensure there is management focus on key functions
- Whether information provided to the Board is appropriate, timely and unbiased
- Whether relationships and communications with shareholders are well managed
- Whether directors effectively probe the information resented by the management

### Meetings and attendance:

During the Year the Committee met 2 (Two) times - on October 26, 2016 and March 14, 2017 .

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

### REMUNERATION TO DIRECTORS:

#### Remuneration Policy:

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

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

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

The Directors expressed their satisfaction with the evaluation process.

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

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

### Information as per Rule 5(1) of the Companies (Appointment and Remuneration) of Management Personnel Rules 2014

#### 1) Executive Directors:

<i>Name of Director</i>	<i>Salary</i>	<i>Benefits &amp; Perquisites</i>	<i>Commission / Performance Linked Incentives</i>	<i>Super Annuation</i>	<i>Stock Options</i>	<i>Total</i>
	₹	₹	₹	₹		₹
Mr. Suresh G Kare	17325000	1386000	10000000	—	Nil	<b>28711000</b>
Ms. Aditi Panandikar	11209485	1458686	4000000	1573358	Nil	<b>18241529</b>
Mr. Sundeep V Bambolkar	10130813	1309500	4000000	1411875	Nil	<b>16852188</b>

#### 2) Non Executive Directors (NED):

<i>Name of Director</i>	<i>Sitting fees (₹)</i>
Dr. Anil M Naik	340000
Mr. D M Gavaskar	280000
Mr. Sharad P Upasani	260000
Mr. Rajiv P Kakodkar	205000
Dr. Anand M Nadkarni	160000

#### Notes:

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

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

<i>Name of KMP</i>	<i>Salary</i>	<i>Benefits &amp; Perquisites</i>	<i>Commission / Performance Linked Incentives</i>	<i>Stock Options</i>	<i>Total</i>
	₹	₹	₹		₹
Mr. Sunil D Joshi	5507200	343800	Nil	Nil	<b>5851000</b>

### Subsidiary Companies:

Following Companies are subsidiaries of the Company

<i>Name</i>	<i>Percentage of Holding</i>
Indoco Pharmchem Ltd	100%
Xtend Industrial Designers & Engineers Pvt. Ltd	100%
Indoco Remedies Singapore Pte Ltd.	100%

### RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by Ind AS 24 has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: [http://www.indoco.com/policies/related\\_party\\_transaction\\_policy.pdf](http://www.indoco.com/policies/related_party_transaction_policy.pdf)

### DISCLOSURES:

- 1) There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc., during the year, that may have the potential conflict with the interests of the Company at large.
- 2) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- 3) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- 4) All mandatory requirements as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 have been complied with by the Company.
- 5) The Company follows the new Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with [Companies (Indian Accounting Standard) Rules, 2015] and there are no statutory audit qualifications in this regard.
- 6) In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Managing Director and the Joint Managing Director have made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

**GENERAL BODY MEETINGS:****Corporate Identity Number (CIN): L85190MH1947PLC005913.**

The Company is registered at Mumbai in the State of Maharashtra, India.

**Annual General Meeting:**

The details of the last three Annual General Meetings held:

<i>Financial Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Location of the AGM</i>
2015-16*	69 <sup>th</sup>	July 29, 2016	11.30 am	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051
2014-15**	68 <sup>th</sup>	July 30, 2015	11.30 am	
2013-14***	67 <sup>th</sup>	July 30, 2014	11.30 am	

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

\*\* No Special Resolutions was passed at the AGM

\*\*\* Two Special Resolutions were passed at the AGM- Approval for change in term of appointment of the Managing Director and Jt. Managing Director from non-retiring director to director whose period of office shall be subject to retirement by way of rotation.

**POSTAL BALLOT:**

During the year the following resolutions were passed through postal ballot:

The voting results of Ordinary resolution calculated based on the valid votes cast through remote e-voting and physical postal ballot were as under:

<i>Date of passing of resolution</i>	<i>Resolution No.</i>	<i>Purpose</i>	<i>Manner of voting</i>	<i>Total votes</i>	<i>Votes in favour of the resolution</i>		<i>Votes against the resolution</i>	
				<i>Nos</i>	<i>Nos</i>	<i>%</i>	<i>Nos</i>	<i>%</i>
March 24, 2017	<b>1</b>	Re-Appointment & Remuneration of Ms. Aditi Panandikar as Managing Director	E- Voting	51294744	49534455	96.56	1760289	3.44
			Postal Ballot	75013	67738	90.30	7275	9.70
			<b>Total</b>	<b>51369757</b>	<b>49602193</b>	<b>96.56</b>	<b>1767564</b>	<b>3.44</b>
	<b>2</b>	Re-Appointment & Remuneration of Mr. Sundeep V Bambolkar as Jt. Managing Director	E-Voting	70246648	68486359	97.50	1760289	2.50
			Postal Ballot	73525	66250	90.11	7275	9.89
			<b>Total</b>	<b>70320173</b>	<b>68552609</b>	<b>97.49</b>	<b>1767564</b>	<b>2.51</b>

**Details of person who conducted the postal ballot exercise:**

The Company had appointed CS Ajit Sathe, Proprietor of A. Y. Sathe & Co., Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by postal ballot were then announced by the Chairman/Authorised officers. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## MEANS OF COMMUNICATION:

### Financial Results

The quarterly and annual financial results are generally published in Economic Times, Maharashtra Times, Financial Express, Herald and Navhind. The results are also displayed on Company's website: [www.indoco.com](http://www.indoco.com). The official news releases are also displayed on the website of the Company.

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

### Presentation to Institutional Investors/Analysts

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

## GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

<b>Date &amp; Time</b>	Wednesday, August 9, 2017 at 10.30 A.M.
<b>Venue</b>	MIG Cricket Club MIG Colony, Bandra East Mumbai 400051
<b>Financial Year</b>	April 1, 2016 to March 31, 2017
<b>Date of Book closure</b>	August 2, 2017 to August 9, 2017 (both days inclusive)
<b>Dividend Payment Date</b>	From August 14, 2017

### Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders".

The code is posted on the Company Website: <http://www.indoco.com/inv-policies.asp>.

The Company keeps the Code updated as per the requirements of SEBI from time to time.

### Code of Conduct:

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

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

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

### Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The annual listing fees have been paid upto March 31, 2018 and there is no outstanding payment towards the Exchanges, as on date.

## Stock Code

Bombay Stock Exchange	532612
National Stock Exchange of India Limited	INDOCOEQ

## MARKET PRICE DATA:

The High and Low prices of the Company's share (of the face value of ₹ 2/- each) from April, 2016 to March, 2017 are as below:

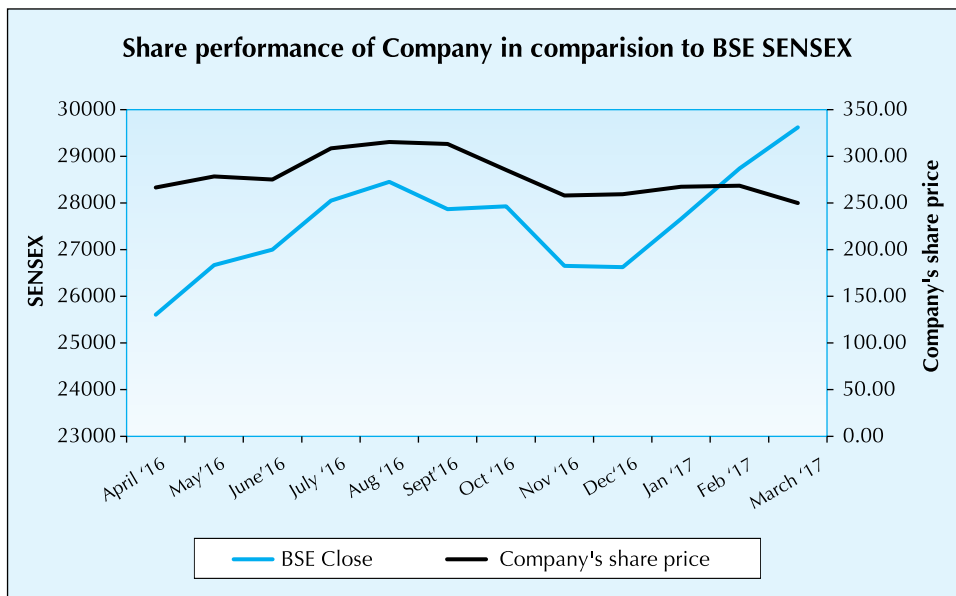
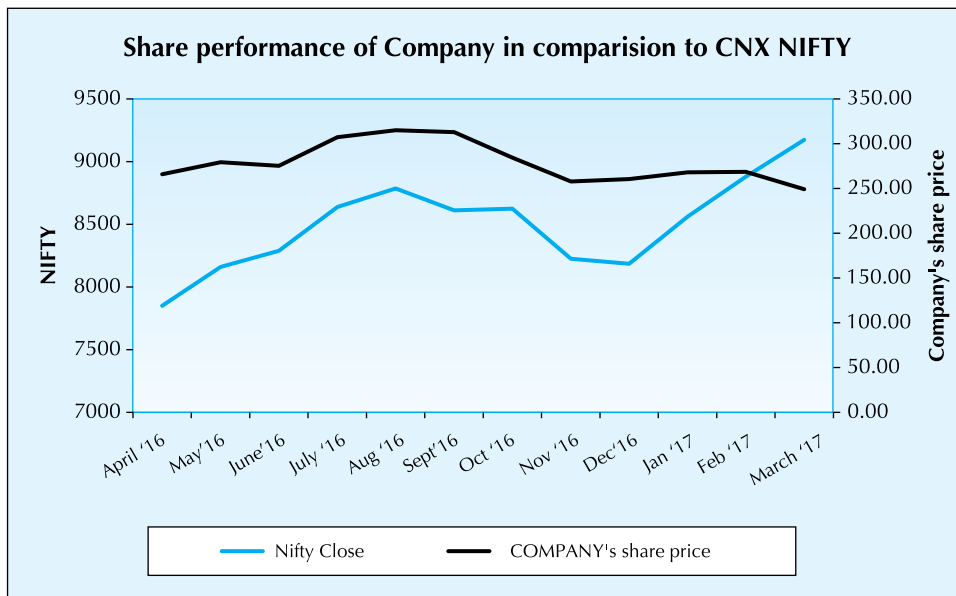
### National Stock Exchange of India Limited (NSE)

Month	Share Price			No. of Shares traded during the month	Turnover ₹ (Lakhs)
	High ₹	Low ₹	Close ₹		
April '16	290.50	261.15	266.00	488192	1353.62
May '16	313.35	256.20	279.25	1089595	3155.86
June '16	294.00	251.40	275.25	521162	1428.82
July '16	339.45	272.00	307.20	956307	2934.28
August '16	329.65	297.00	315.05	789057	2483.85
September '16	362.00	296.90	313.05	2987531	9732.94
October '16	325.90	281.00	284.45	642906	1981.95
November '16	299.00	250.90	257.85	1171914	3247.64
December '16	270.00	250.25	260.60	248627	647.00
January '17	280.05	256.65	268.05	394493	1067.70
February '17	281.30	258.40	268.65	527314	1423.35
March '17	276.00	248.85	249.15	456234	1176.18

### Bombay Stock Exchange Limited (BSE)

Months	Share Price			No. of Shares traded during the month	Turnover ₹ (Lakhs)
	High ₹	Low ₹	Close ₹		
April '16	292.00	262.50	266.50	516662	1428.22
May '16	309.00	258.00	278.35	191241	556.09
June '16	293.05	253.10	275.15	120887	331.19
July '16	338.95	274.10	308.45	157483	483.49
August '16	328.00	297.15	315.35	122110	383.44
September '16	360.35	297.10	313.25	347272	1140.37
October '16	324.90	281.40	285.35	83771	257.25
November '16	303.00	253.00	257.90	556350	1576.89
December '16	270.00	250.05	259.55	109617	286.84
January '17	280.85	258.00	267.50	48467	131.79
February '17	278.00	259.00	268.55	53383	143.57
March '17	277.00	249.05	249.95	154988	398.59

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





### Distribution of Shareholding as on March 31, 2017

<i>No. of Equity shares held</i>	<i>No. of shareholders</i>	<i>% of total shareholders</i>	<i>No. of shares held</i>	<i>% of shareholding</i>
1 to 1000	13496	92.05	2310452	2.51
1001 to 2000	454	3.10	672302	0.73
2001 to 3000	190	1.30	485778	0.53
3001 to 4000	81	0.55	291354	0.32
4001 to 5000	73	0.50	335327	0.36
5001 to 10000	137	0.93	1021684	1.11
10001 and above	230	1.57	87033458	94.44
<b>Total</b>	<b>*14661</b>	<b>100</b>	<b>92150355</b>	<b>100</b>

\*Note: Number of shareholders have not been consolidated based on PAN. The numbers shown are actual number of Folios.

### Shareholding Pattern as on March 31, 2017

<i>Category</i>	<i>No. of shares held</i>	<i>Percentage of shareholding</i>
<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>		
Individuals	19871714	21.56
Bodies Corporate	15771755	17.12
Person Acting in Concert	18824577	20.43
<b>Total (A)</b>	<b>54468046</b>	<b>59.11</b>
<b>Public Shareholdings</b>		
<b>Institutions</b>		
Mutual Funds/UTI	7813752	8.48
Foreign Institutional /Portfolio Investors	11771030	12.77
Financial Institutions / Banks	6862	0.01
<b>Non Institutions</b>		
Other Bodies Corporate	2593589	2.82
NRI & Foreign National	203002	0.22
Clearing Members	96161	0.10
Public & Other (incl HUF)	15197913	16.49
<b>Total (B)</b>	<b>37682309</b>	<b>40.89</b>
<b>Total (A+B):</b>	<b>92150355</b>	<b>100.00</b>

### Disclosure required on Commodity Price Risks and Commodity Hedging - NA

#### Disclosure of information on pledged shares:

The details of shares pledged by Promoter/PAC is as follows:

<i>Name of Promoter / PAC</i>	<i>No. of shares held</i>	<i>No. of shares pledged</i>	<i>% of total shares pledged to total no of shares held by entity in the Company</i>	<i>% of shares pledged to the total no of outstanding shares of the Company</i>
Mr. Rajendra M Pai	10727	3700	34.49	0.0004

**Details showing Shareholding of more than 1% of the Capital as on March 31, 2017**

<i>Sl. No</i>	<i>Name of Shareholder</i>	<i>Number of Shares</i>	<i>% of Capital</i>
1	SPA Holdings Pvt. Ltd	18335000	19.90
2	Shanteri Investment Pvt. Ltd	15771755	17.11
3	Ms. Aditi Panandikar	5559013	6.03
4	Ms. Madhura Ramani	5184079	5.62
5	Ms. Aruna S Kare	4794714	5.20
6	Mr. Suresh G Kare	4060408	4.41
7	DSP Blackrock Micro Cap Fund	2924233	3.17
8	Barclays Merchant Bank (Singapore) Ltd	2781226	3.02
9	First State Investments ICVC-Stewart Investors Asia Pacific Fund	2571461	2.79
10	UTI Mutual Fund (Various Schemes)	1813942	1.97
11	First State Indian Subcontinent Fund	1798127	1.95
12	The Scottish Oriental Smaller Companies Trust PLC	1241469	1.35
13	Mangeshi Investment Pvt. Ltd	1167300	1.27
14	India Whizdom Fund	1097279	1.19
15	Caisse De Depot Et Placement Du Quebec First State Investments International Ltd	1017772	1.10
16	DSP Blackrock AIF Pharma Fund	979472	1.06

**ADR/GDR:**

The Company has not issued any ADR/GDR.

**Dematerialisation Information:**

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

**Dematerialisation of shares:**

As on March 31, 2017, the number of shares of the Company in the demat form is as shown below:

<b>Total No. of Shares of the Company</b>	<b>92150355</b>
No. of Shares in demat mode	90685635
% to Total No. of Shares of the Company	98.41
<b>Total No. of Shareholders of the Company</b>	<b>14661</b>
No. of Shareholders with dematerialised shares	14587
% to Total No. of Shareholders	99.50

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

The break-up of shares in physical and demat form as on March 31, 2017 is given below:

	<i>No. of Shares</i>	<i>% of Total Shares</i>
No. of shares in physical form	1464720	1.59
No. of shares in demat form		
(1) With NSDL	87663300	95.13
(2) With CDSL	3022335	3.28
<b>Total No. of Shares</b>	<b>92150355</b>	<b>100.00</b>

### Share Transfer System

The share transfer, transmission, consolidation, sub-division and matters related thereto are delegated to a Stakeholder Relationship committee. The requests are processed within 15 days of lodgment. In case of requests for dematerialisation of shares, if the documents are clear in all respects, the requests are processed and confirmation given by Company's Registrars to the Depository i.e. NSDL or CDSL within 15 days.

### Registrar & Share Transfer Agent:

Link Intime India Pvt. Ltd: C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.

e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Phone No. : 022-49186270

Fax : 022-49186270

### Address for correspondence:

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

(1) **Link Intime India Private Limited**

Unit: Indoco Remedies Limited

C-101, 247 Park

L.B.S. Marg, Vikhroli (West),

Mumbai – 400083

Contact Person: Mr. Sharad Patkar

Tel. No.: +91 -22-49186000

Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

(2) **Secretarial Department**

Indoco Remedies Limited

Indoco House, 166 CST Road,

Kalina, Santacruz (East),

Mumbai – 400098

Contact Person: Mr. Sunil D. Joshi

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

Email id: [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com)

### Nomination Facility:

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

### UNPAID/ UNCLAIMED DIVIDENDS:

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

The due dates for transfer to IEPF of dividends remaining unclaimed / unpaid since 2009-10 are given below:

<i>Financial year &amp; Type of Dividend</i>	<i>Unclaimed dividend amount as on March 31, 2017 (in ₹)</i>	<i>Due date for transfer to IEPF</i>
2009-2010 - Final	2,02,594.00	27.08.2017
2010-2011 - Final	1,78,088.00	02.09.2018
2011-2012 - Final	4,05,020.50	04.09.2019
2012-2013 - Final	3,80,481.20	04.09.2020
2013-2014 - Final	3,40,970.00	04.09.2021
2014-2015 - Final	4,15,184.00	04.09.2022
2015-2016 - Interim	7,23,812.00	15.04.2023
2015-2016 - Final	77,944.60	03.09.2023

### Plant Locations:

- 1) L-14, Verna Industrial Estate,  
Verna - Goa 403 722
- 2) L-32, 33, 34 Verna Industrial Estate,  
Verna - Goa 403722
- 3) R-104 Rabale  
TTC Industrial Area,  
MIDC Thane Belapur Road  
Navi Mumbai  
Maharashtra 400701
- 4) A-26 MIDC Industrial Estate  
Patalganga, Village Kaire  
Dist Raigad,  
Maharashtra 410220
- 5) B- 20 MIDC, Waluj,  
Aurangabad,  
Maharashtra 431133
- 6) Village Katha, P.O. Baddi  
Tehsil Nalagarh, Dist.: Solan,  
Himachal Pradesh-173205
- 7) Unit No. 3, Village Katha,  
Pargana Dharampur, Tehsil Nalagarh,  
Dist.: Solan, Himachal Pradesh-173205

### R&D Center:

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

### Registered Office:

Indoco Remedies Limited  
Indoco House, 166 CST Road,  
Kalina, Santacruz (East),  
Mumbai 400098.  
Tel: +91- 22-26541851- 55  
Fax: +91-22 – 66936241

### Clinical Research Organization:

Anacipher Clinical Research  
3<sup>rd</sup> & 4<sup>th</sup> Floor Mirakamshetty Mall  
Ramnathpur, RR District, Hyderabad 500013

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

- (a) Company has appointed separate persons to the Post of Chairman and Managing Director.
- (b) Internal Auditor reports to the Audit committee.

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



## **Certificate of Compliance with the Corporate Governance**

***requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Members of Indoco Remedies Limited***

We have examined the compliance of conditions of corporate governance by Indoco Remedies Limited ("the Company") for the year ended on March 31, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **PATKAR & PENDSE**  
*Chartered Accountants*  
Firm Registration No:107824W

**B. M. PENDSE**  
*Partner*  
Membership No. 032625

Place : Mumbai  
Date : May 26, 2017



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

We, Aditi Panandikar, Managing Director and Sundeep V Bambolkar, Jt. Managing Director of Indoco Remedies Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there are no
  - a) significant changes in internal control during the year;
  - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**ADITI PANANDIKAR**

*Managing Director*  
DIN: 00179113

Place : Mumbai  
Date : May 26, 2017

**SUNDEEP V BAMBOLKAR**

*Jt. Managing Director & CFO*  
DIN: 00176613



## **Managing Director's Certification Declaration on Code of Conduct** to the Members of Indoco Remedies Limited

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

I confirm that the Company has in respect of the year ended March 31, 2017 received from the senior management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

Place : Mumbai  
Date : May 26, 2017

**ADITI PANANDIKAR**  
*Managing Director*  
DIN: 00179113



## Management Discussion and Analysis

### a) Industry Structure and Development:

The Indian Pharma Sector normally grows around twice the GDP growth rate. It has now crossed a threshold of US\$16 Bn and is expected to be above US\$ 50 Bn by 2020. India now accounts for 2.4 % by value and 10% by volume of the Global Pharma market. Indian Pharma Companies exported pharmaceutical products worth US\$ 17 Bn in the year 2016 and it is expected that this figure will zoom to US\$ 40 Bn by 2020.

Due to headwinds in the International Business, the focus has once again shifted to consolidation of Domestic Business. Government's intent on generic promotion and continuous addition of drugs to the Price Control list will keep growth rates and margins under pressure in the domestic markets.

Companies will, therefore, have to strike a right balance between Domestic and International business for sustained growth and risk mitigation.

While the US generics market is lucrative for most pharma companies as they earn substantial of their revenues from it, Indian pharma companies, still need to focus on adherence to global quality norms, as there has been rising quality scrutiny from international regulators. This has led to an increase in compliance cost and delays in product approvals.

It is noteworthy that emerging markets provide strong growth opportunities due to low healthcare penetration and rising income levels.

Due to tepid organic growth rates and stagnant profitability in recent times, Indian pharma companies have been looking at various alternative pathways to ensure sustainable growth.

### b) Opportunities and Threats:

On the domestic front, increased consumer spending, rapid urbanisation, rising healthcare insurance and increase in literacy levels leading to better healthcare awareness continue to brighten the Pharma growth prospects. Similarly, increase in lifestyle related diseases continue to expand market scope in the therapeutic areas such as, cardiovascular, diabetes, CNS and oncology. Conscious optimisation of marketing thrust between the chronic, sub-chronic, as well as acute therapy segments would be needed to ensure consistent growth.

Deployment of added resources towards boosting sales volumes of the legacy and block buster brands is becoming a prominent feature across the industry, as it is paying far greater dividend compared to a new product, in the midst of current market clutter. Domestic organic sales growth would, therefore, also depend on the ability of companies to give an aggressive push to their legacy brands utilising the strong brand equity.

Many stringent steps being taken by the Government to enhance the affordability and accessibility of medicines through price controls and by facilitating speedy introduction of generic drugs into the market, are no doubt posing a major challenge to the industry.

On the International front, the state-of-the-art infrastructure and skilled manpower developed by the Indian Companies over a period of time continues to keep them competitive. However, tighter scrutiny by the regulators, pricing pressure, rising costs and currency fluctuations pose challenges for future growth.



**c) Financial Performance:**

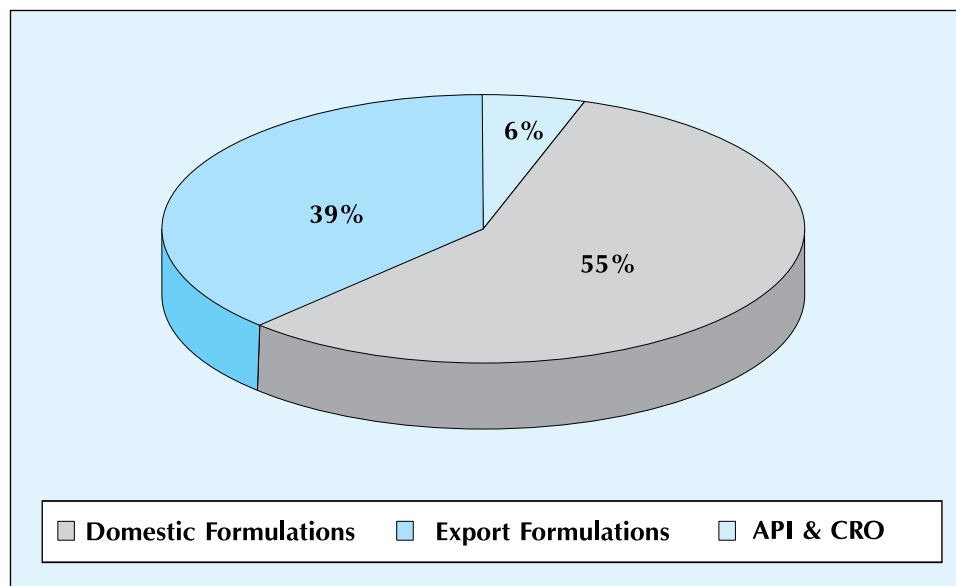
The overall financial performance of the Company was modest with sales growth of 8.8 % for the year ended March 31, 2017. Domestic formulations business grew by 9.5% and International formulations business by 7.4%.

**Segment wise revenue details are as follows:**

(₹ In Lakhs)

<i>Particulars</i>	<i>2016-17</i>	<i>2015-16</i>	<i>Growth%</i>
Domestic Formulations Business	58501	53429	9.5
International Formulations Business			
- Regulated Markets	35125	33657	4.4
- Emerging Markets	6314	4914	28.5
APIs	6145	5412	13.5
CRO	580	668	(13.2)
<b>Net Sales</b>	<b>106665</b>	<b>98080</b>	<b>8.8</b>

**Segment wise revenue contribution is as follows:**



Other operating income in the current year has increased by ₹ 3.4 crores, as compared to the previous year. Material consumption to sales is 35.8 % at ₹ 381.6 crores, as compared to 35.5 % at ₹ 348.0 crores previous year. Staff cost to sales is 20.3% at ₹ 216.0 crores, as compared to 18.5 % at ₹ 181.4 crores previous year.

Recurring R&D expenses to net sales are 4.8% at ₹ 51.7 crores, as compared to 4.4 % at ₹ 43.2 crores previous year.

Other expenses to sales are at 27.0% at ₹ 288.1 crores, as compared to 26.7 % at ₹ 261.8 crores previous year. Finance cost to sales is at 0.6% at ₹ 6.2 crores, as compared to 1.2% at ₹ 12.1 crores previous year. Operating profit decreased by 1.3 % to ₹ 138.9 crores from ₹ 140.8 crores previous year. Depreciation is higher at ₹ 63.3 crores, as against ₹ 60.6 crores in the previous year. Profit Before Tax is at ₹ 91.3 crores, as compared to ₹ 99.3 crores in the previous year. Profit After Tax was ₹ 77.4 crores, as against ₹ 82.3 crores in the previous year.

Basic & Diluted Earnings Per Share (EPS) for the year is ₹ 8.40, as against ₹ 8.93 in the previous year (both after and before the extra-ordinary items).

Outstanding long term debt as on March 31, 2017 was ₹ 132.3 crores, as compared to ₹ 37.9 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 130.6 crores, as compared to ₹ 79.1 crores in the previous year.

During the year, an amount of ₹ 22.2 crores was contributed to the national exchequer by way of payment of income tax and ₹ 37.8 crores by way of sales tax. Net worth of the company as on March 31, 2017 is ₹ 651.9 crores, as against ₹ 576.4 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.20, as compared to 0.07 in the previous year. Return on net worth was 11.9 % as at March 31, 2017 against 14.3 % as on March 31, 2016.

#### d) Business Overview

##### Domestic Business

Indoco's domestic formulations business has a pan India presence with contribution of 34%, 30%, 19% and 17% respectively from South, West, East and North regions. The Company caters to various doctor specialties and generates more than 70 million prescriptions annually from approx. 4,65,000 doctors across India (as per IMS Prescription Data).

The performance of key therapy areas are as follows:

(₹ In Lakhs)

Therapy	Cont %	2016-17	2015-16	Gwth %
Respiratory	17.5	10324	8813	17.1
Stomatologicals	17.0	10015	9491	5.5
Anti - Infectives	16.0	9421	8568	10.0
Gastro Intestinal	13.5	7971	7205	10.6
Pain / Analgesics	7.0	4132	4402	(6.1)
Vitamin/Minerals/Nutrients	6.4	3779	3242	16.6
Ophthal / Otologicals	5.7	3362	3095	8.6
Gynaec.	5.2	3050	2784	9.6
Dermatology	4.4	2596	2244	15.6

(Source: Internal Data)

The Company enjoys a good position in the domestic market with 51 products ranking amongst the top 5 positions in their respective sub-segments, details of which are given below:

<i>Product</i>	<i>Rank</i>	<i>Broad Therapy</i>	<i>Market Share % (Respective sub-segments)</i>
Sensodent-K	1	Stomatologicals	97.1
Sensoform	1	Stomatologicals	66.5
Sensodent-KF	1	Stomatologicals	27.4
Snowdent	1	Stomatologicals	45.3
Kidodent	1	Stomatologicals	56.1
Carmicide	1	Gastro Intestinal	81.0
Cital	1	Urology	39.5
Lignox	1	Pain/Analgesics	28.5
Karvol Plus	1	Respiratory	54.2
Renolen	1	Ophthalmological	62.4
Homide	1	Ophthalmological	93.9
Rexidin M	2	Stomatologicals	37.9
Sensoform GP	2	Stomatologicals	30.9
Rexidin Plus	2	Stomatologicals	21.4
Dentogel	2	Stomatologicals	17.3
Kidodent MW	2	Stomatologicals	26.1
Rexidin	2	Stomatologicals	18.0
Otorex	2	Otologicals	15.3
Dexoren - S	2	Ophthal/Otologicals	18.9
Tobaren DM	2	Ophthal/Otologicals	20.0
Coloferrin	2	Vitamins/Minerals/Nutrients	26.4
Cyclopam	3	Gastro Intestinal	7.9
SM Fibro	3	Vitamins/Minerals/Nutrients	10.2
Methycal	3	Vitamins/Minerals/Nutrients	10.3
RR Sensodent Dental	3	Stomatologicals	6.1
Cyclomeff	3	Gastro Intestinal	2.2
Nosic	3	Gastro Intestinal	4.6
Cloben G	3	Derma	14.6

<i>Product</i>	<i>Rank</i>	<i>Broad Therapy</i>	<i>Market Share % (Respective sub-segments)</i>
Vepan	3	Anti-Infectives	13.2
ATM	3	Anti-Infectives	5.9
Scabex	3	Derma	14.6
Febrex Plus	3	Respiratory	17.0
Tuspel	3	Respiratory	9.0
Mofloren-D	3	Ophthalmological	12.6
Apispur	4	Vitamins/Minerals/Nutrients	4.5
Carmicide	4	Gastro Intestinal	5.6
Obi-X	4	Anti-Obesity	10.1
Cital-H	4	Urology	6.1
Dexoren	4	Ophthal/Otologicals	4.2
Mofloren - BF	4	Ophthalmological	8.6
Mofloren LP	4	Ophthalmological	4.7
Durashape	5	Anti-Obesity	7.3
Hemsyl	5	Blood Related	11.1
Oxipod	5	Anti-Infective	5.8
Clygan	5	Ophthalmological	1.0
T-Lac	5	Pain/Analgesics	1.3
Tuspel PX	5	Respiratory	9.3
Triz	5	Respiratory	5.2
Febrex LP	5	Respiratory	11.2
Irisol Plus	5	Ophthalmological	2.7
Cital UTI	5	Urology	8.6

(Source: AWACS)

## **Domestic Marketing Divisions:**

### **Indoco:**

Indoco is the largest domestic marketing division and enjoys a strong image amongst its targeted specialities, viz., General Practitioners, Paediatricians, Consultant Physicians, Gynaecologists and holds a prominent position in the covered prescription market as per CMARC.

Indoco division as per IMS is growing at 13% thus recording more than double the growth of its covered market growing at 5%. Many brands like Cyclopam, Cital, Cloben G, Carmicide, Oxipod and Karvol Plus are amongst the top prescribed brands in the respective category. Oxipod is now amongst the top 5 Cefodoxime Brands in the country as per IMS.

Newly launched Cital UTI, a novel concept in Gynaecology has been recognised amongst the top 5 new launches.

### **Spade:**

Spade is the second largest domestic marketing division, with a significant presence in Respiratory and Anti-infective category of products and has grown well during the year. ENTs, Consulting Physicians, Paediatricians and General Practitioners are the major specialities where the division is fortifying its presence.

Its top two brands, Febrex Plus and ATM have performed well with double digit growths and have out-beaten the market growth during the year. Febrex Plus, which is the largest brand for the Company, has been the major contributor towards the success of this division. In the recent years, with its determined efforts, the division has been able to develop Bactogard, as its third largest brand, in the Anti-infective category.

The division has launched two new brands, Coloferrin and Effelyte, which will enable the division to carve out a good share in nutritional and mucolytic markets respectively.

### **Warren NxGen:**

Warren NxGen division enjoys number one position and continues to lead the Stomatologicals market. The division caters to over 80% of Dentists across India and General Physicians, Oncologist and ENTs by offering wide range of oral care products. The product range includes toothpastes for treatment of various dental sensitivity disorders, mouthwashes for adults as well as kids, along with other therapeutic agents like, antibiotics, analgesics/ anti-inflammatory, local anaesthetics and innovative oral care products.

The division has registered a double digit growth during the year, as against the single digit market growth. All the brands in the division have registered growth in the current year and have gained rank in their respective market. All the therapeutic segments viz., Stomatologicals, Antibiotics, Analgesics and Anti-Oxidants are clocking decent growth rates.

Focus on ENT, & Oncologists has paid dividends, as these specialities have further helped in adding to the growth. The Dentists continue to drive the pace of the division. New product launches have helped in penetrating and creating new market opportunities.

**Warren ACE:**

Warren ACE caters to almost 40,000 Dentists with Pan India presence and has retained its Number one position in the Stomatologicals space in the Indian Pharma Market (IPM).

The major initiative during the year was introduction of brand extensions like Sensodent-K Plus & Sensodent-K Mouthwash so as to strengthen Sensodent-K range and further intensify the divisions presence in, sensitivity market by utilising the brand equity of our biggest brand Sensodent-K. With these two brand extensions, the division intends to build on Sensodent K, a sizeable brand in the sensitivity market.

**Spera:**

Spera, a multi speciality division was carved out with Gynaec portfolio, catering to Women's Health with focussed approach towards Gynaecologists. The division has Pan India coverage catering to 25000 Gynaecologists with a product mix in pregnancy care and lifestyle management. Participation at National & Regional Conferences is garnering attention of the Key Opinion Leaders (KOLS), which will help in the long run to enhance the divisions market share. Spera is steadily increasing its prescription (Rx) share from Gynaecologists.

**Indoco Focus:**

Indoco Focus division caters to the chronic segment. The mission of this division is to develop and deliver innovative formulations that will help patients prevail over chronic diseases. The major doctor specialty area where the division is strengthening its presence is Consulting Physicians.

Focus has posted double digit growth during the year, led by successful launches of new brands like Zilenta and Praztac. Zilenta, is an oral anti-diabetic belonging to the class of DPP-4 inhibitors. Praztac is a PPI with latest dual release technology for night time acidity disorders. The external data (as per AWACS) is suggestive that Indoco Focus is growing with all its top 10 brands in double digit growth.

**Indoco CND:**

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

In the last few years, Indoco CND division is making very good inroads in the cardio-diabetic market, especially at consultant's level with newly launched J-RING group and first time in India Anti-Obesity formulation OBI-X.

The Company's foray in to the Gliptins market, through the launch of Teneligliptin brand (J-Ring / J-Ring M / J-Ring M Forte) will give the much desired upward thrust in sales in the coming years. The initial prescription (Rx) response for J Ring group is quite encouraging.

Indoco CND division's portfolio has all the right products, more than 80% of which are in the High Value-High Growth segment. Many scientific & non-scientific activities and participation in national conferences like CSI, RSSDI, Mayo Clinic & APICON have further helped to get due recognition for the division's range of products from high end Consulting Physicians, Cardios & Diabetologists.

### Warren Excel and Warren Vision:

These two ophthalmic divisions are progressing in the therapies for the management of ophthalmic diseases / disorders with its wide basket of ophthalmic anti-oxidants, lubricating/tear substitutes, anti-infectives, anti-allergic and NSAIDs.

Mofloren group is the largest contributor to the division's sales. Few brands which are ranked amongst top 5 in their respective categories are Homide, Renolen, Dexoren, Dexoren-S, Mofloren – BF, Mofloren – LP, Mofloren – D, Clygan, Sensochek, Zincoren, Tobaren – DM, Irisol Plus and Blu Dye.

### Institution and Indoco Impulse:

Institution division deals with Central and State Government Health Departments viz., DHS, ESIC, Railways, SAIL, DHS, Defence and PSUs, viz., BHEL, BEL, HAL, ONGC etc. The division works closely with these institutions to register the Company's products in their formulary and participates in various tenders for branded and proprietary products. Rate contracts and tenders are awarded at regular intervals by these Government institutions. With continuous follow up by the field personnel, the division could add proprietary products in various formularies, and thereby fetching good sales orders.

The Indoco IMPULSE division taps corporate hospitals, as well as private nursing homes in the critical care segment. Impulse division works with top super specialty doctors and is engaged in generating prescriptions for injectables, as well as oral antibiotics. The division has been able to get entry into major corporate hospitals like Apollo, HCG, Bombay Hospital, Global, etc. High end carbapenems introduced by Impulse division is well accepted amongst the super specialty consultants in critical care segment.

### New Product Launches:

During the year, the Company launched 31 new products across various therapeutic categories, details of which are as follows :

<i>Product</i>	<i>Division</i>	<i>Therapy</i>
Zilenta, 10's	Indoco Focus	Anti-Diabetic
J-Ring, 10's	Indoco CND	Anti-Diabetic
Sensodent K Mouthwash, 150 ML	Warren Ace	Stomatologicals
B-Floren Eye Drops, 5 ML	Excel	Ophthal / Otologicals
Praztac - D Capsules, 10's	Indoco Focus	Gastro Intestinal
J-Ring M Forte Tablets, 10's	Indoco CND	Anti-Diabetic
Zilenta-M Forte Tablets, 10's	Indoco Focus	Anti-Diabetic
J-Ring M Tablets, 10's	Indoco CND	Anti-Diabetic
Lignox F Gel 30 Gm	Warren Ace	Pain / Analgesics
Zilenta-M Tablets, 10's	Indoco Focus	Anti-Diabetic
9 FB SR 200 Tablets, 10's	Spera	Gynaec.
9 FB SR 300 Tablets, 10's	Spera	Gynaec.

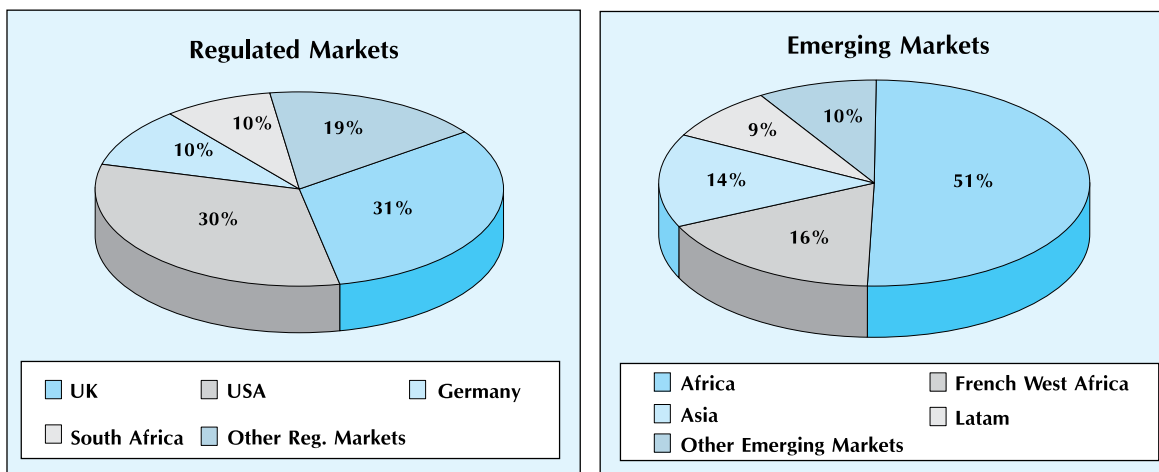
<i>Product</i>	<i>Division</i>	<i>Therapy</i>
Cital - UTI Suspension, 100 ML	Indoco	Urological
ATM 5D Tablets, 5's	Spade	Anti-Infectives
Zap Capsules, 10's	Warren Ace	Gastro Intestinal
Dolinsta Tablets, 10's	Eterna	Pain / Analgesics
T-Syl Tablets, 10's	Spera	Gynaec.
Turbocort, 15 Gm	Warren NxGen	Stomatologicals
Glychek 60 OD Tablets, 10's	Indoco Focus	Anti-Diabetic
Glychek-M 30 OD, 10's	Indoco Focus	Anti-Diabetic
Glychek-M 60 OD, 10's	Indoco Focus	Anti-Diabetic
New Tuspress, 100 ML	Spade	Respiratory
Kidodent XP, 100 Gm	Warren NxGen	Stomatologicals
Sensodent-K Plus, 100 Gm	Warren Ace	Stomatologicals
Effelyte Tablets, 10's	Spade	Respiratory
Sensodent KF Xpro, 125 Gm	Warren NxGen	Stomatologicals
ALT-FM Tablets, 10's	Indoco	Respiratory
Clobitra 100 Capsules, 4's	Indoco	Dermatology
Clobitra 200 Capsules, 4's	Indoco	Dermatology
Praztac-40 Tablets, 10's	Indoco Focus	Gastro Intestinal
Concize Gummies, 30's	Spade	Vitamins / Minerals / Nutrients

### **International Business**

The Company's International Business is spread across geographies, including United States of America, Europe, South Africa, Australia, New Zealand and Emerging Markets. With world class R&D centre, CRO and manufacturing facilities, Indoco is the most preferred partner by the generic companies across the globe. Company's strategy to focus on the niche segments of ophthalmics and injectables for US market, filing of dossiers in Own name in EU and brand building in Emerging markets will help the Company to achieve a sustainable growth. International business will continue to remain a thrust area and is slated to contribute to more than 50% of Indoco's total revenues in future.



## Country Wise / Region wise Sales Contribution



### US

Consolidation of pharmaceutical wholesalers and rising costs on account of stricter regulatory norms have put the generic industry under tremendous pressure. However, Indoco's focus more on niche ophthalmic products and injectables will protect margins and growth. The Company has invested in increasing the capacity of its sterile plant, by importing new filling lines. The new (First-To-File) ANDA filings will prove to be a major growth generator in the coming years.

#### Status of ANDAs:

Particulars	Through Watson (Actavis)	Own Filings	Through Other Customers	Total
Approvals till date	3	3	4	<b>10</b>
Tentative approvals	3	-	-	<b>3</b>
Filed but pending approval	14	12	3	<b>29</b>
<b>Total</b>	<b>20</b>	<b>15</b>	<b>7</b>	<b>42</b>

### Europe

BREXIT, Currency depreciation, price cuts, shifting focus towards tender markets, etc, have made European Pharma market tougher and challenging. UK and Germany are still the major revenue generators in the region. Company has entered into markets like Spain and Eastern EU. Considering the upcoming challenges in EU Pharma Industry, the Company has started developing niche molecules expiring 2022 onwards. Company is currently holding 8 DCPs, approved in various EU countries and 3 are under registration. Most of the products are already partnered with suitable clients in respective territories. Strong regulatory, supply chain & partnership with EU based batch release laboratories have set a platform for introduction of own products in Europe.

**Status of Dossier filings:**

<i>Particulars</i>	<i>No. of Dossiers</i>
Approved till date (against dossiers filed by Customers)	22
Filed but pending approval (includes Own filings)	17
<b>Total</b>	<b>39</b>

**South Africa, Australia and New Zealand:**

Indoco is now recognized as reliable partner by pharma giants in South Africa, Australia & New Zealand territory. Aspen, the largest player in South Africa, and other key companies have signed almost 20 new products for contract manufacturing at Indoco's manufacturing facility and in-licensing of Indoco Dossiers. Addition of new customers with multiple products has contributed towards sustainable growth in the region.

**Emerging Markets:**

The division has consolidated its position in countries like Kenya, Tanzania, Sri Lanka and Myanmar. Indoco has made successful entry in new markets like Zambia, Cameroon & Ethiopia. In Sri Lanka, Indoco replaced the existing distributor, and signed an agreement with Hemas Pharma, the No. 1 Distributor in Sri Lanka. Tie up with Hemas Pharma will further strengthen distribution network of Indoco, which will contribute to higher secondary sales in Sri Lanka. In French West Africa, Nasic, Febrex TM, Cital & ABZ are becoming mega brands, in their respective therapeutic class.

**API Business:**

The global market for APIs is over US\$ 135 billion, with a growth rate of 9%. With 35% DMFs filing from India, the Indian API business is clocking better growth rates. Indoco's API business has growth potential in both domestic as well as international markets. However, the distinct advantage emanates from the backward integration for Indoco's own ANDAs and Dossiers. The Company has filed 17 USDMFs so far, out of which, 4 have been filed during the year.

Indoco has made significant progress by establishing world class R&D and manufacturing facilities, approved by USFDA, TGA Australia, COFEPRIS Mexico and WHO-GMP.

During the year, the Company's Patalganga facility was audited by EDQM and the approval is awaited. In line with EU regulations and directives, Indoco has received written confirmation (WC) from DCGI for exporting its APIs to EU markets for consumption in Europe.

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

The Company offers full range of services with respect to API supplies in Regulated markets. New APIs are developed through non-infringing processes, which assure commercial viability and hassle free launch of the products. Construction of a new state-of-the-art API manufacturing facility is in progress to cater to the growing API business and to make new APIs available for captive consumption, as well as commercial sales.

### **Research and Development:**

Indoco's state-of-the-art R&D centre, located at Rabale, Navi Mumbai has a team of over 300 scientists and is supported by latest analytical instrumentation and softwares. The research centre is equipped to handle development of APIs and Finished Dosages, backed by a strong analytical Research team. The company has filed three FTFs (First-To-File) ANDAs during the year. Development of complex ophthalmics and injectables has been Indoco's forte and has been the partner-of-choice for several large pharmaceutical companies for co-development of technologically challenging products. Complex solid oral products like Multi unit particulate systems and combination of immediate release and extended release products have also been successfully developed. Smooth technology transfer to the manufacturing sites is ensured by employment of QBD principles and risk assessments during development. Development of 'super-generics' and novel formulations for US and EU markets is currently under progress.

### **Anacipher:**

#### **Analytical Research Services**

Indoco provides complete integrated analytical solutions with innovative and chemistry based approach. The lab is engaged in providing Genotoxic Evaluation, Impurity Identification, Isolation and Characterization, Residual Metal Catalyst, Polymorphism Studies and Particle Size Analysis, besides other services.

Identification & Characterization of Extractables and Leachables from pharmaceutical containers, closures and devices that are used in the packaging of drug products is becoming a very stringent requirement for all the regulatory filings. This study needs very specialized set of equipments with equally skilled team of scientists. At Indoco, we have developed the expertise in conducting these studies.

Metal analysis as per ICHQ3D guidelines is also a new regulatory requirement and Indoco is fully capable of handling this. Other studies carried out at Indoco are Thermal Analysis and Impurity Standards.

The Laboratory complies with all cGMP norms and the infrastructure is constantly upgraded by adding new technologies and competent staff. The Company continuously supports and assists its customers in solving their analytical problems, which result in bringing quality products to the market.

#### **Clinical Research Organisation (CRO)**

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

AnaCipher has a database of more than 10,000 healthy human volunteers and has tied up for the implementation of a 'Common Volunteer Database Management System' to track volunteers cross participation across all the CROs. The facility offers a complete range of BA/BE services, such as, bioavailability, bioequivalence, pharmacokinetic, steady state studies, food effect studies, taste evaluation formulation studies, single and multiple dose studies. The scope of these studies include study design, protocol preparation, subject selection, pharmacokinetic and statistical data evaluation, study result reporting and archival of study documents, in accordance with applicable regulations. More than 450 bioequivalence and pharmacokinetic studies have been conducted at this facility by Generics Pharma Companies based in Europe and America.

Anacipher has recently procured Oracle Clinical/RDC CTMS system for effective management of the study data. An independent Quality Assurance (QA) department performs regular quality assessments of our services to ensure compliance with all regulatory agencies and international GCP regulations such as ICH. Anacipher has been recently audited by USFDA twice during the year, i.e, January and February 2017, one of which was without prior notice. Both the audits were successful with Zero 483s.

#### **Regulatory Affairs:**

Indoco has a team of 35 regulatory specialists who are engaged in submissions of DMFs and Dossiers for US, Europe, Australia, and Canada to Regulatory Authorities across the globe. Indoco's regulatory submissions in different emerging markets are pursued aggressively, which has resulted in, over 700 product registrations in 40 countries till date.

The Company is equipped with 21 CFR (Code of Federal Regulations) (Part 11 compliant), eCTD, SPL (Structured Product Labeling) software and established ESG (Electronic Submission Gateway) for submissions to USFDA and CESP (Common European Submission Platform) with European Agencies.

#### **Intellectual Property Rights (IPR):**

The Company has filed 76 patent applications, the details of which are as follows:

<i>Patent Applications</i>	<i>Total</i>	<i>India</i>	<i>PCT</i>	<i>Europe</i>	<i>USA</i>	<i>Japan</i>
Finished Dosages	24	18	2	2	2	-
API	52	32	15	2	2	1

During the year, the Company was granted five patents by Indian Patents Office and one by European Patents Office for manufacturing processes of APIs, viz., Allopurinol, Rasagiline, Tapentadol, Imiquimod and Bromfenac.

Indoco received the **Best Process Patent Award for the year 2015-2016** for four Indian process patents. This award was presented at Indian Drug Manufacturers Association's 55th Annual Day celebrations held on January 21, 2017.

In addition Indoco's R&D efforts were rewarded with **Certificate of Appreciation for Bulk drugs/API** at Pharmexcil's 8th Edition of Patents Awards 2015-16, held on September 22, 2016, during their 12th Annual Meet at Hyderabad.

#### **e) Human Resources:**

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

Under the mentoring and coaching initiative, towards building leaders from within, the GEMS (Guiding, Empowering, Mentoring, Supporting) batch of 2015-17 will have their convocation in July'2017.

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

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

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

Engagement activities for employees were conducted at various locations like Annual Dusshera Pooja, Diwali Fun Fiesta, Women's Day and Carnival a fun fare to celebrate the Company's Chairman's birthday, in order to strengthen culture and shared values.

The Organization fulfilled the five commitments of plantation of saplings, donation of school-kits, dental camps, blood donation camps, de-worming camps for school kids in Africa which was decided at the beginning of the year.

The Annual Strategy Meet was organized for Senior Managers to discuss the strategies and execution thereof. As a part of this meet, a change initiative 'Wheels to Wings' was unveiled to accelerate the speed and to achieve higher growth in the coming years.

**f) Future Outlook:**

The Company's domestic business continues to focus on brand building, new product launches, thrust on sub-chronic (speciality) segment and penetration in Tier II and Tier III towns.

On successful resolution of USFDA's warning letter, the Company's International Business is expected to grow speedily as ANDAs will be commercialized at regular intervals. EU approval of newly acquired solid dosages manufacturing facility at Baddi will also pave the way for higher growth in European market. While surging ahead in the Regulated Markets, Indoco is also consolidating its position in the Emerging Markets through active brand promotion. Robust pipeline in multiple dosage forms will enable the Company to have an upper edge over its competitors in the international business.

With the smooth integration of a recently acquired CRO in Hyderabad and the manufacturing facility at Baddi, the Company is now completely integrated with sufficient capacity to cater to demands from its customers and will remain a preferred partner, offering complete solutions to generic companies worldwide.

Expertise in Research & Development, backward integration in API in select molecules, own CRO set-up, excellence in finished dosages manufacturing and a strong customer base will ensure consistent growth in the Company's Domestic as well as International business.



## **Independent Auditors' Report** to the Members of Indoco Remedies Limited

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Indoco Remedies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - e) on the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 32 to the standalone Ind AS financial statements.
    - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
    - iv) the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 5c to the standalone Ind AS financial statements.

For **PATKAR & PENDSE**  
*Chartered Accountants*  
Firm Registration No:107824W

**B. M. PENDSE**  
*Partner*  
M. No. 32625

Place : Mumbai  
Date : May 26, 2017



## ANNEXURE to Independent Auditors' Report

*The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2017, we report that:*

1. (a) The Company had maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
(b) As explained to us all fixed assets had been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, inventories have been physically verified by the management at reasonable intervals and in our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account..
3. The Company has granted loan to one body corporate covered in the register maintained under Section 189 of Companies Act,2013.  
(a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.  
(b) In the case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated.  
(c) There is no overdue amount in respect of the loan granted to the body corporate listed in the register maintained Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. According to the information and explanation given to us the Company has not accepted any deposits from the public.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value Added tax, Cess and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.



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

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

8. In our opinion and according to the information and explanations given to us, the Company had not defaulted in repayment of dues to a financial institution, bank, Government or debenture holder.
9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For PATKAR & PENDSE  
Chartered Accountants  
Firm Registration No:107824W

B. M. PENDSE  
Partner  
M. No. 32625

Place : Mumbai  
Date : May 26, 2017



## **ANNEXURE - B** **to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Indoco Remedies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place : Mumbai  
Date : May 26, 2017

For **PATKAR & PENDSE**  
*Chartered Accountants*  
Firm Registration No:107824W

**B. M. PENDSE**  
*Partner*  
M. No. 32625



# Balance Sheet

As at March 31, 2017

	Note No.	March 31, 2017	March 31, 2016	(₹ lakhs) April 1, 2015
<b>ASSETS</b>				
<b>Non Current Assets</b>				
(a) Property, Plant and Equipment .....	3	39,275.48	33,430.88	31,105.00
(b) Capital Work in Progress .....	3	4,032.85	581.89	876.79
(c) Intangible Assets .....	4	4,699.54	3,895.49	4,448.04
(d) Intangible Assets under Development .....	4	5,030.30	4,897.93	3,668.70
(e) Financial Assets				
(i) Investments .....	5(a)	282.12	261.09	64.12
(ii) Loans .....	5(e)	137.32	129.54	24.20
(iii) Other Financial Assets .....	5(f)	1,669.04	457.61	344.49
(f) Deferred Tax Assets (Net) .....	6	2,763.43	2,196.06	1,686.05
(g) Current Tax Assets (Net) .....	14	424.74	10.36	–
(h) Other Non Current Assets .....	7	4,348.08	1,923.23	910.90
<b>Total, Non current Assets .....</b>		<b>62,662.90</b>	<b>47,784.08</b>	<b>43,128.29</b>
<b>Current Assets</b>				
(a) Inventories .....	8	18,504.34	16,447.29	14,735.69
(b) Financial Assets				
(i) Investments .....	5(a)	–	1,567.98	466.47
(ii) Trade Receivables .....	5(b)	21,573.10	18,772.29	15,364.39
(iii) Cash and Cash Equivalents .....	5(c)	5,992.07	1,025.42	1,039.94
(iv) Bank Balances other than (iii) above .....	5(d)	247.60	218.34	356.61
(v) Loans .....	5(e)	151.41	141.81	148.92
(vi) Other Financial Assets .....	5(f)	1,291.19	393.22	457.85
(c) Other Current Assets .....	9	9,294.31	7,573.36	5,933.77
(d) Assets classified as held for sale .....	10	6.63	6.63	–
<b>Total, Current Assets .....</b>		<b>57,060.65</b>	<b>46,146.34</b>	<b>38,503.64</b>
<b>Total, Assets .....</b>		<b>1,19,723.55</b>	<b>93,930.42</b>	<b>81,631.93</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital .....	11(a)	1,843.01	1,843.01	1,843.01
(b) Other Equity .....	11(b)	63,344.94	55,801.64	50,889.18
<b>Total, Equity .....</b>		<b>65,187.95</b>	<b>57,644.65</b>	<b>52,732.19</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings .....	12(a)	13,230.97	3,788.53	1,278.19
(ii) Other Financial Liabilities .....	12(c)	698.24	646.62	633.28
(b) Long Term Provisions .....	13	1,782.93	1,351.87	1,162.09
(c) Other Non-Current Liabilities .....	15	444.67	321.99	335.37
<b>Total, Non-Current Liabilities .....</b>		<b>16,156.81</b>	<b>6,109.01</b>	<b>3,408.93</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings .....	12(b)	11,835.80	8,646.50	7,299.43
(ii) Trade Payables .....	12(d)	16,417.38	13,101.34	11,862.83
(iii) Other Financial Liabilities .....	12(c)	6,842.72	5,215.12	3,737.50
(b) Short Term Provisions .....	13	2,918.17	2,698.84	1,745.05
(c) Current Tax Liability (Net) .....	14	–	–	506.09
(d) Other Current Liabilities .....	15	364.72	514.96	339.91
<b>Total, Current Liabilities .....</b>		<b>38,378.79</b>	<b>30,176.76</b>	<b>25,490.81</b>
<b>Total, Liabilities .....</b>		<b>54,535.60</b>	<b>36,285.77</b>	<b>28,899.74</b>
<b>Total, Equity and Liabilities .....</b>		<b>1,19,723.55</b>	<b>93,930.42</b>	<b>81,631.93</b>

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

As per our Report attached  
For **Patkar & Pendse**  
Chartered Accountants  
Firm Registration No. : 107824W

**B. M. Pendse**  
Partner  
Membership No. 32625

**Sunil D Joshi**  
President (Finance) &  
Company Secretary

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director & CFO  
DIN : 00176613

Mumbai, May 26, 2017

## Statement of Profit and Loss Account

For the year ended March 31, 2017

	Note No.	Year ended March 31, 2017	(₹ lakhs) Year ended March 31, 2016
<b>Income</b>			
(a) Revenue from Operations .....	16	<b>1,09,406.31</b>	1,00,475.88
(b) Other Income .....	17	<b>413.57</b>	167.60
<b>Total, Income</b> .....		<b><u>1,09,819.88</u></b>	<b><u>1,00,643.48</u></b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	18	<b>30,277.94</b>	30,301.25
(d) Purchase of Stock in Trade .....	18	<b>8,038.51</b>	5,608.09
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress .....	18	<b>(155.90)</b>	(1,112.48)
(f) Employee Benefit Expenses .....	19	<b>21,604.79</b>	18,140.74
(g) R&D Expenses .....	20	<b>5,171.04</b>	4,317.87
(h) Other Expenditure .....	22	<b>28,807.37</b>	26,181.04
(i) Finance Costs .....	23	<b>616.04</b>	1,214.96
(j) Depreciation and Amortization Expense .....	21	<b>6,326.52</b>	6,063.00
<b>Profit before Tax</b> .....		<b>9,133.57</b>	<b>9,929.01</b>
(k) Provision for Tax .....	24		
(a) Current .....		<b>1,962.13</b>	2,198.30
(b) Deferred .....		<b>(574.14)</b>	(503.29)
(c) Earlier years .....		<b>—</b>	5.21
<b>Total, Taxes</b> .....		<b><u>1,387.99</u></b>	<b><u>1,700.22</u></b>
<b>Profit for the year</b> .....		<b><u>7,745.58</u></b>	<b><u>8,228.79</u></b>
<b>(l) Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations .....	25	<b>19.56</b>	(19.40)
ii) Income tax relating to this item .....	24	<b>(6.77)</b>	6.71
<b>Total, Other Comprehensive Income</b> .....		<b><u>12.79</u></b>	<b><u>(12.69)</u></b>
<b>Total, Comprehensive income for the year</b> .....		<b><u>7,758.37</u></b>	<b><u>8,216.10</u></b>
<b>(m) Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹)</b> .....	30	<b>8.40</b>	<b>8.93</b>

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

As per our Report attached  
For **Patkar & Pendse**  
Chartered Accountants  
Firm Registration No. : 107824W

**B. M. Pendse**  
Partner  
Membership No. 32625

**Sunil D Joshi**  
President (Finance) &  
Company Secretary

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director & CFO  
DIN : 00176613

Mumbai, May 26, 2017

## Cash Flow Statement

For the year ended March 31, 2017

(₹ lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>(A) Cash Flow from Operating Activities :</b>		
<b>Net Profit before tax and extraordinary item</b>	<b>9,133.57</b>	9,929.01
Adjustments for :		
Depreciation and Amortisation Expense	6,326.52	6,063.00
Profit on sale of Fixed Assets	(14.60)	(4.53)
Profit on maturity of Investments	(82.86)	(47.20)
Loss on sale of Fixed Assets	33.06	32.41
Sundry Balance written back	(0.35)	(1.07)
Provision for Doubtful Debts / Bad Debts	259.56	211.87
Provision for diminution in value of investment	-	466.47
Interest Income	(233.27)	(63.80)
Dividend received on Investments	(14.23)	(0.72)
Unrealised Foreign Exchange (Gain) / Loss	(1,176.88)	(58.48)
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,334.16	1,280.22
	<b>6431.11</b>	7,878.17
<b>Operating Profit before Working Capital Change</b>	<b>15,564.68</b>	<b>17,807.18</b>
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(2,601.60)	(3,626.55)
Decrease / (Increase) in Other Current Financial Assets	(907.57)	71.73
Decrease / (Increase) in Other Current Assets	(1,720.95)	(1,639.54)
Decrease / (Increase) in Inventories	(2,057.06)	(1,711.59)
Decrease / (Increase) in Other Non Current Financial Assets	(1,203.04)	(204.58)
Decrease / (Increase) in Other Non Current Assets	(116.24)	(83.89)
Increase / (Decrease) in Trade Payables	3,316.40	1,239.57
Increase / (Decrease) in Non Current Financial Liabilities	51.61	13.34
Increase / (Decrease) in Non Current Provisions	450.62	170.37
Increase / (Decrease) in Other Non Current Liabilities	122.68	(13.38)
Increase / (Decrease) in Current Financial Liabilities	188.59	809.68
Increase / (Decrease) in Current Provisions	219.33	953.79
Increase / (Decrease) in Other Current Liabilities	(150.24)	175.05
	<b>(4,407.47)</b>	(3,845.99)
<b>Cash generated from Operations</b>	<b>11,157.21</b>	<b>13,961.19</b>
Income Tax Paid (Net of Refund)	(2,376.51)	(2,730.51)
<b>Net Cash generated from Operating Activities Before Extra Ordinary Items....(A)....</b>	<b>8,780.70</b>	<b>11,230.68</b>
<b>Extraordinary item</b>		
Extraordinary items	-	-
<b>Net Cash generated from Operating Activities (A)</b>	<b>8,780.70</b>	<b>11,230.68</b>

Contd...

## Cash Flow Statement

For the year ended March 31, 2017

... Contd. from previous page

(₹ lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>(B) Cash Flow from Investing Activities</b>		
Payment towards Capital Expenditure	(18,957.27)	(9,768.93)
Sale of Fixed Assets	71.66	35.30
Purchases of Investments	(21.03)	(1,727.76)
Proceeds from sale of Investments	1,650.84	10.00
Bank Balance not considered as Cash & Cash Equivalents	(9.52)	124.63
Interest Received	197.37	63.56
Dividend received on Investments	14.23	0.72
<b>Net Cash used in Investing Activities (B)</b>	<b>(17,053.72)</b>	<b>(11,262.48)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,308.95)	(1,273.56)
Dividend Paid	(241.84)	(3,299.47)
Proceeds from Long Term Borrowings	12,229.50	3,961.00
Repayment of Long Term Borrowings	(711.26)	(725.46)
Proceeds / (Repayment) from Short Term Borrowings	3,272.22	1,354.77
<b>Net Cash inflow / (outflow) from Financing Activities ( C )</b>	<b>13,239.67</b>	<b>17.28</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>4,966.65</b>	<b>(14.52)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>1,025.42</b>	<b>1,039.94</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 5c)</b>	<b>5,992.07</b>	<b>1,025.42</b>

### Notes:

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

As per our Report attached  
For **Patkar & Pendse**  
Chartered Accountants  
Firm Registration No. : 107824W

**B. M. Pendse**  
Partner  
Membership No. 32625

**Sunil D Joshi**  
President (Finance) &  
Company Secretary

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director & CFO  
DIN : 00176613

Mumbai, May 26, 2017



## Statement for Changes in Equity

For the year ended March 31, 2017

### a. Equity Share Capital

(₹ lakhs)

	Note No	Amount
As at April 1, 2015	11a	1,843.01
Changes in Equity Share Capital		—
<b>As at March 31, 2016</b>		<b>1,843.01</b>
Changes in Equity Share Capital		—
<b>As at March 31, 2017</b>		<b>1,843.01</b>

### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Other Equity					Total Other Equity
		Securities Premium Reserve	Capital Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference	Retained Earnings	
<b>Balance as at April 1, 2015</b>	11(b)	<b>6,420.93</b>	<b>0.02</b>	<b>22,817.64</b>	<b>(30.44)</b>	<b>21,681.03</b>	<b>50,889.18</b>
Profit for the year		—	—	—	—	8,228.79	8,228.79
Other comprehensive income for the year		—	—	—	—	(12.69)	(12.69)
<b>Total, Comprehensive income for the year</b>		—	—	—	—	<b>8,216.10</b>	<b>8,216.10</b>
Dividends (including dividend distribution tax of ₹ 562.80 lakhs)		—	—	—	—	(3,327.32)	(3,327.32)
Transfer to General Reserve		—	—	1,500.00	—	(1,500.00)	—
Exchange gain/(loss) on translation during the year		—	—	—	23.68	—	23.68
<b>Balance as at March 31, 2016</b>		<b>6,420.93</b>	<b>0.02</b>	<b>24,317.64</b>	<b>(6.76)</b>	<b>25,069.81</b>	<b>55,801.64</b>
<b>Balance as at April 1, 2016</b>		<b>6,420.93</b>	<b>0.02</b>	<b>24,317.64</b>	<b>(6.76)</b>	<b>25,069.81</b>	<b>55,801.64</b>
Profit for the year		—	—	—	—	7,745.58	7,745.58
Other comprehensive Income for the year		—	—	—	—	12.79	12.79
<b>Total, Comprehensive income for the year</b>		—	—	—	—	<b>7,758.37</b>	<b>7,758.37</b>
Dividends (including dividend distribution tax of ₹ 37.53 lakhs)		—	—	—	—	(221.83)	(221.83)
Transfer to General Reserve		—	—	1,500.00	—	(1,500.00)	—
Exchange gain/(loss) on translation during the year		—	—	—	6.76	—	6.76
<b>Balance as at March 31, 2017</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>—</b>	<b>31,106.35</b>	<b>63,344.94</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to Financial Statements

For the year ended March 31, 2017

## Corporate Information

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

## Note 1: Significant Accounting Policies followed by the Company

### a) Basis of Preparation

#### (i) Compliance with Ind AS

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

These financial statements for the year ended March 31, 2017 are the first financials with comparatives, prepared under Ind AS for all previous periods including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS.

#### (ii) Historical cost convention

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

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

#### (iii) Current non-current classification

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

#### (iv) Rounding of amounts

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

### b) Segment Reporting

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

**c) Foreign Currency Translation**

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

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

**d) Revenue Recognition**

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

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

**Recognising revenue from major business activities**

**(i) Revenue from services**

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

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

**(ii) Sale of goods**

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

**(iii) Sales Return**

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

**(iv) Other operating revenue - Export incentives**

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

**e) Government Grants**

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

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

**f) Income Tax**

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

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

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

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

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

**g) Business Combinations**

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

**h) Cash and Cash Equivalents**

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

**i) Cash Flow Statements**

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

**j) Trade Receivables**

Trade receivables are recognised at fair value

**k) Inventories**

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

**l) Non-Current Assets held for Sale**

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

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

**m) Derivatives and Hedging Activities**

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

## n) **Property, Plant and Equipment**

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

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

### ***Transition to Ind AS***

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

### ***Depreciation methods, estimated useful lives and residual value***

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

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

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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

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

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

**o) Intangible Assets**

**(i) Computer software**

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

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

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

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

**(ii) ANDA / DMFs / Dossiers**

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

**(iii) Amortisation methods and periods**

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

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

**p) Trade and Other Payables**

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

**q) Borrowings**

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

**r) Borrowing Costs**

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

**s) Provisions**

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

**t) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

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

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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



### **Defined Contribution Plans**

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

#### **u) Contributed Equity**

Equity shares are classified as equity.

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

##### **(i) Earnings per Share**

###### ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

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

###### ***Diluted earnings per share***

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

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

##### **(ii) Dividends to shareholders**

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

#### **v) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed in the Note No-32.

### **NOTE 2: Use of Estimates and Judgments**

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

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

## Notes (Standalone) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment

Particulars	Land	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress (CWIP)
<b>Year ended March 31, 2016</b>																	
Opening gross carrying amount as at April 1, 2015	2,117.76	11,922.00	12,425.85	800.87	267.14	4,694.09	1,956.01	4,676.12	2,300.27	1,718.46	485.01	993.48	43.43	2,751.10	411.83	47,563.42	876.79
Additions	-	31.00	741.57	28.71	8.73	1,505.54	0.72	266.30	112.49	211.08	81.66	150.88	-	6.95	53.83	3,199.47	2,709.17
Assets capitalised during the year from CWIP	319.93	734.67	691.37	-	2.39	575.75	-	484.50	99.32	3.62	5.20	14.22	-	73.10	-	3,004.07	(3,004.07)
Assets classified as held for sale (Note 10)	(1.80)	(27.54)	-	-	-	-	-	-	-	-	-	-	-	-	-	(29.34)	-
Disposals	-	-	(103.54)	-	-	-	-	(9.56)	-	-	-	(2.19)	-	-	(57.51)	(172.80)	-
<b>Closing gross carrying amount</b>	<b>2,435.89</b>	<b>12,660.13</b>	<b>13,755.25</b>	<b>829.58</b>	<b>278.26</b>	<b>6,775.38</b>	<b>1,956.73</b>	<b>5,417.36</b>	<b>2,512.08</b>	<b>1,933.16</b>	<b>571.87</b>	<b>1,156.39</b>	<b>43.43</b>	<b>2,831.15</b>	<b>408.15</b>	<b>53,564.81</b>	<b>581.89</b>
<b>Accumulated depreciation</b>																	
Opening accumulated depreciation	121.75	3,151.65	3,444.47	426.83	211.77	1,431.95	1,333.66	1,667.76	1,263.94	878.68	353.56	834.18	42.39	1,067.01	228.82	16,458.42	-
Depreciation charge during the year	29.45	363.28	923.21	47.18	18.16	747.92	372.78	384.31	348.29	170.15	60.82	85.16	-	220.71	36.43	3,807.85	-
Assets classified as held for sale (Note 10)	-	-	(22.71)	-	-	-	-	-	-	-	-	-	-	-	(38.26)	(109.63)	-
Disposals	-	-	(59.97)	-	-	-	-	(9.40)	-	-	-	(2.00)	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>151.20</b>	<b>3,492.22</b>	<b>4,307.71</b>	<b>474.01</b>	<b>229.93</b>	<b>2,179.87</b>	<b>1,706.44</b>	<b>2,042.67</b>	<b>1,612.23</b>	<b>1,048.83</b>	<b>414.38</b>	<b>917.34</b>	<b>42.39</b>	<b>1,287.72</b>	<b>226.99</b>	<b>20,133.93</b>	-
<b>Net carrying amount</b>	<b>2,284.69</b>	<b>9,167.91</b>	<b>9,447.54</b>	<b>355.57</b>	<b>48.33</b>	<b>4,595.51</b>	<b>250.29</b>	<b>3,374.69</b>	<b>899.85</b>	<b>884.33</b>	<b>157.49</b>	<b>239.05</b>	<b>1.04</b>	<b>1,543.43</b>	<b>181.16</b>	<b>33,430.88</b>	<b>581.89</b>
<b>Year ended March 31, 2017</b>																	
Opening gross carrying amount	2,435.89	12,660.13	13,755.25	829.58	278.26	6,775.38	1,956.73	5,417.36	2,512.08	1,933.16	571.87	1,156.39	43.43	2,831.15	408.15	53,564.81	581.89
Additions	514.07	778.27	1,430.56	17.05	18.16	1,261.78	4.41	255.14	3.82	43.30	27.78	147.29	0.40	5.17	142.62	3,201.10	9,783.99
Assets capitalised during the year from CWIP	1,596.01	2,091.28	1,430.56	188.86	63.39	222.86	1.29	105.63	114.99	33.46	8.81	8.05	-	458.90	8.94	6,333.03	(6,333.03)
Disposals	-	-	(50.59)	-	-	(10.22)	(19.79)	(25.34)	-	-	-	-	-	(0.50)	(168.18)	(274.62)	-
<b>Closing gross carrying amount</b>	<b>4,031.90</b>	<b>15,265.48</b>	<b>15,913.49</b>	<b>1,035.49</b>	<b>341.65</b>	<b>8,249.80</b>	<b>1,942.64</b>	<b>5,752.79</b>	<b>2,630.89</b>	<b>2,009.92</b>	<b>608.46</b>	<b>1,311.73</b>	<b>43.83</b>	<b>3,294.72</b>	<b>391.53</b>	<b>62,824.32</b>	<b>4,032.85</b>
<b>Accumulated depreciation and impairment</b>																	
Opening accumulated depreciation	151.20	3,492.22	4,307.71	474.01	229.93	2,179.87	1,706.44	2,042.67	1,612.23	1,048.83	414.38	917.34	42.39	1,287.72	226.99	20,133.93	-
Depreciation charge during the year	32.54	415.07	1,004.52	44.40	48.65	785.77	56.21	413.26	217.19	151.98	50.62	113.00	0.06	220.98	45.15	3,599.40	-
Disposals	-	-	(19.62)	-	-	(7.01)	(18.64)	(13.69)	-	-	-	-	-	(0.34)	(12.519)	(184.49)	-
<b>Closing accumulated depreciation</b>	<b>183.74</b>	<b>3,907.29</b>	<b>5,292.61</b>	<b>518.41</b>	<b>278.58</b>	<b>2,958.63</b>	<b>1,744.01</b>	<b>2,442.24</b>	<b>1,829.42</b>	<b>1,200.81</b>	<b>465.00</b>	<b>1,030.34</b>	<b>42.45</b>	<b>1,508.36</b>	<b>146.95</b>	<b>23,548.84</b>	-
<b>Closing net carrying amount</b>	<b>3,848.16</b>	<b>11,358.19</b>	<b>10,620.88</b>	<b>517.08</b>	<b>63.07</b>	<b>5,291.17</b>	<b>198.63</b>	<b>3,310.55</b>	<b>801.47</b>	<b>809.11</b>	<b>143.46</b>	<b>281.39</b>	<b>1.38</b>	<b>1,786.36</b>	<b>244.57</b>	<b>39,275.48</b>	<b>4,032.85</b>

#### (i) Leased Assets

Land includes the following amounts where the Company is a lessee under a finance lease.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Land			
Cost / Deemed Cost (Gross)	2,227.53	2,154.03	1,841.48
Accumulated Amortisation	(183.74)	(151.20)	(121.75)
<b>Net carrying amount</b>	<b>2,043.79</b>	<b>2,002.83</b>	<b>1,719.73</b>

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

#### (ii) Capital Work in Progress

Capital work in progress mainly comprises :

- Sterile plant at Goa
- New plant at Patalganga
- Regular Capex for new projects

#### (iii) Property, Plant and Equipment pledged as security

Refer to note 35 for information on Property, Plant and equipment pledged as security by the Company.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Intangible Assets**

<i>Particulars</i>	<i>Trade Mark</i>	<i>Computer Software *</i>	<i>Technical Knowhow</i>	<i>ANDAs,DMFs, Dossiers</i>	<i>Total</i>	<i>Intangible Assets under development</i>
<b>Year ended March 31, 2016</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2015	1,032.30	643.83	1.15	7,213.64	<b>8,890.92</b>	<b>3,668.70</b>
Additions	–	210.50	–	–	<b>210.50</b>	<b>2,721.33</b>
Intangible Assets Capitalised	–	–	–	1,492.10	<b>1,492.10</b>	<b>(1,492.10)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>854.33</b>	<b>1.15</b>	<b>8,705.74</b>	<b>10,593.52</b>	<b>4,897.93</b>
<b>Accumulated amortisation</b>						
Opening accumulated depreciation	721.53	537.50	1.09	3,182.76	<b>4,442.88</b>	–
Depreciation charge during the year	77.31	101.26	–	2,076.58	<b>2,255.15</b>	–
<b>Closing accumulated amortisation</b>	<b>798.84</b>	<b>638.76</b>	<b>1.09</b>	<b>5,259.34</b>	<b>6,698.03</b>	–
<b>Net carrying amount</b>	<b>233.46</b>	<b>215.57</b>	<b>0.06</b>	<b>3,446.40</b>	<b>3,895.49</b>	<b>4,897.93</b>
<b>Year ended March 31, 2017</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount	1,032.30	854.33	1.15	8,705.74	<b>10,593.52</b>	<b>4,897.93</b>
Additions	–	291.15	–	–	<b>291.15</b>	<b>3,372.39</b>
Intangible Assets Capitalised	–	–	–	3,240.02	<b>3,240.02</b>	<b>(3,240.02)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,145.48</b>	<b>1.15</b>	<b>11,945.76</b>	<b>14,124.69</b>	<b>5,030.30</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	798.84	638.76	1.09	5,259.34	<b>6,698.03</b>	–
Amortisation charge for the year	48.78	115.55	–	2,562.79	<b>2,727.12</b>	–
<b>Closing accumulated amortisation</b>	<b>847.62</b>	<b>754.31</b>	<b>1.09</b>	<b>7,822.13</b>	<b>9,425.15</b>	–
<b>Closing net carrying amount</b>	<b>184.68</b>	<b>391.17</b>	<b>0.06</b>	<b>4,123.63</b>	<b>4,699.54</b>	<b>5,030.30</b>

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

## Notes (Standalone) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Note 5(a) : Non-current Investments

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unquoted (at Cost) :</b>			
<b>Trade Investment</b>			
<b>In Subsidiary Companies</b>			
(i) Xtend Industrial Designers & Engineers Pvt. Ltd. [25,025 Equity Shares of ₹ 10/- each (Previous Year 25,025 Equity Shares of ₹ 10/- each)]	42.12	42.12	42.12
(ii) Xtend Industrial Designers & Engineers Pvt. Ltd. (Purchase of 20,02,000 7% redeemable non convertible Preference Shares of ₹ 10.00 each and also includes Preference dividend of ₹ 14.01 lakhs which is accrued but not paid, Previous Year - 20,02,000 7% redeemable non convertible Preference Shares of ₹ 10.00 each)	214.21	200.20	–
(iii) Indoco Pharmchem Ltd. [50,000 Shares of ₹ 10 each,(Previous Year - 50,000 Shares of ₹ 10 each)]	5.00	5.00	5.00
(iv) Indoco Remedies Singapore PTE Ltd [10,000 Shares of ₹ 67.73 each & 11,038 Shares of ₹ 63.5385 each, (Previous Year - 10,000 Shares of ₹ 67.73 each)]	13.79	6.77	–
(v) Indoco Analytical Solution LLP (Contribution from Indoco Remedies Ltd.)	4.90	4.90	4.90
	<b>280.02</b>	258.99	52.02
<b>Non-Trade Investment</b>			
<b>Other than Subsidiary Companies</b>			
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	2.00	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	0.10	0.10	0.10
(iii) Shares of Jankalyan Sahakari Bank (opening Balance sheet 1,00,000 shares of ₹ 10 each)	–	–	10.00
	<b>2.10</b>	2.10	12.10
<b>Total, Non Current Investments</b>	<b>282.12</b>	<b>261.09</b>	<b>64.12</b>

### Note 5(a) : Current Investments

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Quoted : (at cost)</b>			
Investment in Mutual Funds			
(i) Reliance Fixed Horizon Fund XXIV Series 2 (g) (Previous Year - 43,83,970.80 units @ ₹ 12.21)	–	559.54	–
Total, Mutual Funds	–	559.54	–
Non convertible Debentures			
(i) ECL Finance Ltd Optn - II NCD (Previous Year - 50,000 NCD of ₹ 1000/- each)	–	650.50	–
(ii) India Infoline Finance Ltd (Previous Year-255 NCD of ₹ 100000/- each)	–	357.94	–
Total, Debentures	–	1,008.44	–
<b>Quoted : (at cost)</b>			
National Spot Exchange	466.47	466.47	466.47
	<b>466.47</b>	<b>466.47</b>	<b>466.47</b>
<b>Total</b>	<b>466.47</b>	<b>2,034.45</b>	<b>466.47</b>
Less : Provision for diminution in value of investment	(466.47)	(466.47)	–
<b>Total, Current Investments</b>	<b>–</b>	<b>1,567.98</b>	<b>466.47</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 5(b) : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
<b>Trade receivables</b>			
<u>Unsecured</u>			
Debts outstanding for more than six months from the date they are due for payment			
Considered Good	5,201.95	2,674.75	2,152.54
Considered Doubtful	434.64	373.04	435.86
	5,636.59	3,047.79	2,588.40
Less: Provision for doubtful debts	(434.64)	(373.04)	(435.86)
	5,201.95	2,674.75	2,152.54
Other Debts - Considered Good	16,371.15	16,097.54	13,211.85
<b>Total, Trade receivables</b>	<b>21,573.10</b>	<b>18,772.29</b>	<b>15,364.39</b>
Current Portion	21,573.10	18,772.29	15,364.39
Non-current Portion	–	–	–

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Secured, considered good	–	–	–
Unsecured, considered good	21,573.10	18,772.29	15,364.39
Considered Doubtful	434.64	373.04	435.86
<b>Total</b>	<b>22,007.74</b>	<b>19,145.33</b>	<b>15,800.25</b>
Allowance for doubtful trade receivables	(434.64)	(373.04)	(435.86)
<b>Total, Trade receivables</b>	<b>21,573.10</b>	<b>18,772.29</b>	<b>15,364.39</b>

Refer Note 27 for information about credit risk and market risk of trade receivables.

**Note 5(c) : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
(i) Cash on hand	21.44	21.61	12.97
(ii) Balances with Banks			
In Current Accounts	834.87	559.98	500.73
In EEFC Accounts	1,424.09	443.83	526.24
In Fixed Deposit	3,711.67	–	–
<b>Total, Cash and Cash Equivalents</b>	<b>5,992.07</b>	<b>1,025.42</b>	<b>1,039.94</b>

<i>Particulars</i>	<i>SBNs (Specified Bank Notes)</i>	<i>Other denomination Notes</i>	<i>Total</i>
Closing cash in hand as on 08.11.2016	9.97	21.11	31.08
(+) Permitted Receipts	–	43.77	43.77
(-) Permitted Payments	–	47.90	47.90
(-) Amount deposited in banks	9.97	–	9.97
Closing cash in hand as on 30.12.2016	–	16.98	16.98

Please note as per Gazette Notification No. S.O. 3407(E)- RBI has recommended that bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees shall be referred to as Specified Bank Notes (SBN).

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**Note 5(d) : Bank Balances Other than Cash & Cash Equivalents**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
In Earmarked Accounts			
Unpaid Dividend Accounts	27.67	47.69	19.86
Fixed Deposits	67.25	44.43	51.01
Margin Accounts	152.68	126.22	285.74
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>247.60</b>	<b>218.34</b>	<b>356.61</b>

**Note 5(e) : Loans**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<u>Unsecured, Considered Good</u>						
Loan to subsidiaries (refer note 32)	99.00	–	99.00	–	127.00	–
Loan to Employees	52.41	137.32	42.81	129.54	21.92	24.20
<b>Total, Loans</b>	<b>151.41</b>	<b>137.32</b>	<b>141.81</b>	<b>129.54</b>	<b>148.92</b>	<b>24.20</b>

**Note 5(f) : Other Financial Assets**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Deposit - Others	–	247.27	–	251.54	–	165.29
Tender Deposits	19.84	24.65	16.68	25.12	21.39	12.13
Mark to Market Gain (Net) on financial instruments	1,271.15	–	239.74	–	436.20	–
Insurance claim receivable	–	–	136.47	–	–	–
Franking Advance	0.20	–	0.33	–	0.26	–
Margin money against L/C	–	1,397.12	–	180.95	–	167.07
<b>Total, Other Financial Assets</b>	<b>1,291.19</b>	<b>1,669.04</b>	<b>393.22</b>	<b>457.61</b>	<b>457.85</b>	<b>344.49</b>

**Notes (Standalone)**  
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**Note 6 : Deferred Tax Assets (Net)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
MAT Credit Entitlement	6,242.20	4,833.21	4,646.32
Deferred Tax (Net)			
Deferred Tax Liability			
i) On fiscal allowances on fixed assets	(4,337.13)	(3,702.69)	(3,379.52)
ii) On deferred Revenue Expenses	(440.31)	(102.41)	(153.44)
	(4,777.44)	(3,805.10)	(3,532.96)
Deferred Tax Assets			
i) On employee benefit obligations	986.81	875.87	424.54
ii) On provision for doubtful debts	150.42	129.10	148.15
iii) On provision for doubtful advances	161.44	161.44	–
iv) On deferred Revenue Expenses	–	1.54	–
	1,298.67	1,167.95	572.69
<b>Total, Deferred Tax Assets (Net)</b>	<b>2,763.43</b>	<b>2,196.06</b>	<b>1,686.05</b>

**Movement in Deferred Tax Assets (Net)**

Particulars	MAT Credit Entitlement	Deferred Tax Assets				Deferred Tax Liabilities			Net Total
		Employee benefit obligation	Provisions	Other Items	Total	Property, Plant and equipment and investment property	Financial assets at fair value through profit or loss	Total	
<b>At April 1, 2015</b>	4,646.32	424.54	148.15	–	572.69	3,379.52	153.44	3,532.96	1,686.05
(Charged)/credited:									
to profit or loss	186.89	458.04	142.39	1.54	601.97	323.17	(51.03)	272.14	516.72
to other comprehensive income	–	(6.71)	–	–	(6.71)	–	–	–	(6.71)
<b>At March 31, 2016</b>	<b>4,833.21</b>	<b>875.87</b>	<b>290.54</b>	<b>1.54</b>	<b>1,167.95</b>	<b>3,702.69</b>	<b>102.41</b>	<b>3,805.10</b>	<b>2,196.06</b>
(Charged)/credited:									
to profit or loss	1,408.99	104.17	21.32	(1.54)	123.95	634.44	337.90	972.34	560.60
to other comprehensive income	–	6.77	–	–	6.77	–	–	–	6.77
<b>At March 31, 2017</b>	<b>6,242.20</b>	<b>986.81</b>	<b>311.86</b>	<b>–</b>	<b>1,298.67</b>	<b>4,337.13</b>	<b>440.31</b>	<b>4,777.44</b>	<b>2,763.43</b>

**Note 7 : Other Non Current Assets**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Advance	3,791.33	1,482.72	554.28
Prepaid Expenses	17.76	5.74	21.45
Sales Tax Receivable	535.64	433.07	335.17
Advance - Others	3.35	1.70	–
<b>Total, Other Non Current Assets</b>	<b>4,348.08</b>	<b>1,923.23</b>	<b>910.90</b>

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**Note 8 : Inventories**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Raw and Packing Materials	<b>8,704.00</b>	7,233.38	6,413.10
Work in Progress	<b>3,350.03</b>	2,404.59	2,089.54
Finished Goods	<b>4,171.51</b>	5,351.36	4,413.54
Stock in Trade	<b>1,476.05</b>	1,085.74	1,226.13
Stores and Spares	<b>802.75</b>	372.22	593.38
<b>Total, Inventories</b>	<b>18,504.34</b>	<b>16,447.29</b>	<b>14,735.69</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories to net realisable value amounted to ₹ 918.43 lakhs (March 31, 2016 – ₹ 820.48 lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

**Note 9 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Advances to Suppliers	<b>791.52</b>	651.51	241.69
Prepaid Expenses	<b>484.37</b>	481.84	391.33
Employee Advances	<b>511.43</b>	841.77	759.69
Receivable - Others	<b>1.08</b>	–	5.92
Balance with Customs, Central Excise Authorities	<b>7,505.91</b>	5,598.24	4,535.14
<b>Total, Other Current Assets</b>	<b>9,294.31</b>	<b>7,573.36</b>	<b>5,933.77</b>

**Note 10 : Assets classified as held for sale**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Land	<b>1.80</b>	1.80	–
Building	<b>4.83</b>	4.83	–
<b>Total, Assets classified as held for sale</b>	<b>6.63</b>	<b>6.63</b>	–

In the year 2015-16, the directors of Indoco Remedies Ltd. decided to sell a factory building located at MIDC Tarapur, Maharashtra, India.



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**Note 11(a) : Equity Share Capital**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Authorised</b>			
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year)	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>
12,50,00,000 Equity Shares of ₹ 2/- each	<u>2,500.00</u>	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued,Subscribed and Paid up:</b>			
9,21,50,355 Equity Share of ₹ 2/- each (Previous year)	<b>1,843.01</b>	1,843.01	1,843.01
9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	<u>1,843.01</u>	<u>1,843.01</u>	<u>1,843.01</u>

A) Reconciliation of number of ordinary shares outstanding	March 31, 2017 Equity Shares		March 31, 2016 Equity Shares		April 1, 2015 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less : Adjustments	-	-	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	9,21,50,355	1,843.01	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2017		March 31, 2016		April 1, 2015	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
<u>Equity Shares with voting rights :</u>						
i) Spa Holdings Pvt Ltd	<b>1,83,35,000</b>	<b>19.90%</b>	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	<b>1,57,71,755</b>	<b>17.12%</b>	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	<b>55,59,013</b>	<b>6.03%</b>	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Anup Ramani	<b>51,84,079</b>	<b>5.63%</b>	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	<b>47,94,714</b>	<b>5.20%</b>	47,74,714	5.18%	47, 74,714	5.18%

C) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2017, the amount of ₹ 1.60 per share on the face value of ₹ 2/- is proposed to be paid to the equity shares holders of the Company. (Previous year ₹ 1.40 declared and paid as Interim Dividend and Final dividend of ₹ 0.20 declared and paid to the equity shareholders of the Company.

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

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**Note 11(b) : Other Equity**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Capital Reserve	0.02	0.02	0.02
Securities Premium Reserve	6,420.93	6,420.93	6,420.93
Foreign Currency Monetary Item Translation Difference a/c	–	(6.76)	(30.44)
General Reserve	25,817.64	24,317.64	22,817.64
Retained Earnings	31,106.35	25,069.81	21,681.03
<b>Total, Other Equity</b>	<b>63,344.94</b>	<b>55,801.64</b>	<b>50,889.18</b>

**(i) Capital Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	0.02	0.02	0.02
Additions	–	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

**(ii) Securities Premium Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	6,420.93	6,420.93	6,420.93
Additions	–	–	–
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>	<b>6,420.93</b>

**(iii) Foreign Currency Monetary Item Translation Difference a/c**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	(6.76)	(30.44)	(30.44)
Transactions during the period	6.76	23.68	–
<b>Closing balance</b>	<b>–</b>	<b>(6.76)</b>	<b>(30.44)</b>

**(iv) General Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	24,317.64	22,817.64	22,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	1,500.00	1,500.00	–
<b>Closing balance</b>	<b>25,817.64</b>	<b>24,317.64</b>	<b>22,817.64</b>

**(v) Retained Earnings**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	25,069.81	21,681.03	24,002.10
Add : Net Profit for the Year	7,745.58	8,228.79	–
Add : Other Comprehensive Income for the year	12.79	(12.69)	–
Amount available for appropriation	32,828.18	29,897.13	24,002.10
Less : Retained Earnings	–	–	953.49
Less : Transferred to General Reserve	(1,500.00)	(1,500.00)	(1,500.00)
Less : Interim Dividend	–	(1,290.11)	–
Less : Dividend Paid	(184.30)	(1,474.41)	(1,474.41)
Less : Dividend Tax	(37.53)	(562.80)	(300.15)
<b>Closing balance</b>	<b>31,106.35</b>	<b>25,069.81</b>	<b>21,681.03</b>

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**Note 12(a) : Non-current borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>				
Term Loans from Banks				
Foreign currency loan -ECB / FCNR(B)	Note No. 12(a)(i)	9,812.32	–	187.50
Indian rupee loan	Note No. 12(a)(ii)	6,275.05	4,857.39	1,234.48
Vehicle Loan from Bank	Note No. 12(a)(iii)	30.52	37.45	–
Interest accrued but not due	Note No. 12(c)	55.48	37.94	33.32
		<b>16,173.37</b>	<b>4,932.78</b>	<b>1,455.30</b>
<b>Unsecured</b>				
Term Loan from Others				
Foreign currency loan -ECB	Note No. 12(a)(iv)	–	364.33	687.50
		<b>–</b>	<b>364.33</b>	<b>687.50</b>
<b>Total, Non Current Borrowings</b>		<b>16,173.37</b>	<b>5,297.11</b>	<b>2,142.80</b>
Less: Current maturities of long-term debt (included in note 12(c))		(2,886.92)	(1,470.64)	(831.29)
Less: Interest accrued (included in note 12(c))		(55.48)	(37.94)	(33.32)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>13,230.97</b>	<b>3,788.53</b>	<b>1,278.19</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year. The principal repayment of the loan has been partly hedged through call spread options.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211 , Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205.

Contd.

**Notes (Standalone)**  
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**Note 12(a) : Non-current borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(i)	Standard Chartered Bank Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	GBP 61,00,000.00 The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year. The principal repayment of the loan has been partly hedged through call spread options. 5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.
12(a)(i)	DBS Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	USD 45,00,000 The ECB is Repayable in 15 quarterly installments of USD 300,000 each commencing from November 08, 2011, ending on May 8, 2015. The amount is payable in the month of February, May, August, and November of each year. The loan has since been repaid. 5.05 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by Charge on Present & future movable fixed assets and Equitable mortgage of Land and Building at Plot No. B -20, M. I. D. C. , Waluj, Aurangabad.
12(a)(ii)	IDBI Bank Ltd Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	₹ 4,00,00,000/- The Term Loan is Repayable in 16 quarterly installments of ₹ 25,00,000/- each commencing from March 1, 2015 ending on December 1, 2018. The loan has been prepaid in full during the year. 11.75 % p.a. Primary : First and Exclusive charge over the assets (Kilolab) created at Rabale, MIDC, Thane Belapur Road, Navi Mumbai 400 701, out of the sanctioned term loan. Collateral : First Pari Passu Charge on the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701 ( Excluding charge on assets offered as security to The Saraswat Co-op Bank Limited )

Contd.

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**Note 12(a) : Non-current borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(ii)	Saraswat Co-op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 10,00,00,000/- The Term Loan is Repayable in 59 equal monthly installments of ₹ 16,67,000/- each and 60 th installment of ₹ 16,47,000/-commencing from August 16, 2014 ending on July 16, 2019. The loan has been prepaid in full during the year. 11% p.a. Primary : First and Exclusive charge over the assets created at Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701, out of the sanctioned term loan (Analytical Method Development department, 2nd Floor). Collateral : First Pari Passu Charge on the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701 (Excluding charge on assets offered as security to The IDBI Bank Limited)
12(a)(ii)	Saraswat Co-op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 35,00,00,000/- Amount disbursed ₹ 20,00,00,000/- The Term Loan is Repayable in 57 equal monthly installments of ₹ 33,33,300/- each ending on December 19 , 2021 9% p.a. Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
12(a)(ii)	Citi Bank Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 50,00,00,000/- The Term Loan is Repayable in 16 equal quarterly installments of ₹ 3,12,50,000/- each and commencing from October 22, 2016 ending on July 20, 2020 9.50 % p.a. The loan is secured by Present and future moveable fixed assets located at Goa Plant I - L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & Goa Plant II - L-32/33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722
12(a)(iii)	Vehicle Loan Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 41,00,000/- The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020 9.71 % p.a. The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

Contd.

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**Note 12(a) : Non-current borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(iv)	Watson Pharmaceuticals Inc. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	USD 1,100,000 The ECB is Repayable in 4 quarterly installments of USD 275,000 each commencing from December 31, 2015, ending on September 30, 2016. The amount is payable in the month of March, June, September, and December of each year. Since repaid. LIBOR + 100 bps The Loan is Unsecured

**Note 12(b) : Current borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured (Refer Note below)</b>				
Loans from Banks				
Cash Credit Facility	Note No. 12(b)(i)	2,785.73	2,859.26	2,727.24
Foreign Currency Export Packing Credit	Note No. 12(b)(ii)	2,000.00	1,579.49	1,500.00
Packing Credit in Rupee	Note No. 12(b)(iii)	–	–	300.00
Working Capital Demand Loan	Note No. 12(b)(iv)	500.00	–	–
Interest accrued	Note No. 12(c)	37.73	23.62	10.30
<b>Unsecured</b>				
Loans from Banks				
Cash Credit Facility	Note No. 12(b)(i)	–	–	361.89
Foreign Currency Export Packing Credit	Note No. 12(b)(ii)	1,212.34	784.13	–
Packing Credit in Rupee	Note No. 12(b)(iii)	–	–	400.00
Working Capital Demand Loan	Note No. 12(b)(iv)	1,900.00	2,100.00	1,000.00
Short Term Loan	Note No. 12(b)(v)	3,400.00	1,300.00	1,000.00
<b>Total, Current borrowings</b>		<b>11,835.80</b>	<b>8,646.50</b>	<b>7,299.43</b>
Less: Interest accrued (included in note 12(c))		–	–	–
<b>Total, Current borrowings (as per balance sheet)</b>		<b>11,835.80</b>	<b>8,646.50</b>	<b>7,299.43</b>

Note : Cash Credit, Foreign Currency Export Packing Credit, Packing Credit in Rupee and Working Capital Demand Loan facilities are part of Working Capital facilities availed from various Banks and are secured by hypothecation by way of first pari passu charge on all its stocks and book debts.

Note No.	Type of Loan	Repayment and Rate of Interest
12(b)(i)	Cash Credit Facility	Is repayable on demand and carries interest @ 11 % p.a. to 11.50 % p.a. (Previous year @ 10.20 % p.a. to 12% p.a.)
12(b)(ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 50 bps to 60 bps. (Previous year LIBOR + 50 bps to 60 bps)
12(b)(iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest NIL (Previous Year @ 9.65% p.a. to 9.75% p.a.)
12(b)(iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 8.05 % p.a. to 9.10 % p.a. (Previous year @ 9.10 % p.a. to 9.35 % p.a.)
12(b)(v)	Short Term Loan	Is repayable on demand and carries interest @ 8.15 % p.a. to 9.10 % p.a. (Previous year @ 9.30 % p.a. to 10.10% p.a.)

**Notes (Standalone)**  
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**Note 12(c) : Other Financial Liabilities**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Secured</b>						
Term Loans from Banks						
Indian Rupee loan	1,650.00	–	1,099.28	–	300.04	–
Vehicle Loan	10.38	–	7.03	–	–	–
Foreign Currency loan -ECB / FCNR(B)	1,226.54	–	–	–	187.50	–
Interest accrued	55.48	–	37.94	–	33.32	–
Unclaimed Dividends	27.67	–	47.69	–	19.86	–
<b>Unsecured</b>						
Term Loans from Banks						
Foreign Currency loan -ECB	–	–	364.33	–	343.75	–
Security Deposit Payable	–	697.18	–	646.62	–	632.94
Deposit Others	–	1.06	–	–	–	0.34
Other Current Liabilities	3,872.65	–	3,658.85	–	2,853.03	–
<b>Total, Other financial liabilities</b>	<b>6,842.72</b>	<b>698.24</b>	<b>5,215.12</b>	<b>646.62</b>	<b>3,737.50</b>	<b>633.28</b>

**Note 12(d) : Trade Payables**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade payables			
Acceptances	733.25	766.20	640.34
Other than Acceptances	15,684.13	12,335.14	11,222.49
<b>Total, Trade Payables</b>	<b>16,417.38</b>	<b>13,101.34</b>	<b>11,862.83</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Provisions**

<i>Particulars</i>	<i>March 31, 2017</i>		<i>March 31, 2016</i>		<i>April 1, 2015</i>	
	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>
Leave Obligations (refer note 25)	173.23	679.31	115.73	490.88	86.38	443.17
Gratuity (refer note 25)	–	1,103.62	–	860.99	–	718.92
Bonus	895.24	–	1,057.12	–	265.41	–
Sales Return	1,849.70	–	1,525.99	–	1,393.26	–
<b>Total, Provisions</b>	<b>2,918.17</b>	<b>1,782.93</b>	<b>2,698.84</b>	<b>1,351.87</b>	<b>1,745.05</b>	<b>1,162.09</b>

- (i) Information about provision for sale return and significant estimates:-

When a customer has a right to return the product within a given period, the Company recognises a provision for returns ₹ 1,808.64 lakhs as at March 31, 2017 (March 31, 2016 - ₹ 1,513.62 lakhs, April 1, 2015 - ₹ 1,393.25 lakhs). This is measured based on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movement in provision for Sales Return

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2016</b>	<b>1,525.99</b>
Charged/(credited) to profit or loss	
provision for current year	1,808.64
provision of earlier years reversed	(1,484.93)
<b>As at March 31, 2017</b>	<b>1,849.70</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 14 : Current Tax Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	–	–	151.38
Add : Current Tax payable for the year	–	–	3,061.12
Less : Taxes paid (net)	–	–	(2,467.74)
Add/Less : Assessment Completed / Adjustments	–	–	(238.67)
<b>Closing balance</b>	<b>–</b>	<b>–</b>	<b>506.09</b>

**Note 14 : Current Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	<b>10.36</b>	(506.09)	–
Add : Taxes paid (net)	<b>2,376.51</b>	2,730.51	–
Less : Current Tax payable for the year	<b>(1,962.13)</b>	(2,198.30)	–
Add/Less : Assessment Completed / Adjustments	–	(15.76)	–
<b>Closing balance</b>	<b>424.74</b>	<b>10.36</b>	<b>–</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Income Tax Assets	<b>424.74</b>	10.36	–
Income Tax Liabilities	–	–	(506.09)
<b>Net current income tax assets / (liability) at the end</b>	<b>424.74</b>	<b>10.36</b>	<b>(506.09)</b>

**Note 15 : Other Liabilities**

<i>Particulars</i>	<i>March 31, 2017</i>		<i>March 31, 2016</i>		<i>April 1, 2015</i>	
	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>
Advance Received	–	<b>420.00</b>	–	265.00	–	250.00
Car Sale Advance	<b>34.50</b>	<b>24.67</b>	39.96	56.99	6.19	85.37
Statutory Dues	<b>330.22</b>	–	475.00	–	333.72	–
<b>Total, Other Liabilities</b>	<b>364.72</b>	<b>444.67</b>	<b>514.96</b>	<b>321.99</b>	<b>339.91</b>	<b>335.37</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 16 : Revenue from Operations**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Sale of Product		
Domestic Sales	60,983.71	56,220.98
Export Sales	38,955.67	35,844.87
	99,939.38	92,065.85
Sale of Services		
Export Services	6,112.98	5,623.90
Domestic Services	613.02	389.81
	6,726.00	6,013.71
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,175.91	1,027.54
Export Incentives	1,551.18	1,351.71
Scrap Sale	13.84	17.07
	2,740.93	2,396.32
<b>Total, Revenue from Operations (Gross)</b>	<b>1,09,406.31</b>	<b>1,00,475.88</b>

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the Company recognises a provision for returns ₹ 1,808.64 lakhs as at March 31, 2017 (March 31, 2016 - ₹ 1,513.62 lakhs, April 1, 2015 - ₹ 1,393.25 lakhs). This is measured based on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Note 17 : Other Income**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Interest Received	233.27	63.80
Sundry Balance w/back	0.35	1.07
Sundry Receipts	68.26	50.28
Dividend Received	14.23	0.72
Profit on Sale of Fixed Assets	14.60	4.53
Profit on Sale of Investment	82.86	–
Fair Value of Investment	–	47.20
<b>Total, Other income</b>	<b>413.57</b>	<b>167.60</b>

**Notes (Standalone)**  
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**Note 18 : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Cost of Material Consumed		
Opening Stock	7,233.38	6,413.10
Add : Purchases	31,748.56	31,121.53
Less : Closing Stock	(8,704.00)	(7,233.38)
	30,277.94	30,301.25
Purchase of Stock in Trade	8,038.51	5,608.09
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	5,351.36	4,413.54
Op.Stock - Stock in Trade	1,085.74	1,226.13
Op.Stock - WIP	2,404.59	2,089.54
	8,841.69	7,729.21
Inventories at the end of the year		
Cl.Stock - Finished Goods	(4,171.51)	(5,351.36)
Cl.Stock - Stock in Trade	(1,476.05)	(1,085.74)
Cl.Stock - WIP	(3,350.03)	(2,404.59)
	(8,997.59)	(8,841.69)
Net (Increase) / Decrease	(155.90)	(1,112.48)
<b>Total, Cost of material consumed</b>	<b>38,160.55</b>	<b>34,796.86</b>

**Note 19 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Salaries, Wages and Bonus	18,096.56	15,840.78
Contribution to Provident and Other Funds	1,535.12	1,267.09
Staff Welfare Expenses	1,973.11	1,032.87
<b>Total, Employee benefits expense</b>	<b>21,604.79</b>	<b>18,140.74</b>

**Note 20 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
R&D Employee Cost	1,999.46	1,564.62
Other R&D Expenses	3,171.58	2,753.25
<b>Total, Research &amp; development expenses</b>	<b>5,171.04</b>	<b>4,317.87</b>

**Note 21 : Depreciation and Amortisation Expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Depreciation of Property, Plant and Equipment	3	3,599.40	3,807.85
Amortisation of Intangible Assets	4	2,727.12	2,255.15
<b>Total, Depreciation and amortisation expenses</b>		<b>6,326.52</b>	<b>6,063.00</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 22 : Other Expenses**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Consumable Stores	269.72	173.24
Job Work Charges	814.99	599.03
Power and Fuel	2,312.39	2,172.36
Rent, Rates, Taxes	491.87	431.71
Insurance	188.35	142.76
Repairs :		
Building	98.83	116.09
Plant and Machinery	664.86	632.67
Others	1,135.30	1,211.78
	1,898.99	1,960.54
Packing and Delivery Expenses	3,070.25	2,962.41
Analytical Expenses	1,456.03	1,429.51
Turnover and Additional Tax	364.44	334.71
Advertising and Sales Promotion Expenses	4,188.06	2,944.36
Commission and Incentives on sales	2,769.88	2,309.82
Travelling, Conveyance and Motor Car Expenses	6,248.58	5,366.01
Legal and Professional Fees	793.80	422.09
Director's Sitting Fees	12.40	7.65
Postage, Telephone and Telex Expenses	323.34	287.29
Printing and Stationery Expenses	482.88	602.23
Payments to Auditors (refer note no. 22(a))	9.60	9.20
Loss on sale of Assets	33.06	32.41
Provision for Doubtful Debts	258.32	183.78
Provision for Diminution in value of Investment	-	466.47
Bad Debts written off		
Bad Debts written off	197.96	274.69
Less : Transfer from Provision for Doubtful Debts	(196.72)	(246.60)
	1.24	28.09
Corporate Social Responsibility (refer note no. 22(b))	221.83	88.63
Miscellaneous Expenses	2,597.35	3,226.74
<b>Total, Other expenses</b>	<b>28,807.37</b>	<b>26,181.04</b>

**Note 22(a) : Details of Payments to Auditors**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	6.00	6.00
Tax Audit Fees	2.75	3.00
<b>In other capacities :</b>		
Company law matters	0.35	-
Certification fees	0.50	0.20
<b>Total, Payment to Auditors</b>	<b>9.60</b>	<b>9.20</b>

**Notes (Standalone)**  
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**Note 22(b) : Corporate Social Responsibility Expenditure**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>Contribution to :</b>		
Promoting Education	152.29	49.90
Project for beds with Mattresses	–	14.42
Preventive Healthcare	36.00	–
Sponsorship of Food Distribution vehicle	17.10	–
Paediatric Physiotherapy Center	7.18	–
Plantation of trees	6.10	19.12
Machines for Vocational Training	1.28	2.00
Sponsorship	0.85	0.05
Preventive Sanitation	1.03	–
Cancer Treatment	–	3.00
Folding canes for Blind	–	0.14
<b>Total</b>	<b>221.83</b>	<b>88.63</b>
Amount required to be spent as per Section 135 of the Act *	252.93	153.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	221.83	88.63

\* Includes an amount of ₹ 64.36 Lakhs b/f from FY 2015-2016

**Note 23 : Finance Cost**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Interest Expense	1,664.43	1,109.56
Other Financial charges	119.77	101.84
Exchange Gain / Loss (Net)	(859.94)	181.53
	<b>924.26</b>	<b>1,392.93</b>
Less : Amount capitalised (see note below)	(308.22)	(177.97)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>616.04</b>	<b>1,214.96</b>

Note : Finance Cost incurred on various projects till the date of their completion is capitalised.

**Notes (Standalone)**  
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**Note 24 : Income Tax Expense**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>(a) Income tax expense</b>		
Current Tax	1,962.13	2,198.30
Deferred tax	841.62	(323.11)
MAT Credit Adjustments	(1,408.99)	(186.89)
Total deferred tax expense/(benefit)	(567.37)	(510.00)
Tax in respect of earlier years	–	5.21
<b>Income Tax expense</b>	<b>1,394.76</b>	<b>1,693.51</b>
Income tax expense is attributable to:		
Profit from continuing operations	1,394.76	1,693.51
Profit from discontinued operation	–	–
	<b>1,394.76</b>	<b>1,693.51</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Profit from continuing operations before income tax expense	9,133.57	9,929.01
Profit from discontinuing operation before income tax expense	9,133.57	9,929.01
<b>Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)</b>	<b>3,160.95</b>	<b>3,436.23</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35 (2ab)	(1,206.31)	(1,095.69)
Effect of non-deductible expenses	228.50	(476.97)
Other items	3.34	11.62
Adjustments for current tax of prior periods	–	5.21
Adjustments of MAT of Previous period	(791.71)	(186.89)
<b>Income tax expense</b>	<b>1,394.76</b>	<b>1,693.51</b>

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 25 : Employee Benefit Obligations**

As required by IND AS 19 'Employee benefits' the disclosures are as under :

**(i) Leave obligations**

The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 173.23 lakhs (March 31, 2016 – ₹ 115.73 lakhs, April 1, 2015 – ₹ 86.38 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Current leave obligations expected to be settled within the next 12 months	<b>151.23</b>	101.04	73.81

**(ii) Post-employment obligations**

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**(iii) Defined contribution plans**

a. Provident Fund

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1,119.77 lakhs (March 31, 2016 – ₹ 968.11 lakhs).

b. Superannuation

The Company contributed ₹ 61.72 lakhs (March 31, 2016 - ₹ 49.83 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

*Contd.*

**Notes (Standalone)**  
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**Note 25 : Employee Benefit Obligations : Contd.**

**Balance sheet amounts – Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2015</b>	<b>1,059.54</b>	<b>(340.62)</b>	<b>718.92</b>
Current service cost	159.64	–	159.64
Interest expense/(income)	84.76	(27.25)	57.51
<b>Total, Amount recognised in profit or loss</b>	<b>244.40</b>	<b>(27.25)</b>	<b>217.15</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	9.53	9.53
(Gain)/loss from change in financial assumptions	45.42	–	45.42
Experience (gains)/losses	(35.54)	–	(35.54)
<b>Total, Amount recognised in other comprehensive income</b>	<b>9.88</b>	<b>9.53</b>	<b>19.41</b>
Employer contributions	–	(94.49)	(94.49)
Benefit payments	(85.65)	85.65	–
<b>March 31, 2016</b>	<b>1,228.17</b>	<b>(367.18)</b>	<b>860.99</b>

	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2016</b>	<b>1,228.17</b>	<b>(367.18)</b>	<b>860.99</b>
Current service cost	202.70	–	202.70
Interest expense/(income)	97.76	(29.23)	68.53
<b>Total, Amount recognised in profit or loss</b>	<b>300.46</b>	<b>(29.23)</b>	<b>271.23</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	11.35	11.35
(Gain)/loss from change in financial assumptions	42.93	–	42.93
Experience (gains)/losses	(73.83)	–	(73.83)
<b>Total, Amount recognised in other comprehensive income</b>	<b>(30.90)</b>	<b>11.35</b>	<b>(19.55)</b>
Employer contributions	–	(9.05)	(9.05)
Benefit payments	(88.26)	88.26	–
<b>March 31, 2017</b>	<b>1,409.47</b>	<b>(305.85)</b>	<b>1,103.62</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Present value of funded obligations	<b>1,409.47</b>	1,228.17	1,059.54
Fair value of plan assets	<b>(305.85)</b>	(367.18)	(340.62)
<b>Deficit of funded plan</b>	<b>1,103.62</b>	<b>860.99</b>	<b>718.92</b>
Unfunded plans	–	–	–
<b>Deficit of gratuity plan</b>	<b>1,103.62</b>	<b>860.99</b>	<b>718.92</b>

Contd.



**Notes (Standalone)**  
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**Note 25 : Employee Benefit Obligations : Contd.**

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.7%	8.0%	8.0%
Inflation	2.0%	2.0%	2.0%
Salary growth rate	5.0%	5.0%	5.0%

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	1%	1%	-	-	135.12	115.33
Discount rate	-1%	-1%	160.20	136.11	-	-
Salary growth rate	1%	1%	162.94	138.85	-	-
Salary growth rate	-1%	-1%	-	-	139.48	119.36
Attrition rate	1%	1%	33.02	32.09	-	-
Attrition rate	-1%	-1%	-	-	38.66	37.27

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plans assets are as follows:**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Gratuity :</b>			
<b>Unquoted</b>			
Insurance fund	305.85	367.18	340.62
<b>Total</b>	<b>305.85</b>	<b>367.18</b>	<b>340.62</b>

**(vii) Maturity profile of projected benefit obligation (from fund) :**

	March 31, 2017	March 31, 2016
1st following year	83.24	81.58
2nd following year	50.41	48.01
3rd following year	99.39	53.42
4th following year	93.11	101.32
5th following year	130.29	84.76
Sum of years 6 to 10	501.79	496.34

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 26 : Fair Value Measurement**

Financial instruments by category	March 31, 2017		March 31, 2016		April 1, 2015	
	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity instruments	2.10		2.10		12.10	
Mutual funds	–		1,567.98		466.47	
Trade receivables		21,573.10		18,772.30		15,364.39
Non Current Other Financial assets		1,669.04		457.61		344.49
Cash and cash equivalents		5,992.07		1,025.42		1,039.94
Bank balances other than cash and cash equivalents		247.60		218.34		356.62
Current Other Financial Assets		1,291.19		393.22		457.84
<b>Total, Financial Assets</b>	<b>2.10</b>	<b>30,773.00</b>	<b>1,570.08</b>	<b>20,866.89</b>	<b>478.57</b>	<b>17,563.28</b>
<b>Financial Liabilities</b>						
Bank Borrowings		28,009.17		13,943.60		9,442.23
Non Current Other Financial Liabilities		698.23		646.62		633.28
Current Other Financial Liabilities		3,900.32		3,706.54		2,872.89
Trade Payables		16,417.38		13,101.34		11,862.83
<b>Total, Financial Liabilities</b>	<b>–</b>	<b>49,025.10</b>	<b>–</b>	<b>31,398.10</b>	<b>–</b>	<b>24,811.23</b>

**Fair value hierarchy**

Level 1 :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Contd.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 26 : Fair Value Measurement : Contd.**

Financial assets and liabilities measured at fair value	March 31, 2017			March 31, 2016			April 1, 2015		
	Level			Level			Level		
	I	II	III	I	II	III	I	II	III
<b>Financial Assets</b>									
Investments									
Equity instruments	2.10	–	–	2.10	–	–	12.10	–	–
Mutual funds	–	–	–	1,567.98	–	–	466.47	–	–
Trade receivables	–	–	21,573.10	–	–	18,772.30	–	–	15,364.39
Non Current Other Financial assets	–	–	1,669.04	–	–	457.61	–	–	344.49
Cash and cash equivalents	–	–	5,992.07	–	–	1,025.42	–	–	1,039.94
Bank balances other than cash and cash equivalents	–	–	247.60	–	–	218.34	–	–	356.62
Current Other Financial Assets	–	–	1,291.19	–	–	393.22	–	–	457.84
<b>Total, Financial Assets</b>	<b>2.10</b>	<b>–</b>	<b>30,773.00</b>	<b>1,570.08</b>	<b>–</b>	<b>20,866.89</b>	<b>478.57</b>	<b>–</b>	<b>17,563.28</b>
<b>Financial Liabilities</b>									
Bank Borrowings	–	–	28,009.17	–	–	13,943.60	–	–	9,442.23
Non Current Other Financial Liabilities	–	–	698.23	–	–	646.62	–	–	633.28
Current Other Financial Liabilities	–	–	3,900.32	–	–	3,706.54	–	–	2,872.89
Trade Payables	–	–	16,417.38	–	–	13,101.34	–	–	11,862.83
<b>Total, Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>49,025.10</b>	<b>–</b>	<b>–</b>	<b>31,398.10</b>	<b>–</b>	<b>–</b>	<b>24,811.23</b>

**Note: 27 - Financial Risk Management**

**Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Contd.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Financial Risk Management : Contd.**

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Short Term Borrowings	<b>11,835.80</b>	8,646.50	7,299.43
Long Term Borrowings	<b>16,173.37</b>	5,297.11	2,142.80
Total Borrowings	<b>28,009.17</b>	<b>13,943.61</b>	<b>9,442.23</b>
% of Borrowings out of above bearing variable rate of Interest	<b>42.26%</b>	62.01%	77.31%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on profit before tax**

	<i>2016-17</i>	<i>2015-16</i>
50 BPS increase would decrease the profit before tax by	<b>59.18</b>	43.23
50 BPS decrease would increase the profit before tax by	<b>(59.18)</b>	(43.23)

**Market Risk- Foreign currency risk.**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.

The Company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF which exposes the Company to foreign currency risk to minimise the risk of imports, the Company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

*Contd.*

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 27 : Financial Risk Management : *Contd.*

**Derivative instruments and unhedged foreign currency exposure**

(a) **Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

Particulars	March 31, 2017		March 31, 2016		March 31, 2015	
	Currency	Amount	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	116.15	USD	48.25	USD	29.75
Forward Contract to Buy USD	USD	13.50	USD	17.00	USD	16.00
Forward Contract to Sell EURO	EURO	90.80	EURO	27.75	EURO	12.87
Forward Contract to BUY EURO	EURO	-	EURO	-	Euro	-
Forward Contract to Sell GBP	GBP	81.75	GBP	21.25	GBP	25.04
Forward Contract to BUY GBP	GBP	15.70	GBP	2.00	GBP	-
Swaps						
FCNR ( B)	USD	74.74	USD	-	USD	-
ECB	USD	-	USD	-	USD	3.00
ECB	GBP	61.00	GBP	-	GBP	-

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) **Particulars of foreign currency exposures as at the reporting date**

As at March 31, 2017

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	145.50	50.52	57.97	7.35
Trade Payables	2.47	-	-	-
Loans Taken - Short Term & long Term	99.24	5.00	76.70	-
Cash & Bank Balances	15.17	3.47	2.47	-

As at March 31, 2016

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	116.81	46.56	31.36	1.27
Trade Payables	3.29	-	-	-
Loans Taken - Short Term & long Term	22.50	-	13.00	-
Cash & Bank Balances	2.70	0.09	2.72	-

*Contd.*

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Financial Risk Management : Contd.**

As at March 31, 2015

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	123.94	32.90	24.18	5.01
Trade Payables	11.64	-	-	-
Loans Taken - Short Term & long Term	46.00	-	-	-
Cash & Bank Balances	8.27	0.07	0.05	-

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in Foreign currency would have following Impact on profit before tax

Particulars	2016-17		2015-16	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	51.15	(51.15)	96.54	(96.54)
EURO	15.10	(15.10)	37.34	(37.34)
GBP	(3.24)	3.24	5.03	(5.03)
AUD	7.71	(7.71)	1.33	(1.33)
CHF	(2.03)	2.03	(0.70)	0.70
Increase / (Decrease) in profit or loss	68.69	(68.69)	139.54	(139.54)

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Contd.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Financial Risk Management : Contd.**

**Ageing of Account receivables**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Not due	<b>10,800.37</b>	10,174.65	9,049.11
0-3 Months	<b>4,179.09</b>	4,860.41	3,860.11
3 - 6 Months	<b>1,391.71</b>	1,062.48	302.64
6 Months and above	<b>5,636.57</b>	3,047.79	2,588.39
<b>Total</b>	<b>22,007.74</b>	<b>19,145.33</b>	<b>15,800.25</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Provision	<b>373.04</b>	435.86	177.48
Add :- Additional provision made	<b>258.32</b>	183.78	392.18
Less : - Provision written off	<b>196.72</b>	246.60	133.80
Closing Provisions	<b>434.64</b>	<b>373.04</b>	<b>435.86</b>

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Floating Rate			
Expiring within one year (Cash Credit and other facilities)	<b>6,461.91</b>	4,685.22	5,654.42
Expiring beyond one year (bank loans)	-	-	-

The borrowing facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in future.

*Contd.*

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
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Note 27 : Financial Risk Management : *Contd.*

(ii) Maturity patterns of Borrowings

Particulars	March 31, 2017				March 31, 2016			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	2,942.40	13,230.97	-	16,173.37	1,508.58	3,788.53	-	5,297.11
<b>Short term borrowings</b>	11,835.80	-	-	11,835.80	8,646.50	-	-	8,646.50
<b>Total</b>	14,778.20	13,230.97	-	28,009.17	10,155.08	3,788.53	-	13,943.61

(iii) Maturity Patterns of other Financial Liabilities

March 31, 2017	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,356.21	30.19	485.89	15,872.29
Payable related to Capital goods	429.57	55.67	59.85	545.09
Other Financial liability (Current and Non Current)	4,370.89	415.09	2,754.98	7,540.96
<b>Total</b>	20,156.67	500.95	3,300.72	23,958.34

March 31, 2016	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	12,181.90	92.18	487.31	12,761.39
Payable related to Capital goods	206.24	71.63	62.08	339.95
Other Financial liability (Current and Non Current)	4,008.69	257.17	1,595.88	5,861.74
<b>Total</b>	16,396.83	420.98	2,145.27	18,963.08

April 1, 2015	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	11,667.13	-	-	11,667.13
Payable related to Capital goods	195.70	-	-	195.70
Other Financial liability (Current and Non Current)	3,168.72	75.01	1,127.05	4,370.78
<b>Total</b>	15,031.55	75.01	1,127.05	16,233.61



**Notes (Standalone)**  
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**Note 28 : Capital Management**

**(a) Risk management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The Company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Net Debt	22,017.10	12,918.18	8,402.30
Total equity	65,187.95	57,644.65	52,732.19
<b>Net debt to equity ratio</b>	<b>33.8%</b>	<b>22.4%</b>	<b>15.9%</b>

**(b) Dividends**

Particulars	March 31, 2017	March 31, 2016
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2016 of ₹ 0.20 (March 31, 2015 – ₹ 1.60) per fully paid share	184.30	1,474.41
Interim dividend for the year ended March 31, 2017 - NIL (March 31, 2016 - ₹ 1.40) per fully paid share	–	1,290.11
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.60 per fully paid equity share (March 31, 2016 – ₹ 0.20). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,474.41	184.30

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Segment Information**

**(a) Description of segments and principal activities**

The Company has only one reporting segment of its business i.e. Pharmaceutical, wherein the Company's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the Company's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

Particulars	March 31, 2017	March 31, 2016
<b>Total adjusted EBITDA</b>	<b>15,662.56</b>	<b>17,039.37</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2017	March 31, 2016
<b>Total adjusted EBITDA</b>		<b>15,662.56</b>	<b>17,039.37</b>
Finance costs	23	616.04	1,214.96
Other Income	17	(413.57)	(167.60)
Depreciation and amortisation expense	21	6,326.52	6,063.00
<b>Profit before income tax from continuing operations</b>		<b>9,133.57</b>	<b>9,929.01</b>

**(c) Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

Particulars	March 31, 2017			March 31, 2016		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	61,596.73	45,068.65	1,06,665.38	56,610.80	41,468.77	98,079.57
Non Current Assets (*)	57,386.27	-	57,386.27	44,729.40	-	44,729.40

\* Excluding financial assets, deferred & current tax assets

**Product :**

Particulars	March 31, 2017	March 31, 2016
Revenue from Product	99,939.38	92,065.85
Revenue from Services	6,726.00	6,013.72
<b>Total, Revenue</b>	<b>1,06,665.38</b>	<b>98,079.57</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
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**Note 30 : Events occurring after the reporting period**

**Other events**

Refer to note 28 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 31 : Earnings Per Share**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit for the year	7,745.58	8,228.79
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
<b>Basic &amp; Diluted Earnings per share (₹ 2/-)</b>	<b>8.40</b>	<b>8.93</b>

**Notes 32:**

Contingent Liabilities not provided for:

(₹ In lakhs)

	<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>
A)	Matters under dispute		
i)	Sales Tax (₹ 210.79 lakhs has been paid under protest Previous year ₹ 172.16 lakhs) **	441.79	441.79
ii)	Excise / Service Tax ***	640.78	643.49
iii)	Income Tax *	15.72	21.12
B)	Bank Guarantees	205.00	65.00
C)	Letters of Credit	2,242.57	586.16
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 3,734.47 lakhs (Previous year ₹ 1,770.05 lakhs)	4,911.15	6,023.49
E)	Corporate Guarantee given to Bank on behalf of the Subsidiary	200.00	200.00

**Legal Case –**

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

The Company has filed case against a Stockiest under Section 138 under Negotiable Instruments Act 1881 for Cheque Bounce of ₹ 1.50 Lakhs.

A CFA has filed a case against the Company for recovery of the amount adjusted against credit note of ₹ 1.49 lakhs the Company has disputed the Claim.

Contd.

## Notes (Standalone) on financial statements for the year ended March 31, 2017

Notes 32: *Contd.*

**\* Income Tax demand comprises of**

- a) TDS of ₹ 15.72 Lakhs (Previous year – ₹ 21.12 Lakhs ) for Short Deduction appearing in traces.

**\*\* Sales Tax demand comprises of**

- a) ₹ 421.58 Lakhs (Previous year – ₹ 421.58 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Company has filed an appeal before High Court which is yet to be heard.
- b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs ) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Commissioner

**\*\*\*Excise tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) Appeal pending before CESTAT for classification dispute ₹ NIL (Previous year – ₹ 2.71 Lakhs).
- d) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.
- e) Company has Filed an appeal before CESTAT for valuation of physician sample ₹1.25 Lakhs (Previous year – ₹ 1.25 Lakhs).
- f) Company appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs ).
- g) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- h) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.
- i) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- j) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs ).
- k) ₹ 279.55 Lakhs (Previous year – ₹ 279.55 Lakhs) pending before Commissioner of Central Excise Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

## Notes (Standalone) on financial statements for the year ended March 31, 2017

### Note 33: Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

(₹ In lakhs)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current Assets</b>			
<b>Financial Assets</b>			
Floating Charge			
Receivables	21,573.10	18,772.29	15,364.39
<b>Non Financial Assets</b>			
Floating Charge			
Inventories	18,504.34	16,447.29	14,735.69
<b>Total, Current Assets Pledged as security</b>	<b>40,077.44</b>	<b>35,219.59</b>	<b>30,100.08</b>
<b>Non Current Assets</b>			
First Charge			
Land & Building	3,671.61	-	190.20
Furniture, fittings and equipment	1,134.12	481.47	471.52
Plant and machinery	16,527.15	8,795.71	7,441.87
Others	2,305.83	1,286.97	1,118.57
<b>Total, Non-current assets Pledged as security</b>	<b>23,638.71</b>	<b>10,564.15</b>	<b>9,222.16</b>
<b>Total, Assets pledged as security</b>	<b>63,716.15</b>	<b>45,783.73</b>	<b>39,322.24</b>

\* The Assets Pledged does not include capital work in progress.

### Note 34:

Related Party Disclosure as required by Ind AS 24.

#### I. Related Parties

(A)	Enterprises that control or are controlled by the reporting Company:	
	Holding Companies	NIL
	Subsidiary Companies	I) Xtend Industrial Designers & Engineers Pvt Ltd. II) Indoco Pharmchem Limited III) Indoco Remedies Singapore PTE Ltd.
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting Company:	
	Associates	Indoco Analytical Solution LLP
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting Company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik	
D.	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura A. Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar	
E.	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o, Indoco Remedies Singapore Pte Ltd	

Contd.

## Notes (Standalone) on financial statements for the year ended March 31, 2017

Note 34: Contd.

### II. Transactions in respect of which disclosures to be made

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting Company	Associates and Joint Ventures of reporting Company	Individuals owning and having control over the reporting Company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Purchases or sales of fixed assets	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Rendering or receiving of services	C.Y.	161.18	-	-	15.49	111.33
	P.Y.	217.36	-	-	16.69	112.02
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	638.05	-
	P.Y.	-	-	-	541.87	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	6.75	41.97
	P.Y.	-	-	-	12.95	39.91
Finance (including loans and equity contributions in cash or in kind)	C.Y.	6.72	-	-	-	0.80
	P.Y.	229.68	-	-	-	0.85
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	99.00	-	-	-	-
	P.Y.	99.00	-	-	-	-
Payable	C.Y.	32.41	-	-	-	-
	P.Y.	75.33	-	-	-	-

Contd.

## Notes (Standalone) on financial statements for the year ended March 31, 2017

**Note 34:** *Contd.*

### III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting Company	Associates and Joint Ventures of reporting Company	Individuals owning and having control over the reporting Company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	167.90	-	-	660.29	154.10
	P.Y	447.04	-	-	571.51	152.78
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

**Note 35 :**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

₹ In lakhs

		2016 -17	2015 -16
A	Principal Amount & Interest due on the above	39.94	26.13
B	Interest paid during the year beyond the appointed day	-	-
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
D	Amount of interest accrued and remaining unpaid at the end of the year.	-	-
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	-	-

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note 36:**

Previous year's figures have been regrouped and reclassified wherever necessary.

**Note 37 : First-time adoption of Ind AS**

#### Transition to Ind AS

This is the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended

*Contd.*

## Notes (Standalone) on financial statements for the year ended March 31, 2017 (All amounts in INR lakhs, unless otherwise stated)

### Note 37 : First-time adoption of Ind AS : *Contd.*

March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's 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 Indian GAAP). An explanation of how the transition from previous IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

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

##### A.1 Ind AS optional exemptions

###### A.1.1 Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired. The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

###### A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous IGAAP carrying value.

###### A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments

###### A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

###### A.2.2 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous IGAAP (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 April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous IGAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous IGAAP:

*Contd.*



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

Investment in equity instruments carried at FVPL or FVOCI;  
 Investment in debt instruments carried at FVPL; and  
 Impairment of financial assets based on expected credit loss model.

**B: Reconciliations between previous IGAAP and Ind AS**

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 IGAAP to Ind AS.

Particulars	March 31, 2016			April 01, 2015		
	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non Current Assets</b>						
(a) Property, Plant and Equipment	33,574.22	(143.34)	33,430.88	31,219.07	(114.07)	31,105.00
(b) Capital Work in Progress	581.89	–	581.89	876.79	–	876.79
(c) Intangible Assets	3,895.49	–	3,895.49	4,448.04	–	4,448.04
(d) Intangible Assets under Development	4,897.93	–	4,897.93	3,668.70	–	3,668.70
(e) Financial Assets						
(i) Investments	261.09	–	261.09	64.12	–	64.12
(ii) Loans	129.54	–	129.54	24.20	–	24.20
(iii) Other Financial Assets	457.61	–	457.61	344.49	–	344.49
(f) Deferred Tax Assets (Net)	2,421.89	(225.83)	2,196.06	1,944.78	(258.73)	1,686.05
(g) Current Tax Assets (Net)	(24.76)	35.12	10.36	–	–	–
(h) Other Non Current Assets	1,923.23	–	1,923.23	910.90	–	910.90
<b>Total, Non current Assets</b>	<b>48,118.13</b>	<b>(334.05)</b>	<b>47,784.08</b>	<b>43,501.09</b>	<b>(372.80)</b>	<b>43,128.29</b>
<b>Current Assets</b>						
(a) Inventories	16,297.30	149.99	16,447.29	14,619.85	115.84	14,735.69
(b) Financial Assets						
(i) Investments	1,520.78	47.20	1,567.98	466.47	–	466.47
(ii) Trade Receivables	18,772.29	–	18,772.29	15,364.39	–	15,364.39
(iii) Cash and Cash Equivalents	1,025.42	–	1,025.42	1,039.94	–	1,039.94
(iv) Bank Balances other than (iii) above	218.34	–	218.34	356.61	–	356.61
(v) Loans	141.81	–	141.81	148.92	–	148.92
(vi) Other Financial Assets	153.48	239.74	393.22	21.65	436.20	457.85
(c) Other Current Assets	7,573.36	–	7,573.36	5,933.77	–	5,933.77
	<b>45,702.78</b>	<b>436.93</b>	<b>46,139.71</b>	<b>37,951.60</b>	<b>552.04</b>	<b>38,503.64</b>
(d) Assets classified as held for sale	6.63	–	6.63	–	–	–
<b>Total, Current Assets</b>	<b>45,709.41</b>	<b>436.93</b>	<b>46,146.34</b>	<b>37,951.60</b>	<b>552.04</b>	<b>38,503.64</b>

Contd.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

Particulars	March 31, 2016			April 01, 2015		
	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS
<b>Total, Assets</b>	<b>93,827.54</b>	<b>102.88</b>	<b>93,930.42</b>	<b>81,452.69</b>	<b>179.24</b>	<b>81,631.93</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	1,843.01	–	1,843.01	1,843.01	–	1,843.01
(b) Other Equity	56,579.36	(777.72)	55,801.64	49,994.71	894.47	50,889.18
<b>Total, Equity</b>	<b>58,422.37</b>	<b>(777.72)</b>	<b>57,644.65</b>	<b>51,837.72</b>	<b>894.47</b>	<b>52,732.19</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	3,793.02	(4.49)	3,788.53	1,285.35	(7.16)	1,278.19
(ii) Other Financial Liabilities	646.62	–	646.62	633.28	–	633.28
(b) Long Term Provisions	1,719.04	(367.17)	1,351.87	1,502.70	(340.61)	1,162.09
(c) Other Non-Current Liabilities	321.99	–	321.99	335.37	–	335.37
<b>Total, Non-Current Liabilities</b>	<b>6,480.67</b>	<b>(371.66)</b>	<b>6,109.01</b>	<b>3,756.70</b>	<b>(347.77)</b>	<b>3,408.93</b>
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	8,698.42	(51.92)	8,646.50	7,315.88	(16.45)	7,299.43
(ii) Trade Payables	13,101.34	–	13,101.34	11,862.83	–	11,862.83
(iii) Other Financial Liabilities	5,215.12	–	5,215.12	3,737.50	–	3,737.50
(b) Short Term Provisions	1,394.66	1,304.18	2,698.84	2,096.06	(351.01)	1,745.05
(c) Current Tax Liabilities (Net)	–	–	–	506.09	–	506.09
(d) Other Current Liabilities	514.96	–	514.96	339.91	–	339.91
<b>Total, Current Liabilities</b>	<b>28,924.50</b>	<b>1,252.26</b>	<b>30,176.76</b>	<b>25,858.27</b>	<b>(367.46)</b>	<b>25,490.81</b>
<b>Total, Liabilities</b>	<b>35,405.17</b>	<b>880.60</b>	<b>36,285.77</b>	<b>29,614.97</b>	<b>(715.23)</b>	<b>28,899.74</b>
<b>Total, Equity and Liabilities</b>	<b>93,827.54</b>	<b>102.88</b>	<b>93,930.42</b>	<b>81,452.69</b>	<b>179.24</b>	<b>81,631.93</b>

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

Contd.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 37 : First-time adoption of Ind AS : *Contd.*

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

<i>Particulars</i>	<i>Previous IGAAP *</i>	<i>Adjustment on transition to Ind AS</i>	<i>Ind AS</i>
<b>Income</b>			
Revenue from Operations (Gross)	1,00,780.52	(304.64)	1,00,475.88
Other Income	120.40	47.20	167.60
<b>Total, Income</b>	<b>1,00,900.92</b>	<b>(257.44)</b>	<b>1,00,643.48</b>
<b>Expenditure</b>			
Cost of Materials Consumed	30,301.25	–	30,301.25
Purchase of Stock in Trade	5,608.09	–	5,608.09
Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress	(1,078.33)	(34.15)	(1,112.48)
Employee Benefit Expenses	18,216.98	(76.24)	18,140.74
R&D Expenses	4,317.87	–	4,317.87
Other Expenditure	26,181.04	–	26,181.04
Finance Costs	1,226.72	(11.76)	1,214.96
Depreciation and Amortization Expense	6,033.73	29.27	6,063.00
<b>Profit before Tax</b>	<b>10,093.57</b>	<b>(164.56)</b>	<b>9,929.01</b>
Provision for Tax			
(a) Current	2,233.42	(35.12)	2,198.30
(b) Deferred	(477.10)	(26.19)	-503.29
(c) Earlier years	5.21	–	5.21
<b>Total, Taxes</b>	<b>1,761.53</b>	<b>(61.31)</b>	<b>1,700.22</b>
<b>Profit for the year</b>	<b>8,332.04</b>	<b>(103.25)</b>	<b>8,228.79</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations	–	(19.40)	(19.40)
ii) Income tax relating to this item	–	6.71	6.71
<b>Total, Other Comprehensive Income</b>	<b>–</b>	<b>(12.69)</b>	<b>(12.69)</b>
<b>Total, Comprehensive income for the year</b>	<b>8,332.04</b>	<b>(115.94)</b>	<b>8,216.10</b>

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

*Contd.*

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

**Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

<i>Particulars</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Total equity (shareholder's funds) as per previous IGAAP	58,422.37	51,837.72
<b>Adjustments:</b>		
Fair valuation of investments	47.20	–
Proposed dividend & Tax	221.82	1,774.56
Borrowings – transaction cost adjustment	4.49	7.16
Revaluation of PCFC Loans	51.91	16.45
MTM Gain / (loss)	239.74	436.20
Provision for Sales Return	(1,525.99)	(1,393.26)
COGS on Provision for Sales Return	149.99	115.84
Depreciation on Property, Plant & Equipment	(143.34)	(114.07)
Employee Benefit	367.16	310.32
Tax effects of adjustments	(190.70)	(258.73)
<b>Total adjustments</b>	<b>(777.72)</b>	<b>894.47</b>
<b>Total, equity as per Ind AS</b>	<b>57,644.65</b>	<b>52,732.19</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

<i>Particulars</i>	<i>March 31, 2016</i>
<b>Profit after tax as per previous IGAAP</b>	<b>8,332.04</b>
<b>Adjustments:</b>	
Impact of Sales Return	(132.72)
MTM Gain/loss on debtors	(171.92)
MTM Gain/loss on pcfc loans	(24.53)
Fair valuation of investments	47.20
COGS on Sales Return	34.15
Impact on employee benefit	56.84
Borrowings – transaction cost adjustment	(2.66)
Revaluation of PCFC Loans	38.95
Depreciation on Property, Plant & Equipment	(29.27)
Tax effects of adjustments	68.02
<b>Total adjustments</b>	<b>(115.94)</b>
<b>Profit after tax as per Ind AS</b>	<b>8,216.10</b>

Contd.

## Notes (Standalone) on financial statements for the year ended March 31, 2017 (All amounts in INR lakhs, unless otherwise stated)

Note 37 : First-time adoption of Ind AS : *Contd.*

### C: Notes to first-time adoption:

#### 1: Fair valuation of investments

Under the previous IGAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by ₹ 47.20 lakhs as at March 31, 2016 (April 1, 2015 - NIL).

#### 2: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

#### 3: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous IGAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 56.41 lakhs (April 1, 2015 – ₹ 23.61 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 increased by ₹ 36.29 lakhs as a result of the additional interest expense.

#### 4: Proposed dividend

Under the previous IGAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend including dividend distribution tax of ₹ 221.83 lakhs as at March 31, 2016 (April 1, 2015 – ₹ 1,774.56 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

#### 5 : Excise duty

Under the previous IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 1,003.37 lakhs. There is no impact on the total equity and profit.

#### 6 : Cash Discount

Under previous IGAAP, cash discount amounting to ₹ 111.64 lakhs was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended March 31, 2016. There was no impact on the total equity and profit.

*Contd.*

## Notes (Standalone) on financial statements for the year ended March 31, 2017 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

### 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 reduced by ₹ 19.40 lakhs. There is no impact on the total equity as at March 31, 2016.

### 8 : Assets classified as held for sale

In the year 2015-16, the Company announced its intention to sale its Tarapur plant and initiated an active program to locate a buyer. Under previous IGAAP, the concept of disposal group held for sale does not exist. Accordingly, assets and liabilities of disposal group have not been presented as held for sale. The Company has disclosed property, plant and equipment held for sale under 'Current assets' in accordance with AS 10 Accounting for Fixed Assets.

Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal group to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, it has been determined that the plant held at Tarapur should be presented as held for sale under Ind AS. Consequently, the assets of disposal group held for sale have been presented separately from the other assets respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment

Based on above, the following assets and liabilities were classified as held for sale as at March 31, 2016:

Particulars	March 31, 2016
Assets classified as held for sale	
Property, plant and equipment	6.63

### 9: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous IGAAP.

### 11 : Provision for Sales Return & Cost of Goods Sold

The Company has provided for sales return @ 3.4% on the domestic sales based on average sales returns of the last 3 years. The Company has, therefore, recognised revenue on this transaction with a corresponding provision against revenue for estimated returns. Accordingly, short term provisions as at March 31, 2016 have been increased by ₹ 1,525.99 lakhs (April 1, 2015 – ₹ 1,393.26 lakhs) with a corresponding adjustment to retained earnings. The total equity reduced by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 132.72 lakhs as a result of sales provision (net).

Contd.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2017**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

Cost on goods sold has been created on saleable returns. Accordingly, inventory have been increased by ₹ 149.99 lakhs (April 1, 2015 - ₹ 115.84 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 increased by ₹ 34.15 lakhs.

**12 : Mark to Market Gain / (Loss) (MTM)**

Mark to Market Gain (Net of loss) have been accounted in books. Accordingly, Other financial assets have been reduced by ₹ 239.74 lakhs (April 1, 2015 - ₹ 436.20 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 196.45 lakhs.

**13 : Property, Plant & Equipment**

Depreciation has been created on lease hold land on the basis of its lease terms. Accordingly, Property, plant & equipment have been reduced by ₹ 143.34 lakhs (April 1, 2015 - ₹ 114.07 lakhs) with a corresponding adjustment to retained earnings. The total equity reduced by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 29.27 lakhs.

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As per our Report attached  
For **Patkar & Pendse**  
*Chartered Accountants*  
Firm Registration No. : 107824W

**B. M. Pendse**  
*Partner*  
Membership No. 32625

**Sunil D Joshi**  
*President (Finance) &  
Company Secretary*

**Aditi Panandikar**  
*Managing Director*  
DIN : 00179113

**Sundeep V Bambolkar**  
*Jt. Managing Director & CFO*  
DIN : 00176613

Mumbai, May 26, 2017

## Financial Highlights (Standalone)

(lakhs ₹)

### OPERATIONAL REVIEW

	2016-17	2015-16
1) Revenue from Operations (Net of Returns) .....	1,09,406	1,00,476
2) EBIDTA .....	15,663	17,038
3) Depreciation and Amortisation Expenses .....	6,327	6,063
4) Finance Cost .....	616	1,215
5) PBT .....	9,133	9,929
6) PAT .....	7,745	8,229
7) Other comprehensive Income .....	13	(13)
8) Total Comprehensive income for the year .....	7,758	8,216

### FINANCIAL STRUCTURE

	March 31, 2017	March 31, 2016
<b>ASSETS</b>		
<b>Non Current Assets</b>		
1) Net Fixed Assets .....	53,038	42,806
2) Financial Assets .....	2,089	848
3) Deferred Tax Assets (net) .....	2,763	2,196
4) Current Tax Assets .....	425	10
5) Other Non Current Assets .....	4,348	1,923
<b>Current Assets</b>		
6) Inventories .....	18,504	16,447
7) Financial Assets .....	29,256	22,120
8) Other Current Assets .....	9,294	7,573
9) Assets held for sale .....	7	7
<b>Total Assets</b> .....	<b>1,19,724</b>	<b>93,930</b>
<b>LIABILITIES</b>		
10) Equity .....	65,188	57,645
<b>Non Current Liabilities</b>		
11) Financial Liabilities .....	13,929	4,435
12) Long Term Provisions .....	1,783	1,352
13) Other Non-Current Liabilities .....	445	322
<b>Current Liabilities</b>		
14) Financial Liabilities .....	35,096	26,962
15) Short Term Provisions .....	2,918	2,699
16) Other Current Liabilities .....	365	515
<b>Total Liabilities</b> .....	<b>1,19,724</b>	<b>93,930</b>

### MARGINS & RATIOS

	March 31, 2017	March 31, 2016
1) EBIDTA Margins on Gross Sales (net of returns) (%) ....	14.68	17.37
2) PAT Margins on Gross Sales (net of returns) (%) .....	7.26	8.39
3) Debt-to-Equity (%) .....	33.80	22.40
4) Interest Cost Cover (times) .....	7.94	9.83
5) Return on Net Worth (%) .....	11.90	14.30
6) Return on Capital Employed (%) .....	9.50	12.90



## Financial Highlights (Standalone)

### Operational Results

Particulars	(lakhs ₹)					
	2016-17 IND-AS	2015-16 IND-AS	2014-15 IGAAP	2013-14 IGAAP	2012-13 IGAAP	2011-12 IGAAP
1) Revenue from Operations (Net of Returns) / Other Income	1,09,820	1,00,644	85,538	72,946	63,189	57,103
2) Material Cost	38,161	34,797	29,845	26,917	26,257	24,498
3) Employee Benefits Expense	21,605	18,141	13,965	12,936	10,801	8,214
4) Other Expenses	28,807	26,181	22,868	19,469	15,445	14,627
5) Research & Development Expenses	5,171	4,318	2,167	1,443	1,290	1,080
6) Finance Cost	616	1,215	1,034	1,880	2,187	1,633
7) Depreciation and Amortisation Expenses	6,327	6,063	4,711	3,091	2,372	1,925
8) Profit Before Tax	9,133	9,929	10,948	7,210	4,837	5,126
9) Provision For Taxation	1,962	2,203	3,317	1,421	1,539	1,392
10) Deferred Tax (Net of MAT)	(574)	(503)	(650)	-	(968)	(900)
11) Profit After Tax	7,745	8,229	8,281	5,789	4,266	4,634
12) Other Comprehensive Income	13	(13)	-	-	-	-
13) Total Comprehensive Income	7,758	8,216	8,281	5,789	4,266	4,634
14) Retained Earnings	7,536	4,889	8,281	4,280	3,080	3,456
15) Earnings Per Share (₹ 10/-) (After exceptional items)						37.72
16) Earnings Per Share (₹ 2/-) (After exceptional items)	8.40	8.93	8.99	6.28	4.63	-
17) Book Value (₹ 10/-)	-	-	-	-	-	309.24
18) Book Value (₹ 2/-)	70.74	62.56	57.22	49.59	44.93	-
19) Net Debt to Equity Ratio (%)	33.80	22.40	15.90	18.30	27.40	28.40

### Financial Summary

Particulars	March 31, 2017 IND-AS	March 31, 2016 IND-AS	April 1, 2015 IND-AS	March 31, 2014 IGAAP	March 31, 2013 IGAAP	March 31, 2012 IGAAP
<b>ASSETS</b>						
<b>Non Current Assets</b>						
(a) Property, Plant and Equipment	39,275	33,431	31,105	29,392	28,872	28,158
(b) Capital Work in Progress	4,033	582	877	2,436	2,199	1,689
(c) Intangible Assets	4,700	3,895	4,448	3,136	3,272	2,004
(d) Intangible Assets under Development	5,030	4,898	3,669	1,976	1,579	1,572
(e) Financial Assets						
(i) Investments	282	261	64	45	40	12
(ii) Loans	137	130	24	-	-	-
(iii) Others	1,669	458	344	164	115	115
(f) Deferred Tax Asset (Net)	2,763	2,196	1,686	1,790	1,361	936
(g) Current Tax Asset (net)	425	10	-	-	205	370
(h) Other Non Current Assets	4,349	1,923	911	498	503	1,161
<b>Total, Non Current Assets</b>	<b>62,663</b>	<b>47,784</b>	<b>43,128</b>	<b>39,437</b>	<b>38,146</b>	<b>36,017</b>

contd.

## Financial Highlights

### Financial Summary *contd.*

<u>Particulars</u>	<u>March 31, 2017 IND-AS</u>	<u>March 31, 2016 IND-AS</u>	<u>April 1, 2015 IND-AS</u>	<u>March 31, 2014 IGAAP</u>	<u>March 31, 2013 IGAAP</u>	<u>March 31, 2012 IGAAP</u>
<b>Current Assets</b>						
(a) Inventories	18,504	16,447	14,736	10,826	9,276	10,189
(b) Financial Assets						
(i) Investments	-	1,568	466	-	-	-
(ii) Trade Receivables	21,573	18,772	15,364	13,725	12,708	11,371
(iii) Cash and Cash Equivalents	5,992	1,025	1,040	728	539	668
(iv) Bank Balances other than (iii) above	248	218	357	599	644	384
(v) Loans	152	142	149	-	-	-
(vi) Other Current Financial Assets	1,291	393	458	22	39	48
(c) Other Current Assets	9,294	7,574	5,934	4,219	4,102	3,540
(d) Assets classified as held for sale	7	7	-	-	-	-
<b>Total, Current Assets</b>	<b>57,061</b>	<b>46,146</b>	<b>38,504</b>	<b>30,119</b>	<b>27,308</b>	<b>26,200</b>
<b>Total, Assets</b>	<b>1,19,724</b>	<b>93,930</b>	<b>81,632</b>	<b>69,556</b>	<b>65,454</b>	<b>62,217</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843	1,229
(b) Other Equity	63,345	55,802	50,889	43,854	39,561	36,766
<b>Total, Equity</b>	<b>65,188</b>	<b>57,645</b>	<b>52,732</b>	<b>45,697</b>	<b>41,404</b>	<b>37,995</b>
<b>Liabilities</b>						
<b>Non-Current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	13,231	3,788	1,278	1,379	2,739	4,624
(ii) Other Financial Liabilities	698	647	633	593	615	610
(b) Long Term Provisions	1,783	1,352	1,162	1,634	682	456
(c) Other Non-Current Liabilities	445	322	335	326	305	305
<b>Total, Non-Current Liabilities</b>	<b>16,157</b>	<b>6,109</b>	<b>3,408</b>	<b>3,932</b>	<b>4,341</b>	<b>5,995</b>
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	11,836	8,646	7,299	5,660	6,284	4,146
(ii) Trade Payables	16,417	13,101	11,863	6,914	6,809	7,645
(iii) Other Financial Liabilities	6,843	5,215	3,738	5,056	4,854	4,772
(b) Short Term Provisions	2,918	2,699	1,745	1,814	1,484	1,433
(c) Current Tax Liability (net)	-	-	506	151	-	-
(d) Other Current Liabilities	365	515	341	332	278	231
<b>Total, Current Liabilities</b>	<b>38,379</b>	<b>30,176</b>	<b>25,492</b>	<b>19,927</b>	<b>19,709</b>	<b>18,227</b>
<b>Total, Liabilities</b>	<b>54,536</b>	<b>36,285</b>	<b>28,900</b>	<b>23,859</b>	<b>24,050</b>	<b>24,222</b>
<b>Total, Liabilities and Equity</b>	<b>1,19,724</b>	<b>93,930</b>	<b>81,632</b>	<b>69,556</b>	<b>65,454</b>	<b>62,217</b>

## FINANCIAL PERFORMANCE (Standalone)

	2016-17	(lakhs ₹) 2015-16
Revenue from Operations (Net of Returns) .....	1,09,406	1,00,476
Other Income .....	414	168
Total Income .....	<u>1,09,820</u>	<u>1,00,644</u>
<b>Profit before Finance Cost, Depreciation &amp; Amortisation &amp; Tax</b>	<b>16,076</b>	17,207
Less : Finance Cost .....	616	1,215
Depreciation and Amortisation Expenses .....	<u>6,327</u>	<u>6,063</u>
Profit Before Tax .....	9,133	9,929
Less : Provision for Taxation		
Current .....	1,962	2,198
Deferred .....	(574)	(503)
Earlier Years Adjustment .....	<u>-</u>	<u>5</u>
Net Profit After Tax .....	7,745	8,229
Other Comprehensive Income .....	<u>13</u>	<u>(13)</u>
Total Comprehensive Income .....	7,758	8,216
Balance brought forward .....	<u>24,959</u>	<u>21,570</u>
Amount available for appropriation .....	<u>32,717</u>	<u>29,786</u>
<b>Appropriations :</b>		
Interim Dividend .....	-	1,290
Dividend .....	184	1,474
Dividend Tax .....	38	563
Transfer to General Reserve .....	1,500	1,500
Balance carried forward .....	<u>30,995</u>	<u>24,959</u>
	<u>32,717</u>	<u>29,786</u>

## **Independent Auditors' Report (Consolidated)** to the Members of Indoco Remedies Limited

### **Report on the consolidated Ind AS financial statements**

We have audited the accompanying consolidated Ind AS financial statements of Indoco Remedies Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Company' or 'the Group'), which comprise the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

### **Management's responsibility for the consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance with other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' responsibility**

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at March 31, 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Other Matters**

We did not audit the financial statements / financial information of two of the three subsidiaries & one associate LLP, whose financial statements reflect total assets of ₹ 393.60 lakhs as at March 31, 2017, as well as total revenues of ₹ 276.79 lakhs for the year then ended, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 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.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure-A'; and

- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- (i) the consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group,
  - (ii) as required under the applicable law or Accounting Standards the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
  - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India, and
  - (iv) the Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 5(c) to the consolidated Ind AS financial statements.

For **PATKAR & PENDSE**  
*Chartered Accountants*  
Firm Registration No:107824W

**B. M. PENDSE**  
*Partner*  
M. No. 32625

Place : Mumbai  
Date : May 26, 2017



## **ANNEXURE**

### **to Independent Auditors' Report (Consolidated) to the members of Indoco Remedies Limited**

#### ***Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')***

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Indoco Remedies Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India & Singapore have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 ICAI.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India & Singapore. Our opinion is not qualified in respect of this matter.

Place : Mumbai  
Date : May 26, 2017

For **PATKAR & PENDSE**  
*Chartered Accountants*  
Firm Registration No:107824W

**B. M. PENDSE**  
*Partner*  
M. No. 32625





# Consolidated Balance Sheet

As at March 31, 2017

(₹ Lakhs)

	Note No.	March 31, 2017	March 31, 2016	April 01, 2015
<b>ASSETS</b>				
<b>Non Current Assets</b>				
(a) Property, Plant and Equipment .....	3	39,280.29	33,436.78	31,112.15
(b) Capital Work in Progress .....	3	4,032.86	581.89	876.79
(c) Goodwill on consolidation .....		30.52	30.52	30.52
(d) Other Intangible Assets .....	4	4,699.85	3,896.24	4,449.59
(e) Intangible Assets under Development .....	4	5,030.30	4,897.93	3,668.70
(f) Financial Assets				
(i) Investments .....	5(a)	2.10	2.10	12.10
(ii) Loans .....	5(e)	137.32	129.54	24.20
(iii) Other Financial Assets .....	5(f)	1,671.39	459.96	345.59
(g) Deferred Tax Assets (Net) .....	6	2,760.28	2,192.42	1,680.86
(h) Current Tax Assets (Net) .....	14	434.47	31.34	–
(i) Other Non Current Assets .....	7	4,369.10	1,944.25	928.05
<b>Total, Non Current Assets</b> .....		<b>62,448.48</b>	<b>47,602.97</b>	<b>43,128.55</b>
<b>Current Assets</b>				
(a) Inventories .....	8	18,694.50	16,669.12	15,027.97
(b) Financial Assets				
(i) Investments .....	5(a)	–	1,567.98	466.47
(ii) Trade Receivables .....	5(b)	21,567.77	18,883.39	15,538.38
(iii) Cash and Cash Equivalents .....	5(c)	6,005.95	1,039.95	1,050.88
(iv) Bank Balances other than (iii) above .....	5(d)	252.65	223.40	358.07
(v) Loans .....	5(e)	53.86	43.96	35.21
(vi) Other Financial Assets .....	5(f)	1,291.19	393.22	457.85
(c) Other Current Assets .....	9	9,375.28	7,627.45	5,965.87
(d) Assets classified as held for sale .....	10	6.63	6.63	–
<b>Total, Current Assets</b> .....		<b>57,247.83</b>	<b>46,455.10</b>	<b>38,900.70</b>
<b>Total, Assets</b> .....		<b>119,696.31</b>	<b>94,058.07</b>	<b>82,029.25</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital .....	11(a)	1,843.01	1,843.01	1,843.01
(b) Other Equity .....	11(b)	63,312.15	55,808.07	50,930.66
<b>Total, Equity attributable to owners of Indoco Remedies Ltd.</b> .....		<b>65,155.16</b>	<b>57,651.08</b>	<b>52,773.67</b>
(c) Non-controlling interest .....		0.08	0.08	0.08
<b>Total, Equity</b> .....		<b>65,155.24</b>	<b>57,651.16</b>	<b>52,773.75</b>
Share application money .....		–	0.69	–
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings .....	12(a)	13,230.97	3,788.53	1,278.19
(ii) Other Financial Liabilities .....	12(c)	698.24	646.62	633.28
(b) Long Term Provisions .....	13	1,786.86	1,353.89	1,163.85
(c) Other Non-Current Liabilities .....	15	444.67	321.99	335.37
<b>Total, Non-Current Liabilities</b> .....		<b>16,160.74</b>	<b>6,111.03</b>	<b>3,410.69</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings .....	12(b)	11,835.80	8,723.16	7,531.52
(ii) Trade Payables .....	12(d)	16,402.93	13,131.11	11,985.56
(iii) Other Financial Liabilities .....	12(c)	6,848.17	5,219.91	3,748.46
(b) Short Term Provisions .....	13	2,925.13	2,703.42	1,745.82
(c) Current Tax Liabilities (Net) .....	14	–	–	495.42
(d) Other Current Liabilities .....	15	368.30	517.59	338.03
<b>Total, Current Liabilities</b> .....		<b>38,380.33</b>	<b>30,295.19</b>	<b>25,844.81</b>
<b>Total, Liabilities</b> .....		<b>54,541.07</b>	<b>36,406.22</b>	<b>29,255.50</b>
<b>Total, Equity and Liabilities</b> .....		<b>119,696.31</b>	<b>94,058.07</b>	<b>82,029.25</b>

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

As per our Report attached

For **Patkar & Pendse**

Chartered Accountants

Firm Registration No. : 107824W

**B. M. Pendse**

Partner

Membership No. 32625

**Sunil D Joshi**

President (Finance) &

Company Secretary

**Aditi Panandikar**

Managing Director

DIN : 00179113

**Sundeep V Bambolkar**

Jt. Managing Director & CFO

DIN : 00176613

Mumbai, May 26, 2017

## Consolidated Statement of Profit and Loss Account

For the year ended March 31, 2017

(₹ lakhs)

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
(a) Revenue from Operations	16	1,09,677.07	1,00,812.06
(b) Other Income	17	396.56	156.18
<b>Total, Income</b>		<b>1,10,073.63</b>	<b>1,00,968.24</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed	18	30,445.45	30,504.59
(d) Purchase of Stock in Trade	18	8,038.51	5,608.09
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress	18	(155.91)	(1,112.48)
(f) Employee Benefit Expenses	19	21,667.21	18,187.08
(g) R&D Expenses	20	5,171.04	4,317.87
(h) Other Expenditure	22	28,864.37	26,264.81
(i) Finance Costs	23	621.28	1,239.45
(j) Depreciation and Amortization Expense	21	6,328.09	6,066.17
<b>Profit before Tax</b>		<b>9,093.59</b>	<b>9,892.66</b>
(k) Provision for Tax	24		
(a) Current		1,962.13	2,198.30
(b) Deferred		(574.64)	(504.84)
(c) Earlier years		–	5.21
<b>Total, Taxes</b>		<b>1,387.49</b>	<b>1,698.67</b>
<b>Profit for the year</b>		<b>7,706.10</b>	<b>8,193.99</b>
(l) <b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations	25	19.56	(19.40)
ii) Income tax relating to this item	24	(6.77)	6.71
<u>Items that may be reclassified to profit or loss</u>			
i) Exchange differences on translation of foreign operations		0.40	–
<b>Total, Other Comprehensive Income</b>		<b>13.19</b>	<b>(12.69)</b>
<b>Total, Comprehensive income for the year</b>		<b>7,719.29</b>	<b>8,181.30</b>
<b>Profit attributable to :</b>			
Owners of Indoco Remedies Ltd.		7,706.10	8,193.99
Non-Controlling Interest		–	–
		<b>7,706.10</b>	<b>8,193.99</b>
<b>Other comprehensive income attributable to:</b>			
Owners of Indoco Remedies Ltd.		13.19	(12.69)
Non-Controlling Interest		–	–
		<b>13.19</b>	<b>(12.69)</b>
<b>Total, comprehensive income attributable to:</b>			
Owners of Indoco Remedies Ltd.		7,719.29	8,181.30
Non-Controlling Interest		–	–
		<b>7,719.29</b>	<b>8,181.30</b>
(m) <b>Earnings Per Share</b>			
<b>Basic &amp; Diluted ( ₹ )</b>	30	<b>8.36</b>	<b>8.89</b>

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

As per our Report attached

For **Patkar & Pendse**  
Chartered Accountants  
Firm Registration No. : 107824W

**B. M. Pendse**  
Partner  
Membership No. 32625

**Sunil D Joshi**  
President (Finance) &  
Company Secretary

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director & CFO  
DIN : 00176613

Mumbai, May 26, 2017

## Consolidated Cash Flow Statement

For the year ended March 31, 2017

(₹ lakhs)

	Year ended 31.03.2017	Year ended 31.03.2016
<b>(A) Cash Flow from Operating Activities :</b>		
<b>Net Profit before tax and extraordinary item</b>	<b>9,093.59</b>	9,892.66
Adjustments for :		
Depreciation and Amortisation Expense	6,328.09	6,066.17
Profit on sale of Fixed Assets	(14.60)	(4.53)
Profit on maturity of Investments	(82.86)	(47.20)
Loss on sale of Fixed Assets	33.06	32.41
Sundry Balance written back	(0.35)	(1.07)
Provision for Doubtful Debts / Bad Debts	259.56	211.87
Provision for diminution in value of investment	-	466.47
Interest Income	(224.91)	(52.38)
Dividend received on Investments	(0.22)	(0.72)
Unrealised Foreign Exchange (Gain) / Loss	(1,176.88)	(58.48)
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,339.40	1,304.70
	<u>6,460.29</u>	<u>7,917.24</u>
<b>Operating Profit before Working Capital Change</b>	<b>15,553.88</b>	<b>17,809.90</b>
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(2,485.17)	(3,563.65)
Decrease / (Increase) in Other Current Financial Assets	(907.87)	55.87
Decrease / (Increase) in Other Current Assets	(1,747.85)	(1,661.55)
Decrease / (Increase) in Inventories	(2,025.39)	(1,641.14)
Decrease / (Increase) in Other Non Current Financial Assets	(1,203.04)	(205.83)
Decrease / (Increase) in Other Non Current Assets	(116.25)	(87.76)
Increase / (Decrease) in Trade Payables	3,272.18	1,146.62
Increase / (Decrease) in Non Current Financial Liabilities	51.61	13.34
Increase / (Decrease) in Non Current Provisions	452.53	170.64
Increase / (Decrease) in Other Non Current Liabilities	122.68	(13.38)
Increase / (Decrease) in Current Financial Liabilities	189.54	803.24
Increase / (Decrease) in Current Provisions	221.72	957.59
Increase / (Decrease) in Other Current Liabilities	(149.30)	179.56
	<u>(4,324.61)</u>	<u>(3,846.45)</u>
<b>Cash generated from Operations</b>	<b>11,229.27</b>	<b>13,963.45</b>
Income Tax Paid (Net of Refund)	(2,365.30)	(2,740.80)
<b>Net Cash generated from Operating Activities Before Extra Ordinary Items....(A)....</b>	<b>8,863.97</b>	<b>11,222.65</b>
Extraordinary items	-	-
<b>Net Cash generated from Operating Activities (A)</b>	<b>8,863.97</b>	<b>11,222.65</b>

Contd...

## Consolidated Cash Flow Statement

For the year ended March 31, 2017

... Contd. from previous page

(₹ lakhs)

	Year ended 31.03.2017	Year ended 31.03.2016
<b>(B) Cash Flow from Investing Activities</b>		
Payment towards Capital Expenditure	(18,957.27)	(9,770.05)
Sale of Fixed Assets	71.66	35.30
Purchase of Investments	-	(1,520.78)
Proceeds from sale of Investments	1,650.84	10.00
Bank Balance not considered as Cash & Cash Equivalents	(9.52)	124.63
Interest Received	189.02	48.54
Dividend received on Investments	0.22	0.72
<b>Net Cash used in Investing Activities (B)</b>	<b>(17,055.05)</b>	<b>(11,071.64)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,314.18)	(1,298.04)
Dividend Paid	(241.84)	(3,299.47)
Share Application Money Refundable	(0.69)	0.69
Proceeds from Long Term Borrowings	12,229.50	3,961.00
Repayment of Long Term Borrowings	(711.26)	(725.46)
Proceeds / (Repayment) from Short Term Borrowings	3,195.55	1,199.34
<b>Net Cash inflow / (outflow) from Financing Activities ( C )</b>	<b>13,157.08</b>	<b>(161.94)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>4,966.00</b>	<b>(10.93)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>1,039.95</b>	<b>1,050.88</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 5c)</b>	<b>6,005.95</b>	<b>1,039.95</b>

### Notes:

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

As per our Report attached  
For **Patkar & Pendse**  
Chartered Accountants  
Firm Registration No. : 107824W

**B. M. Pendse**  
Partner  
Membership No. 32625

**Sunil D Joshi**  
President (Finance) &  
Company Secretary

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director & CFO  
DIN : 00176613

Mumbai, May 26, 2017

## Statement for Changes in Equity (Consolidated)

For the year ended March 31, 2017

### a. Equity Share Capital

(₹ lakhs)

	Note No	Amount
As at April 1, 2015	11a	1,843.01
Changes in Equity Share Capital		–
<b>As at March 31, 2016</b>		<b>1,843.01</b>
Changes in Equity Share Capital		–
<b>As at March 31, 2017</b>		<b>1,843.01</b>

### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Attributable to owners of Indoco Remedies Ltd.					Total Reserves	Non-Controlling Interest	Total
		Other Equity							
		Securities Premium Reserve	Capital Reserve	General Reserve	Foreign Currency Monetary Item Translation Difference	Retained Earnings			
<b>Balance as at April 1, 2015</b>	11(b)	<b>6,441.95</b>	<b>0.02</b>	<b>22,818.14</b>	<b>(30.44)</b>	<b>21,700.99</b>	<b>50,930.66</b>	<b>0.08</b>	<b>50,930.74</b>
Profit for the year		–	–	–	–	8,193.98	8,193.98	–	8,193.98
Other comprehensive income for the year		–	–	–	–	(12.68)	(12.68)	–	(12.68)
<b>Total Comprehensive income for the year</b>		–	–	–	–	8,181.30	8,181.30	–	8,181.30
Dividends (including dividend distribution tax of ₹ 562.79)		–	–	–	–	(3,327.31)	(3,327.31)	–	(3,327.31)
Transfer to General Reserve		–	–	1,500.00	–	(1,500.00)	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	23.42	–	23.42	–	23.42
<b>Balance as at March 31, 2016</b>		<b>6,441.95</b>	<b>0.02</b>	<b>24,318.14</b>	<b>(7.02)</b>	<b>25,054.98</b>	<b>55,808.07</b>	<b>0.08</b>	<b>55,808.15</b>
<b>Balance as at April 1, 2016</b>		<b>6,441.95</b>	<b>0.02</b>	<b>24,318.14</b>	<b>(7.02)</b>	<b>25,054.98</b>	<b>55,808.07</b>	<b>0.08</b>	<b>55,808.15</b>
Profit for the year		–	–	–	–	7,706.10	7,706.10	–	7,706.10
Other comprehensive income for the year		–	–	–	–	13.19	13.19	–	13.19
<b>Total comprehensive income for the year</b>		–	–	–	–	7,719.29	7,719.29	–	7,719.29
Dividends (including dividend distribution tax of ₹ 37.52)		–	–	–	–	(221.83)	(221.83)	–	(221.83)
Transfer to General Reserve		–	–	1,500.00	–	(1,500.00)	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	6.62	–	6.62	–	6.62
<b>Balance as at March 31, 2017</b>		<b>6,441.95</b>	<b>0.02</b>	<b>25,818.14</b>	<b>(0.40)</b>	<b>31,052.44</b>	<b>63,312.15</b>	<b>0.08</b>	<b>63,312.23</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to Consolidated Financial Statements

## For the year ended March 31, 2017

### Corporate Information

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

### Note 1: Significant Accounting Policies followed by the Company

#### a) Basis of Preparation

##### (i) Compliance with Ind AS

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

These financial statements for the year ended March 31, 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended March 31, 2016, the Group had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS.

##### (ii) Historical cost convention

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

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

##### (iii) Current non-current classification

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

##### (iv) Rounding of amounts

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

## b) Principles of Consolidation and Equity Accounting

### (i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

### c) Segment Reporting

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

### d) Foreign Currency Translation

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

The consolidated financial statements are presented in Indian rupee (INR), which is the functional and presentation currency.

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

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

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

### e) Revenue Recognition

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

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

#### **Recognising revenue from major business activities**

##### (i) **Revenue from services**

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

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

**(ii) Sale of goods**

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

**(iii) Sales Return**

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

**(iv) Other operating revenue - Export incentives**

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

**f) Government Grants**

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

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

**g) Income Tax**

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

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

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

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

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



#### **h) Business Combinations**

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

#### **i) Cash and Cash Equivalents**

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

#### **j) Cash Flow Statements**

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

#### **k) Trade Receivables**

Trade receivables are recognised at fair value

#### **l) Inventories**

Raw Materials, Packing Material & Consumables are valued at cost or net realizable value, whichever is lower.

Work-in-process is valued at cost including proportionate related overheads or net realizable value, whichever is lower.

Finished Goods are valued at cost or net realizable value, whichever is lower.

All materials are valued at weighted average cost.

Samples are valued at cost.

**m) Non-Current Assets held for Sale**

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

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

**n) Derivatives and Hedging Activities**

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

**o) Property, Plant and Equipment**

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

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

***Transition to Ind AS***

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

***Depreciation methods, estimated useful lives and residual value***

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

<b><i>Asset Class</i></b>	<b><i>Useful Life</i></b>
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years

<i>Asset Class</i>	<i>Useful Life</i>
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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

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

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

**p) Intangible Assets**

**(i) Computer software**

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

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

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

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

**(ii) ANDA / DMFs / Dossiers**

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

**(iii) Amortisation methods and periods**

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

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

**q) Trade and Other Payables**

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

**r) Borrowings**

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

**s) Borrowing Costs**

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

**t) Provisions**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**u) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

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

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

### **Gratuity obligations**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

### **Defined Contribution Plans**

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

### **v) Contributed Equity**

Equity shares are classified as equity.

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

#### **i) Earnings per Share**

##### ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

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

##### ***Diluted earnings per share***

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

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

#### **(i) Dividends to shareholders**

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

**w) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliability. Contingent liabilities are disclosed in the Note No-32.

**NOTE 2: Use of Estimates and Judgments**

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

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

**Notes (Consolidated)**  
**on financial statements for the Year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 3 : Property, Plant and Equipment**

	Land	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Net-working Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress (CWIP)
<b>Year ended March 31, 2016</b>																	
Gross carrying amount	2,117.76	11,922.00	12,425.11	801.26	267.14	4,694.09	1,956.01	4,676.27	2,300.27	1,718.46	485.01	996.77	43.43	2,751.10	411.83	47,566.51	876.79
Opening gross carrying amount as at April 1, 2015																	
Additions	319.93	734.67	742.69	28.71	8.73	1,505.53	0.72	266.30	112.49	211.08	81.66	150.88	—	6.95	53.83	3,200.57	2,709.17
Assets capitalised during the year from CWIP	(1.80)	(27.54)	691.37	—	2.39	575.75	—	484.50	99.32	3.62	5.20	14.22	—	73.10	—	3,004.07	(3,004.07)
Assets classified as held for sale (Note 10)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(29.34)	—
Disposals (Note 10)	—	—	(103.54)	—	—	—	—	(9.56)	—	—	—	(2.19)	—	(57.51)	—	(172.80)	—
<b>Closing gross carrying amount</b>	<b>2,435.89</b>	<b>12,660.13</b>	<b>13,755.63</b>	<b>829.97</b>	<b>278.26</b>	<b>6,775.37</b>	<b>1,956.73</b>	<b>5,417.51</b>	<b>2,512.08</b>	<b>1,933.16</b>	<b>571.87</b>	<b>1,159.68</b>	<b>43.43</b>	<b>2,773.64</b>	<b>465.66</b>	<b>53,569.01</b>	<b>581.89</b>
<b>Accumulated depreciation</b>																	
Opening accumulated depreciation	121.75	3,151.65	3,438.87	426.87	211.77	1,431.95	1,333.66	1,667.77	1,263.94	878.68	353.56	835.67	42.39	1,067.01	228.82	16,454.36	—
Depreciation charge during the year	29.45	363.28	924.53	47.24	18.16	747.91	372.78	384.34	348.29	170.15	60.82	86.12	—	220.71	36.43	3,810.21	—
Assets classified as held for sale (Note 10)	—	(22.71)	—	—	—	—	—	—	—	—	—	—	—	—	—	(22.71)	—
Disposals (Note 10)	—	—	(59.97)	—	—	—	—	(9.40)	—	—	—	(2.00)	—	—	(38.26)	(109.63)	—
<b>Closing accumulated depreciation</b>	<b>151.20</b>	<b>3,492.22</b>	<b>4,303.43</b>	<b>474.11</b>	<b>229.93</b>	<b>2,179.86</b>	<b>1,706.44</b>	<b>2,042.71</b>	<b>1,612.23</b>	<b>1,048.83</b>	<b>414.38</b>	<b>919.79</b>	<b>42.39</b>	<b>1,287.72</b>	<b>226.99</b>	<b>20,132.23</b>	<b>—</b>
<b>Net carrying amount</b>	<b>2,284.69</b>	<b>9,167.91</b>	<b>9,452.20</b>	<b>355.86</b>	<b>48.33</b>	<b>4,595.51</b>	<b>250.29</b>	<b>3,374.80</b>	<b>899.85</b>	<b>884.33</b>	<b>157.49</b>	<b>239.89</b>	<b>1.04</b>	<b>1,485.92</b>	<b>238.67</b>	<b>33,436.78</b>	<b>581.89</b>
<b>Year ended March 31, 2017</b>																	
Gross carrying amount	2,435.89	12,660.13	13,755.63	829.97	278.26	6,775.37	1,956.73	5,417.51	2,512.08	1,933.16	571.87	1,159.68	43.43	2,773.64	465.66	53,569.01	581.89
Opening gross carrying amount	—	514.07	778.29	17.05	—	1,261.79	4.41	255.14	3.82	43.30	27.78	147.30	0.40	5.17	142.62	3,201.13	9,784.00
Additions	1,596.01	2,091.28	1,430.56	188.86	63.39	222.86	1.29	105.63	114.99	33.46	8.81	8.05	—	458.90	8.94	6,333.03	(6,333.03)
Assets capitalised during the year from CWIP	—	—	(50.59)	—	—	(10.22)	(19.79)	(25.34)	—	—	—	—	—	(0.50)	(168.18)	(274.62)	—
Disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Closing gross carrying amount</b>	<b>4,031.90</b>	<b>15,265.48</b>	<b>15,913.89</b>	<b>1,035.88</b>	<b>341.65</b>	<b>8,249.80</b>	<b>1,942.64</b>	<b>5,752.94</b>	<b>2,630.89</b>	<b>2,009.92</b>	<b>608.46</b>	<b>1,315.02</b>	<b>43.83</b>	<b>3,237.21</b>	<b>449.04</b>	<b>62,828.55</b>	<b>4,032.86</b>
<b>Accumulated depreciation and impairment</b>																	
Opening accumulated depreciation	151.20	3,492.22	4,303.43	474.11	229.93	2,179.86	1,706.44	2,042.71	1,612.23	1,048.83	414.38	919.79	42.39	1,287.72	226.99	20,132.23	—
Depreciation charge during the year	32.54	415.07	1,005.06	44.42	48.65	785.77	56.21	413.26	217.19	151.98	50.62	113.55	0.06	220.98	45.16	3,600.52	—
Disposals (Note 10)	—	—	—	—	—	(7.01)	(18.64)	(13.69)	—	—	—	—	—	(0.34)	(125.19)	(184.49)	—
<b>Closing accumulated depreciation</b>	<b>183.74</b>	<b>3,907.29</b>	<b>5,288.87</b>	<b>518.53</b>	<b>278.58</b>	<b>2,958.62</b>	<b>1,744.01</b>	<b>2,442.28</b>	<b>1,829.42</b>	<b>1,200.81</b>	<b>465.00</b>	<b>1,033.34</b>	<b>42.45</b>	<b>1,508.36</b>	<b>146.96</b>	<b>23,548.26</b>	<b>—</b>
<b>Closing net carrying amount</b>	<b>3,848.16</b>	<b>11,358.19</b>	<b>10,625.02</b>	<b>517.35</b>	<b>63.07</b>	<b>5,291.18</b>	<b>198.63</b>	<b>3,310.66</b>	<b>801.47</b>	<b>809.11</b>	<b>143.46</b>	<b>281.68</b>	<b>1.38</b>	<b>1,728.85</b>	<b>302.08</b>	<b>39,280.29</b>	<b>4,032.86</b>

(i) **Leased Assets**  
 Land includes the following amounts where the Company is a lessee under a finance lease.

	March 31, 2017	March 31, 2016	April 1, 2015
Land			
Cost / Deemed Cost (Gross)	2,227.53	2,154.03	1,841.48
Accumulated Amortisation	(183.74)	(151.20)	(121.75)
<b>Net carrying amount</b>	<b>2,043.79</b>	<b>2,002.83</b>	<b>1,719.73</b>

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

(ii) **Capital Work in Progress**

Capital work in progress mainly comprises :

- Sterile plant at Goa
- New plant at Patalganga
- Regular Capex for new projects

(iii) **Property, Plant and Equipment pledged as security**

Refer to note 35 for information on Property, Plant and equipment pledged as security by the Company.

**Notes (Consolidated)**  
**on financial statements for the Year ended March 31, 2017**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Other Intangible Assets**

	<i>Trade Mark</i>	<i>Computer Software *</i>	<i>Technical Knowhow</i>	<i>ANDAs,DMFs, Dossiers</i>	<i>Total</i>	<i>Intangible Assets under development</i>
<b>Year ended March 31, 2016</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1,2015	1,032.30	646.10	1.15	7,213.64	<b>8,893.19</b>	<b>3,668.70</b>
Additions	–	210.51	–	–	<b>210.51</b>	<b>2,721.33</b>
Intangible Assets capitalised	–	–	–	1,492.10	<b>1,492.10</b>	<b>(1,492.10)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>856.61</b>	<b>1.15</b>	<b>8,705.74</b>	<b>10,595.80</b>	<b>4,897.93</b>
<b>Accumulated amortisation</b>						
Opening accumulated depreciation	721.53	538.22	1.09	3,182.76	<b>4,443.60</b>	–
Depreciation charge during the year	77.31	102.06	–	2,076.59	<b>2,255.96</b>	–
<b>Closing accumulated amortisation</b>	<b>798.84</b>	<b>640.28</b>	<b>1.09</b>	<b>5,259.35</b>	<b>6,699.56</b>	–
<b>Net carrying amount</b>	<b>233.46</b>	<b>216.33</b>	<b>0.06</b>	<b>3,446.39</b>	<b>3,896.24</b>	<b>4,897.93</b>
<b>Year ended March 31, 2017</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount	1,032.30	856.61	1.15	8,705.74	<b>10,595.80</b>	<b>4,897.93</b>
Additions	–	291.16	–	–	<b>291.16</b>	<b>3,372.39</b>
Intangible Assets capitalised	–	–	–	3,240.02	<b>3,240.02</b>	<b>(3,240.02)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,147.77</b>	<b>1.15</b>	<b>11,945.76</b>	<b>14,126.98</b>	<b>5,030.30</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	798.84	640.28	1.09	5,259.33	<b>6,699.56</b>	–
Amortisation charge for the year	48.78	116.00	–	2,562.79	<b>2,727.57</b>	–
<b>Closing accumulated amortisation</b>	<b>847.62</b>	<b>756.28</b>	<b>1.09</b>	<b>7,822.14</b>	<b>9,427.13</b>	–
<b>Closing net carrying amount</b>	<b>184.68</b>	<b>391.49</b>	<b>0.06</b>	<b>4,123.62</b>	<b>4,699.85</b>	<b>5,030.30</b>

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



**Notes (Consolidated)**  
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**Note 5(a) : Non-current Investments**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
<b>Unquoted (at Cost) :</b>			
<b>Non-Trade Investment</b>			
<b>Other then Subsidiary Companies</b>			
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	2.00	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	0.10	0.10	0.10
(iii) Shares of Jankalyan Sahakari Bank (opening Balance sheet 1,00,000 shares of ₹ 10 each)	–	–	10.00
	2.10	2.10	12.10
<b>Total, Non Current Investments</b>	<b>2.10</b>	<b>2.10</b>	<b>12.10</b>

**Note 5(a) : Current Investments**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
<b>Quoted : (at cost)</b>			
Investment in Mutual Funds			
(i) Reliance Fixed Horizon Fund XXIV Series 2 (g) (Previous Year - 43,83,970.80 units @ ₹ 12.21)	–	559.54	–
Total, Mutual Funds	–	559.54	–
Non convertible Debentures			
(i) ECL Finance Ltd Optn - II NCD (Previous Year-50,000 NCD of ₹ 1000/- each)	–	650.50	–
(ii) India Infoline Finance Ltd (Previous Year-255 NCD of ₹ 1,00,000/- each)	–	357.94	–
Total, Debentures	–	1,008.44	–
<b>Quoted : (at cost)</b>			
National Spot Exchange	466.47	466.47	466.47
	466.47	466.47	466.47
<b>Total</b>	<b>466.47</b>	<b>2,034.45</b>	<b>466.47</b>
Less : Provision for diminution in value of doubtful investment	(466.47)	(466.47)	–
<b>Total, Current Investments</b>	<b>–</b>	<b>1,567.98</b>	<b>466.47</b>

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**Note 5(b) : Trade Receivables**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Trade receivables</b>			
<u>Unsecured</u>			
Debts outstanding for more than six months from the date they are due for payment			
Considered Good .....	5,221.09	2,774.33	2,254.29
Considered Doubtful .....	434.64	373.04	435.86
	<b>5,655.73</b>	3,147.37	2,690.15
Less: Provision for doubtful debts	(434.64)	(373.04)	(435.86)
	<b>5,221.09</b>	2,774.33	2,254.29
Other Debts - Considered Good	16,346.68	16,109.06	13,284.09
<b>Total, Trade receivables</b>	<b>21,567.77</b>	<b>18,883.39</b>	<b>15,538.38</b>
Current Portion	21,567.77	18,883.39	15,538.38
Non-current Portion	-	-	-

**Break-up of security details**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	-	-	-
Unsecured, considered good	21,567.77	18,883.39	15,538.38
Considered Doubtful	434.64	373.04	438.86
<b>Total</b>	<b>22,002.41</b>	<b>19,256.43</b>	<b>15,977.24</b>
Allowance for doubtful trade receivables	(434.64)	(373.04)	(438.86)
<b>Total, Trade receivables</b>	<b>21,567.77</b>	<b>18,883.39</b>	<b>15,538.38</b>

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

**Note 5(c) : Cash and Cash Equivalents**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(i) Cash on hand	21.89	22.13	13.00
(ii) Balances with Banks			
In Current Accounts	848.30	573.99	511.64
In EEFC Accounts	1,424.09	443.83	526.24
In Fixed Deposit	3,711.67	-	-
<b>Total, Cash and Cash Equivalents</b>	<b>6,005.95</b>	<b>1,039.95</b>	<b>1,050.88</b>

Particulars	SBNs (Specified Bank Notes)	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	10.97	21.26	32.22
(+) Permitted Receipts	-	44.77	44.77
(-) Permitted Payments	-	48.05	48.05
(-) Amount deposited in banks	10.97	-	10.97
Closing cash in hand as on 30.12.2016	-	<b>17.98</b>	<b>17.98</b>

Please note as per Gazette Notification No. S.O. 3407(E)- RBI has recommended that bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees shall be referred to as Specified Bank Notes (SBN).

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**Note 5(d) : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
In Earmarked Accounts			
i) Unpaid Dividend Accounts	27.67	47.69	19.86
ii) In Fixed Deposit	72.30	49.49	52.47
iii) Margin Accounts	152.68	126.22	285.74
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>252.65</b>	<b>223.40</b>	<b>358.07</b>

**Note 5(e) : Loans**

<i>Particulars</i>	<i>March 31, 2017</i>		<i>March 31, 2016</i>		<i>April 1, 2015</i>	
	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>
<u>Unsecured, Considered Good</u>						
Loan to Employees	53.86	137.32	43.96	129.54	35.21	24.20
<b>Total, Loans</b>	<b>53.86</b>	<b>137.32</b>	<b>43.96</b>	<b>129.54</b>	<b>35.21</b>	<b>24.20</b>

**Note 5(f) : Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2017</i>		<i>March 31, 2016</i>		<i>April 1, 2015</i>	
	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>
Deposit - Others	–	249.51	–	253.78	–	166.39
Tender Deposits	19.84	24.65	16.68	25.12	21.39	12.13
MTM Gain (Net) on financial instruments	1,271.15	–	239.74	–	436.20	–
Insurance Claim Receivable	–	–	136.47	–	–	–
Deposit - Group Insurance	–	0.11	–	0.11	–	–
Franking Advance	0.20	–	0.33	–	0.26	–
Margin money against Letters of Credit	–	1,397.12	–	180.95	–	167.07
<b>Total, Other Financial Assets</b>	<b>1,291.19</b>	<b>1,671.39</b>	<b>393.22</b>	<b>459.96</b>	<b>457.85</b>	<b>345.59</b>

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**Note 6 : Deferred Tax Assets (Net)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Mat Credit Entitlement	6,242.20	4,833.21	4,646.32
<u>Deferred Tax (Net)</u>			
Deferred Tax Liability			
i) On fiscal allowances on fixed assets	(4,342.50)	(3,708.12)	(3,385.31)
iii) On deferred Revenue Expenses	(440.31)	(102.41)	(153.44)
	(4,782.81)	(3,810.53)	(3,538.75)
Deferred Tax Assets			
i) On employee benefit obligations	989.03	877.66	425.14
ii) On provision for doubtful debts	150.42	129.10	148.15
iii) On provision for doubtful advances	161.44	161.44	–
vi) On deferred Revenue Expenses	–	1.54	–
	1,300.89	1,169.74	573.29
<b>Total, Deferred Tax Assets (Net)</b>	<b>2,760.28</b>	<b>2,192.42</b>	<b>1,680.86</b>

**Movement in Deferred Tax Assets (Net)**

Particulars	MAT Credit Entitlement	Deferred Tax Assets				Deferred Tax Liabilities			Net Total
		Employee benefit obligation	Provisions	Other Items	Total	Property, Plant and equipment and investment property	Financial assets at fair value through profit or loss	Total	
<b>At April 1, 2015</b>	4,646.32	425.14	148.15	–	573.29	3,385.31	153.44	3,538.75	1,680.86
(Charged)/credited:									
to profit or loss	186.89	459.23	142.39	1.54	603.16	322.81	(51.03)	271.78	518.27
to other comprehensive income	–	(6.71)	–	–	(6.71)	–	–	–	(6.71)
<b>At 31 March 2016</b>	<b>4,833.21</b>	<b>877.66</b>	<b>290.54</b>	<b>1.54</b>	<b>1,169.74</b>	<b>3,708.12</b>	<b>102.41</b>	<b>3,810.53</b>	<b>2,192.42</b>
(Charged)/credited:									
to profit or loss	1,408.99	104.61	21.32	(1.54)	124.39	634.37	337.91	972.28	561.10
to other comprehensive income	–	6.76	–	–	6.76	–	–	–	6.76
<b>At 31 March 2017</b>	<b>6,242.20</b>	<b>989.03</b>	<b>311.86</b>	<b>–</b>	<b>1,300.89</b>	<b>4,342.49</b>	<b>440.32</b>	<b>4,782.81</b>	<b>2,760.28</b>

**Note 7 : Other Non Current Assets**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Advance	3,791.33	1,482.72	554.28
Pre-Paid Expenses	17.76	5.74	21.52
Sales Tax Receivable	556.66	454.09	352.25
Advance - Others	3.35	1.70	–
<b>Total, Other Non Current Assets</b>	<b>4,369.10</b>	<b>1,944.25</b>	<b>928.05</b>

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**Note 8 : Inventories**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Raw and Packing Materials	<b>8,893.48</b>	7,454.67	6,693.78
Work in Progress	<b>3,350.03</b>	2,404.59	2,089.54
Finished Goods	<b>4,171.51</b>	5,351.36	4,413.54
Stock in Trade	<b>1,476.05</b>	1,085.74	1,226.13
Stores and Spares	<b>803.43</b>	372.76	604.98
<b>Total, Inventories</b>	<b>18,694.50</b>	<b>16,669.12</b>	<b>15,027.97</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories to net realisable value amounted to ₹ 918.43 lakhs (March 31, 2016 – ₹ 820.48 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

**Note 9 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Advances to Suppliers	<b>867.95</b>	698.25	269.42
Pre-paid Expenses	<b>484.39</b>	482.31	391.75
Employee Advances	<b>511.43</b>	841.77	759.69
Receivable - Others	<b>1.48</b>	0.58	8.77
Balance with Customs, Central Excise Authorities	<b>7,510.03</b>	5,604.54	4,536.24
<b>Total, Other Current Assets</b>	<b>9,375.28</b>	<b>7,627.45</b>	<b>5,965.87</b>

**Note 10 : Assets classified as held for sale**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Land	<b>1.80</b>	1.80	–
Building	<b>4.83</b>	4.83	–
<b>Total, Assets classified as held for sale</b>	<b>6.63</b>	<b>6.63</b>	–

In the year 2015-16, the directors of Indoco Remedies Ltd. decided to sell a factory building located at MIDC Tarapur, Maharashtra, India.

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**Note 11(a) : Equity Share Capital**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Authorised</b>			
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued,Subscribed and Paid up:</b>			
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	<b>1,843.01</b>	1,843.01	1,843.01

A) Reconciliation of number of ordinary shares outstanding	March 31, 2017 Equity Shares		March 31, 2016 Equity Shares		April 1, 2015 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less : Adjustments	-	-	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	9,21,50,355	1,843.01	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2017		March 31, 2016		April 1, 2015	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
Equity Shares with voting rights:						
i) Spa Holdings Pvt Ltd	<b>1,83,35,000</b>	<b>19.90%</b>	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	<b>1,57,71,755</b>	<b>17.12%</b>	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	<b>55,59,013</b>	<b>6.03%</b>	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Anup Ramani	<b>51,84,079</b>	<b>5.63%</b>	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	<b>47,94,714</b>	<b>5.20%</b>	47,74,714	5.18%	47,74,714	5.18%

C) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2017, the amount of ₹ 1.60 per share on the face value of ₹ 2/- is proposed to be paid to the equity shares holders of the Company. (Previous year ₹ 1.40 declared and paid as Interim Dividend and Final dividend of ₹ 0.20 declared and paid to the equity shareholders of the Company.)

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

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**Note 11(b) : Other Equity**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Capital Reserve	0.02	0.02	0.02
Securities Premium Reserve	6,441.95	6,441.95	6,441.95
Foreign Currency Monetary Item Translation Difference a/c	(0.40)	(7.02)	(30.44)
General Reserve	25,818.14	24,318.14	22,818.14
Retained Earnings	31,052.44	25,054.98	21,700.99
<b>Total, Other Equity</b>	<b>63,312.15</b>	<b>55,808.07</b>	<b>50,930.66</b>

**(i) Capital Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	0.02	0.02	0.02
Additions	–	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

**(ii) Securities Premium Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	6,441.95	6,441.95	6,441.95
Additions	–	–	–
<b>Closing balance</b>	<b>6,441.95</b>	<b>6,441.95</b>	<b>6,441.95</b>

**(iii) Foreign Currency Monetary Item Translation Difference a/c**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening Balance	(7.02)	(30.44)	(30.44)
Additions	6.62	23.42	–
<b>Closing balance</b>	<b>(0.40)</b>	<b>(7.02)</b>	<b>(30.44)</b>

**(iv) General Reserve**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	24,318.14	22,818.14	22,818.14
Add : Transferred from Surplus in Statement of Profit & Loss	1,500.00	1,500.00	–
<b>Closing balance</b>	<b>25,818.14</b>	<b>24,318.14</b>	<b>22,818.14</b>

**(v) Retained Earnings**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	25,054.98	21,700.99	24,007.10
Add : Net Profit for the Year	7,706.10	8,193.98	–
Add : Other Comprehensive Income	13.19	(12.68)	–
Add : On consolidation of subsidiary (net)	–	–	15.20
Amount available for appropriation	32,774.27	29,882.29	24,022.30
Less : Retained Earnings	–	–	953.49
Less : Intra Group Transactions	–	–	(0.14)
Less : Transferred to General Reserve	(1,500.00)	(1,500.00)	(1,500.10)
Less : Interim Dividend	–	(1,290.11)	–
Less : Dividend paid	(184.30)	(1,474.41)	(1,474.41)
Less : Dividend Tax	(37.53)	(562.79)	(300.15)
<b>Closing balance</b>	<b>31,052.44</b>	<b>25,054.98</b>	<b>21,700.99</b>

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**Note 12(a) : Non-current borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>				
Term Loans from Banks				
Foreign currency loan -ECB / FCNR(B)	Note No. 12(a)(i)	9,812.32	–	187.50
Indian rupee loan	Note No. 12(a)(ii)	6,275.05	4,857.39	1,234.48
Vehicle Loan from Bank	Note No. 12(a)(iii)	30.52	37.45	–
Interest accrued but not due	Note No. 12(c)	55.48	37.94	33.32
		<b>16,173.37</b>	<b>4,932.78</b>	<b>1,455.30</b>
<b>Unsecured</b>				
Term Loan from Others				
Foreign currency loan -ECB	Note No. 12(a)(iv)	–	364.33	687.50
		–	<b>364.33</b>	<b>687.50</b>
<b>Total, Non Current Borrowings</b>		<b>16,173.37</b>	<b>5,297.11</b>	<b>2,142.80</b>
Less: Current maturities of long-term debt (included in note 12(c))		(2,886.92)	(1,470.64)	(831.29)
Less: Interest accrued (included in note 12(c))		(55.48)	(37.94)	(33.32)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>13,230.97</b>	<b>3,788.53</b>	<b>1,278.19</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year. The principal repayment of the loan has been partly hedged through call spread options.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Buidling situated at HB : 211 , Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205.

Contd.



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**Note 12(a) : Non-current borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(i)	Standard Chartered Bank Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	GBP 61,00,000 The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year. The principal repayment of the loan has been partly hedged through call spread options. 5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.
12(a)(i)	DBS Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	USD 45,00,000 The ECB is Repayable in 15 quarterly installments of USD 300,000 each commencing from November 8, 2011, ending on May 8, 2015. The amount is payable in the month of February, May, August, and November of each year. Since repaid. 5.05 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by Charge on Present & future movable fixed assets and Equitable mortgage of Land and Building at Plot No. B -20, M. I. D. C. , Waluj, Aurangabad.
12(a)(ii)	IDBI Bank Ltd Amount Sanctioned Terms of Repayment  Rate of Interest  Nature of Security	₹ 4,00,00,000/- The Term Loan is Repayable in 16 quarterly installments of ₹ 25,00,000/- each commencing from March 01, 2015 ending on December 1, 2018. The loan has been prepaid in full during the year. 11.75 % p.a. Primary : First and Exclusive charge over the assets (Kilolab) created at Rabale, MIDC, Thane Belapur Road, Navi Mumbai 400 701, out of the sanctioned term loan. Collateral : First Pari Passu Charge on the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701 ( Excluding charge on assets offered as security to The Saraswat Co-op Bank Limited )

Contd.

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**Note 12(a) : Non-current borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
12(a)(ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 10,00,00,000/- The Term Loan is Repayable in 59 equal monthly installments of ₹ 16,67,000/- each and 60th installment of ₹ 16,47,000/-commencing from August 16, 2014 ending on July 16, 2019. The loan has been prepaid in full during the year. 11% p.a. Primary : First and Exclusive charge over the assets created at Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701, out of the sanctioned term loan (Analytical Method Development department, 2nd Floor). Collateral : First Pari Passu Charge on the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701 (Excluding charge on assets offered as security to The IDBI Bank Limited)
12(a)(ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 35,00,00,000/- Amount disbursed ₹ 20,00,00,000/- The Term Loan is Repayable in 57 equal monthly installments of ₹ 33,33,300/- each ending on December 19, 2021 9% p.a. Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
12(a)(ii)	Citi Bank Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 50,00,00,000/- The Term Loan is Repayable in 16 equal quaterly installments of ₹ 3,12,50,000/- each and commencing from October 22, 2016 ending on July 20, 2020 9.50 % p.a. The loan is secured by charge on Present and future moveable fixed assets located at Goa Plant I - L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & Goa Plant II - L-32/33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722
12(a)(iii)	Vehicle Loan Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 41,00,000/- The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 7, 2015 ending on September 7, 2020 9.71 % p.a. The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.
12(a)(iv)	Watson Pharmaceuticals Inc. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	USD 1,100,000 The ECB is Repayable in 4 quarterly installments of USD 275,000 each commencing from December 31, 2015, ending on September 30, 2016. The amount is payable in the month of March, June, September, and December of each year. Since repaid. LIBOR + 100 bps The Loan is Unsecured

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**Note 12(b) : Current borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured (Refer Note below)</b>				
Loans from Banks				
Cash Credit Facility	Note No. 12(b)(i)	2,785.73	2,859.26	2,727.24
Foreign Currency Export Packing Credit	Note No. 12(b)(ii)	2,000.00	1,579.49	1,500.00
Packing Credit in Rupee	Note No. 12(b)(iii)	–	–	300.00
Working Capital Demand Loan		500.00	–	–
Interest accrued	Note No. 12(c)	37.73	23.62	10.30
<b>Unsecured</b>				
Loans from Banks				
Cash Credit Facility	Note No. 12(b)(i)	–	–	361.89
Foreign Currency Export Packing Credit	Note No. 12(b)(ii)	1,212.34	784.13	–
Packing Credit in Rupee	Note No. 12(b)(iii)	–	–	400.00
Working Capital Demand Loan	Note No. 12(b)(iv)	1,900.00	2,136.66	1,142.09
Short Term Loan	Note No. 12(b)(v)	3,400.00	1,300.00	1,000.00
Loan from Others	Note No. 12(b)(vi)	–	40.00	90.00
<b>Total, Current borrowings</b>		<b>11,835.80</b>	<b>8,723.16</b>	<b>7,531.52</b>
Less: Interest accrued (included in note 12(c))		–	–	–
<b>Total, Current borrowings (as per Balance Sheet)</b>		<b>11,835.80</b>	<b>8,723.16</b>	<b>7,531.52</b>

Note : Cash Credit, Foreign Currency Export Packing Credit, Packing Credit in Rupee and Working Capital Demand Loan facilities are part of Working Capital facilities availed from various Banks and are secured by hypothecation by way of first pari passu charge on all its stocks and book debts.

Note No.	Type of Loan	Repayment and Rate of Interest
12(b)(i)	Cash Credit Facility	Is repayable on demand and carries interest @ 11 % p.a. to 11.50 % p.a. (Previous year @ 10.20 % p.a. to 12% p.a.)
12(b)(ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 50 bps to 60 bps. (Previous year LIBOR + 50 bps to 60 bps)
12(b)(iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest NIL (Previous Year @ 9.65% p.a. to 9.75% p.a.)
12(b)(iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 8.05 % p.a. to 9.10 % p.a. (Previous year @ 9.10 % p.a. to 9.35 % p.a.)
12(b)(v)	Short Term Loan	Is repayable on demand and carries interest @ 8.15 % p.a. to 9.10 % p.a (Previous year @ 9.30 % p.a. to 10.10% p.a)
12(b)(vi)	Loan from Others	Is repayable on demand and carries interest NIL (Previous year @ 11% p.a.)

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**Note 12(c) : Other Financial Liabilities**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Secured</b>						
Term Loans from Banks						
Indian Rupee loan	1,650.00	–	1,099.28	–	300.04	–
Vehicle Loan	10.38	–	7.03	–	–	–
Foreign Currency loan -ECB / FCNR(B)	1,226.54	–	–	–	187.50	–
Interest accrued	55.48	–	37.94	–	33.32	–
Unclaimed Dividends	27.67	–	47.69	–	19.86	–
<b>Unsecured</b>						
Term Loans from Banks						
Foreign Currency loan -ECB	–	–	364.33	–	343.75	–
Security Deposit Payable	–	697.18	–	646.62	–	632.94
Deposit Others	–	1.06	–	–	–	0.34
Other Current Laibilities	3,878.10	–	3,663.64	–	2,863.99	–
<b>Total, Other financial liabilities</b>	<b>6,848.17</b>	<b>698.24</b>	<b>5,219.91</b>	<b>646.62</b>	<b>3,748.46</b>	<b>633.28</b>

**Note 12(d) : Trade Payables**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade payables			
Acceptances	733.25	766.20	640.34
Other than Acceptances	15,669.68	12,364.91	11,345.22
<b>Total, Trade Payables</b>	<b>16,402.93</b>	<b>13,131.11</b>	<b>11,985.56</b>

**Notes (Consolidated)**  
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**Note 13 : Provisions**

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Leave Obligations (refer note 25)	174.69	683.24	116.58	492.90	86.57	444.93
Gratuity (refer note 25)	–	1,103.62	–	860.99	–	718.92
Bonus	897.24	–	1,060.20	–	265.99	–
Provision for Dividend	0.54	–	0.54	–	–	–
Dividend Tax	2.96	–	0.11	–	–	–
Sales Return	1,849.70	–	1,525.99	–	1,393.26	–
<b>Total, Provisions</b>	<b>2,925.13</b>	<b>1,786.86</b>	<b>2,703.42</b>	<b>1,353.89</b>	<b>1,745.82</b>	<b>1,163.85</b>

(i) Information about provision for sale return and significant estimates:-

When a customer has a right to return the product within a given period, the Company recognises a provision for returns ₹ 1,808.64 lakhs as at March 31, 2017 (March 31, 2016 - ₹ 1,513.62 lakhs, April 1, 2015 - ₹ 1,393.25 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

(ii) Movement in provision for Sales Return

Particulars	Sales Return
<b>As at April 1, 2016</b>	<b>1,525.99</b>
Charged/(credited) to profit or loss	
provision for current year	1,808.64
provision of earlier years reversed	(1,484.93)
<b>As at March 31, 2017</b>	<b>1,849.70</b>

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**Note 14 : Current Tax Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	–	–	138.28
Add : Current Tax payable for the year	–	–	3,064.04
Less : Taxes paid	–	–	(2,468.23)
Add/Less : Assessment Completed / Adjustments	–	–	(238.67)
<b>Closing balance</b>	<b>–</b>	<b>–</b>	<b>495.42</b>

**Note 14 : Current Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Opening balance	<b>31.34</b>	(495.40)	–
Add:: Taxes paid (net)	<b>2,376.51</b>	2,740.80	–
Less : Current Tax payable for the year	<b>(1,973.38)</b>	(2,198.30)	–
Add/Less : Assessment Completed / Adjustments	–	(15.76)	–
<b>Closing balance</b>	<b>434.47</b>	<b>31.34</b>	<b>–</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Income Tax Assets	<b>434.47</b>	31.34	–
Income Tax Liabilities	–	–	(495.42)
<b>Closing balance</b>	<b>434.47</b>	<b>31.34</b>	<b>(495.42)</b>

**Note 15 : Other Liabilities**

<i>Particulars</i>	<i>March 31, 2017</i>		<i>March 31, 2016</i>		<i>April 1, 2015</i>	
	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>
Advance Received	–	<b>420.00</b>	–	265.00	–	250.00
Car Sale Advance	<b>34.50</b>	<b>24.67</b>	39.96	56.99	6.19	85.37
Statutory Dues	<b>333.80</b>	–	477.63	–	331.84	–
<b>Total, Other Liabilities</b>	<b>368.30</b>	<b>444.67</b>	<b>517.59</b>	<b>321.99</b>	<b>338.03</b>	<b>335.37</b>

**Notes (Consolidated)**  
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**Note 16 : Revenue from operations**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Sale of Product		
Domestic Sales	60,983.71	56,220.98
Export Sales	38,955.67	35,844.87
	99,939.38	92,065.85
Sale of Services		
Export Services	6,112.98	5,623.90
Domestic Services	883.89	725.99
	6,996.87	6,349.89
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,175.80	1,027.54
Export Incentives	1,551.18	1,351.71
Scrap Sale	13.84	17.07
	2,740.82	2,396.32
<b>Total, Revenue from Operations (Gross)</b>	<b>1,09,677.07</b>	<b>1,00,812.06</b>

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the Company recognises a provision for returns ₹ 1,808.64 lakhs as at March 31, 2017 (March 31, 2016 - ₹ 1,513.62 lakhs, April 1, 2015 - ₹ 1,393.25 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Note 17 : Other Income**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Interest Received	224.91	52.38
Sundry Receipts	73.62	50.28
Sundry Balance w/back	0.35	1.07
Dividend Received	0.22	0.72
Profit on Sale of Fixed Assets	14.60	4.53
Profit on Sale of Investment	82.86	–
Fair Value of Investment	–	47.20
<b>Total, Other income</b>	<b>396.56</b>	<b>156.18</b>

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**Note 18 : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Cost of Material Consumed		
Opening Stock	7,675.96	6,974.46
Add : Purchases	31,662.97	31,206.09
Less : Closing Stock	(8,893.48)	(7,675.96)
	30,445.45	30,504.59
Purchase of Stock in Trade	8,038.51	5,608.09
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	5,351.36	4,413.54
Op.Stock - Stock in Trade	1,085.74	1,226.13
Op.Stock - WIP	2,404.59	2,089.54
Inventories at the end of the year	8,841.69	7,729.21
Cl.Stock - Finished Goods	(4,171.52)	(5,351.36)
Cl.Stock - Stock in Trade	(1,476.05)	(1,085.74)
Cl.Stock - WIP	(3,350.03)	(2,404.59)
	(8,997.60)	(8,841.69)
Net (Increase) / Decrease	(155.91)	(1,112.48)
<b>Total, Cost of material consumed</b>	<b>38,328.05</b>	<b>35,000.20</b>

**Note 19 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Salaries, Wages and Bonus	18,154.17	15,883.14
Contribution to Provident and Other Funds	1,539.93	1,271.07
Staff Welfare Expenses	1,973.11	1,032.87
<b>Total, Employee Benefits Expense</b>	<b>21,667.21</b>	<b>18,187.08</b>

**Note 20 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
R&D Employee Cost	1,999.46	1,564.62
Other R&D Expenses	3,171.58	2,753.25
<b>Total, Research &amp; Development Expenses</b>	<b>5,171.04</b>	<b>4,317.87</b>

**Note 21 : Depreciation and Amortisation Expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Depreciation of Property, Plant and Equipment	3	3,600.52	3,810.21
Amortisation of Intangible Assets	4	2,727.57	2,255.96
<b>Total, Depreciation and Amortisation Expenses</b>		<b>6,328.09</b>	<b>6,066.17</b>



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**Note 22 : Other Expenses**

<u>Particulars</u>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Consumable Stores	270.78	176.23
Job Work Charges	838.52	620.46
Power and Fuel	2,312.39	2,172.36
Rent, Rates, Taxes	493.13	434.89
Insurance	188.59	143.13
Repairs :		
Building	98.83	116.09
Plant and Machinery	667.09	645.18
Others	1,135.90	1,213.14
	<b>1,901.82</b>	1,974.41
Packing and Delivery Expenses	3,071.66	2,967.88
Analytical Expenses	1,456.03	1,429.51
Turnover and Additional Tax	364.44	334.71
Advertising and Sales Promotion Expenses	4,188.17	2,944.36
Commission and Incentives on sales	2,769.88	2,309.82
Travelling, Conveyance and Motor Car Expenses	6,252.15	5,370.17
Legal and Professional Fees	800.44	426.68
Director's Sitting Fees	12.40	7.65
Postage, Telephone and Telex Expenses	324.70	289.22
Printing and Stationery Expenses	483.15	602.50
Payments to Auditors (refer note no. 22 (a))	13.31	13.86
Loss on sale of Assets	33.06	32.41
Provision for Doubtful Debts	258.32	183.78
Provision for Diminution in value of Investment	—	466.47
Bad Debts written off		
Bad Debts written off	197.96	274.69
Less : Transfer from Provision for Doubtful Debts	(196.72)	(246.60)
	<b>1.24</b>	28.09
Corporate Social Responsibility (refer note no. 22(b))	221.83	88.63
Miscellaneous Expenses	2,608.36	3,247.59
<b>Total, Other expenses</b>	<b>28,864.37</b>	<b>26,264.81</b>

**Note 22(a) : Details of payments to Auditors**

<u>Particulars</u>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	8.96	9.01
Tax Audit Fees	3.25	4.45
<b>In other capacities :</b>		
Company law matters	0.60	0.20
Certification fees	0.50	0.20
<b>Total, payment to Auditors</b>	<b>13.31</b>	<b>13.86</b>

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**Note 22(b) : Corporate social responsibility expenditure**

<u>Particulars</u>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>Contribution to :</b>		
Promoting Education	152.29	49.90
Project for beds with Mattresses	–	14.42
Preventive Healthcare	36.00	–
Sponsorship of Food Distribution vehicle	17.10	–
Paediatric Physiotherapy Center	7.18	–
Plantation of trees	6.10	19.12
Machines for Vocational Training	1.28	2.00
Sponsorship	0.85	0.05
Preventive Sanitation	1.03	–
Cancer Treatment	–	3.00
Folding canes for Blind	–	0.14
<b>Total</b>	<b>221.83</b>	<b>88.63</b>
Amount required to be spent as per Section 135 of the Act *	252.93	153.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	221.83	88.63

\* Includes an amount of ₹ 64.36 Lakhs b/f from FY 2015-2016

**Note 23 : Finance Cost**

<u>Particulars</u>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Interest Expense	1,666.67	1,133.35
Other Financial charges	119.92	101.89
Dividend on Preference Shares	–	0.54
Dividend Distribution Tax on Preference Shares	2.85	0.11
Exchange Gain / Loss (Net)	(859.94)	181.53
	929.50	1,417.42
Less : Amount capitalised (see note below)	(308.22)	(177.97)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>621.28</b>	<b>1,239.45</b>

Note : Finance Cost incurred on various projects is capitalised.

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**Note 24 : Income Tax expense**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
<b>(a) Income tax expense</b>		
Current Tax	1,962.13	2,198.30
Deferred tax	841.12	(324.66)
MAT Credit Adjustments	(1,408.99)	(186.89)
Total deferred tax expense/(benefit)	(567.87)	(511.55)
Tax in respect of earlier years	–	5.21
<b>Income tax expense</b>	<b>1,394.26</b>	<b>1,691.96</b>
Income tax expense is attributable to:		
Profit from continuing operations	1,394.26	1,691.96
Profit from discontinued operation	–	–
	<b>1,394.26</b>	<b>1,691.96</b>

**b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'16-Mar'17</i>	<i>Apr'15-Mar'16</i>
Profit from continuing operations before income tax expense	9,093.59	9,892.66
Profit from discontinuing operation before income tax expense	–	–
	<b>9,093.59</b>	<b>9,892.66</b>
<b>Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)</b>	<b>3,147.11</b>	<b>3,423.65</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(1,206.81)	(1,097.25)
Effect of non-deductible expenses	228.50	(476.96)
Other items	3.34	11.62
Adjustments for current tax of prior periods	–	5.21
Adjustments of MAT of Previous period	(791.71)	(186.89)
Tax losses for which no deferred income tax was recognised	13.83	12.58
	<b>1,394.26</b>	<b>1,691.96</b>

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**Note 25 : Employee benefit obligations**

As required by IND AS 19 'Employee benefits' the disclosures are as under :

**(i) Leave obligations**

The leave obligations cover the Group's liability for sick and earned leave.

The amount of the provision of ₹ 174.69 lakhs (March 31, 2016 – ₹ 116.58 lakhs, April 1, 2015 – ₹ 86.57 lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Current leave obligations expected to be settled within the next 12 months	<b>151.63</b>	101.22	73.85

**(ii) Post-employment obligations**

a) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**(iii) Defined contribution plans**

a. Provident Fund

The Group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1,124.58 lakhs (March 31, 2016 – ₹ 972.09 lakhs).

b. Superannuation

The Group contributed ₹ 61.72 lakhs (March 31, 2016 - ₹ 49.83 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

*Contd.*

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**Note 25 : Employee benefit obligations : Contd.**

**Balance sheet amounts – Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2015</b>	<b>1,059.54</b>	<b>(340.62)</b>	<b>718.92</b>
Current service cost	159.64	–	159.64
Interest expense/(income)	84.76	(27.25)	57.51
<b>Total amount recognised in profit or loss</b>	<b>244.40</b>	<b>(27.25)</b>	<b>217.15</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	9.53	9.53
(Gain)/loss from change in financial assumptions	45.42	–	45.42
Experience (gains)/losses	(35.54)	–	(35.54)
<b>Total amount recognised in other comprehensive income</b>	<b>9.88</b>	<b>9.53</b>	<b>19.41</b>
Employer contributions	–	(94.49)	(94.49)
Benefit payments	(85.65)	85.65	–
<b>March 31, 2016</b>	<b>1,228.17</b>	<b>(367.18)</b>	<b>860.99</b>

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2016</b>	<b>1,228.17</b>	<b>(367.18)</b>	<b>860.99</b>
Current service cost	202.70	–	202.70
Interest expense/(income)	97.76	(29.23)	68.53
<b>Total amount recognised in profit or loss</b>	<b>300.46</b>	<b>(29.23)</b>	<b>271.23</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	11.35	11.35
(Gain)/loss from change in financial assumptions	42.93	–	42.93
Experience (gains)/losses	(73.83)	–	(73.83)
<b>Total amount recognised in other comprehensive income</b>	<b>(30.90)</b>	<b>11.35</b>	<b>(19.55)</b>
Employer contributions	–	(9.05)	(9.05)
Benefit payments	(88.26)	88.26	–
<b>March 31, 2017</b>	<b>1,409.47</b>	<b>(305.85)</b>	<b>1,103.62</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Present value of funded obligations	<b>1,409.47</b>	1,228.17	1,059.54
Fair value of plan assets	<b>(305.85)</b>	(367.18)	(340.62)
<b>Deficit of funded plan</b>	<b>1,103.62</b>	<b>860.99</b>	<b>718.92</b>
Unfunded plans	–	–	–
<b>Deficit of gratuity plan</b>	<b>1,103.62</b>	<b>860.99</b>	<b>718.92</b>

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**Note 25 : Employee benefit obligations : Contd.**

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.7%	8.0%	8.0%
Inflation	2.0%	2.0%	2.0%
Salary growth rate	5.0%	5.0%	5.0%

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	1%	1%	-	-	135.12	115.33
Discount rate	-1%	-1%	160.20	136.11	-	-
Salary growth rate	1%	1%	162.94	138.85	-	-
Salary growth rate	-1%	-1%	-	-	139.48	119.36
Attrition rate	1%	1%	33.02	32.09	-	-
Attrition rate	-1%	-1%	-	-	38.66	37.27

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plans assets are as follows:**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Gratuity :</b>			
<b>Unquoted</b>			
Insurance fund	305.85	367.18	340.62
<b>Total</b>	<b>305.85</b>	<b>367.18</b>	<b>340.62</b>

**(vii) Maturity profile of projected benefit obligation (from fund) :**

	March 31, 2017	March 31, 2016
1st following year	83.24	81.58
2nd following year	50.41	48.01
3rd following year	99.39	53.42
4th following year	93.11	101.32
5th following year	130.29	84.76
Sum of years 6 to 10	501.79	496.34

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**Note 26 : Fair value measurement**

Financial instruments by category	March 31, 2017		March 31, 2016		April 1, 2015	
	FVPL	Amortised Cost	FVPL	mortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity instruments	2.10		2.10		12.10	
Mutual funds	–		1,567.98		466.47	
Trade receivables		21,567.77		18,883.39		15,538.38
Non Current Other Financial assets		1,671.39		459.96		345.59
Cash and cash equivalents		6,005.95		1,039.96		1,050.89
Bank balances other than cash and cash equivalents		252.65		223.40		358.07
Current Other Financial Assets		1,291.19		393.22		457.84
<b>Total, Financial Assets</b>	<b>2.10</b>	<b>30,788.95</b>	<b>1,570.08</b>	<b>20,999.93</b>	<b>478.57</b>	<b>17,750.77</b>
<b>Financial Liabilities</b>						
Bank Borrowings		28,009.17		14,020.26		9,674.32
Non Current Other Financial Liabilities		698.23		646.62		633.28
Current Other Financial Liabilities		3,905.77		3,711.33		2,883.85
Trade Payables		16,402.94		13,131.11		11,985.56
<b>Total, Financial Liabilities</b>	<b>–</b>	<b>49,016.11</b>	<b>–</b>	<b>31,509.32</b>	<b>–</b>	<b>25,177.01</b>

**Fair value hierarchy**

Level 1 :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Contd.

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Note 26 : Fair value measurement : *Contd.*

Financial assets and liabilities measured at fair value	March 31, 2017			March 31, 2016			April 1, 2015		
	Level			Level			Level		
	I	II	III	I	II	III	I	II	III
<b>Financial Assets</b>									
Investments									
Equity instruments	2.10	–	–	2.10	–	–	12.10	–	–
Mutual funds	–	–	–	1,567.98	–	–	466.47	–	–
Trade receivables	–	–	21,567.77	–	–	18,883.39	–	–	15,538.38
Non Current Other Financial assets	–	–	1,671.39	–	–	459.96	–	–	345.59
Cash and cash equivalents	–	–	6,005.95	–	–	1,039.96	–	–	1,050.89
Bank balances other than cash and cash equivalents	–	–	252.65	–	–	223.40	–	–	358.07
Current Other Financial Assets	–	–	1,291.19	–	–	393.22	–	–	457.84
<b>Total, Financial Assets</b>	<b>2.10</b>	<b>–</b>	<b>30,788.95</b>	<b>1,570.08</b>	<b>–</b>	<b>20,999.93</b>	<b>478.57</b>	<b>–</b>	<b>17,750.77</b>
<b>Financial Liabilities</b>									
Bank Borrowings	–	–	28,009.17	–	–	14,020.26	–	–	9,674.32
Non Current Other Financial Liabilities	–	–	698.23	–	–	646.62	–	–	633.28
Current Other Financial Liabilities	–	–	3,905.77	–	–	3,711.33	–	–	2,883.85
Trade Payables	–	–	16,402.94	–	–	13,131.11	–	–	11,985.56
<b>Total, Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>49,016.11</b>	<b>–</b>	<b>–</b>	<b>31,509.32</b>	<b>–</b>	<b>–</b>	<b>25,177.01</b>

**Note: 27 - FINANCIAL RISK MANAGEMENT**

**Financial risk management objectives and policies**

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Audit Committee of the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

*Contd.*



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**Note: 27 - FINANCIAL RISK MANAGEMENT : Contd.**

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Short Term Borrowings	11,835.80	8,723.16	7,531.52
Long Term Borrowings	16,173.37	5,297.11	2,142.80
Total Borrowings	28,009.17	14,020.27	9,674.32
% of Borrowings out of above bearing variable rate of Interest	42.26%	62.22%	77.85%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on profit before tax**

Particulars	2016-17	2015-16
50 BPS increase would decrease the profit before tax by	59.18	43.23
50 BPS decrease would increase the profit before tax by	(59.18)	(43.23)

**Market Risk- Foreign currency risk.**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Group also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF which exposes the Group to foreign currency risk to minimise the risk of imports, the group hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

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**Notes (Consolidated)**  
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**Note: 27 - FINANCIAL RISK MANAGEMENT : Contd.**

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Currency	Amount	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	116.15	USD	48.25	USD	29.75
Forward Contract to Buy USD	USD	13.50	USD	17.00	USD	16.00
Forward Contract to Sell EURO	EURO	90.80	EURO	27.75	EURO	12.87
Forward Contract to BUY EURO	EURO	-	EURO	-	Euro	-
Forward Contract to Sell GBP	GBP	81.75	GBP	21.25	GBP	25.04
Forward Contract to BUY GBP	GBP	15.70	GBP	2.00	GBP	-
Swaps						
FCNR ( B)	USD	74.74	USD	-	USD	-
ECB	USD	-	USD	-	USD	3.00
ECB	GBP	61.00	GBP	-	GBP	-

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

March 31, 2017

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	145.50	50.52	57.97	7.35
Trade Payables	2.47	-	-	-
Loans Taken - Short Term & long Term	99.24	5.00	76.70	-
Cash & Bank Balances	15.17	3.47	2.47	-

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**Notes (Consolidated)**  
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**Note: 27 - FINANCIAL RISK MANAGEMENT : Contd.**

**March 31, 2016**

*(Foreign currency in lakhs)*

Particulars	USD	EURO	GBP	AUD
Trade Receivables	116.81	46.56	31.36	1.27
Trade Payables	3.29	-	-	-
Loans Taken - Short Term & long Term	22.50	-	13.00	-
Cash & Bank Balances	2.70	0.09	2.72	-

**April 1, 2015**

*(Foreign currency in lakhs)*

Particulars	USD	EURO	GBP	AUD
Trade Receivables	123.94	32.90	24.18	5.01
Trade Payables	11.64	-	-	-
Loans Taken - Short Term & long Term	46.00	-	-	-
Cash & Bank Balances	8.27	0.07	0.05	-

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in Foreign currency would have following Impact on profit before tax

*(₹ in lakhs)*

	2016-17		2015-16	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	51.15	-51.15	96.54	-96.54
EURO	15.10	-15.10	37.34	-37.34
GBP	-3.24	3.24	5.03	-5.03
AUD	7.71	-7.71	1.33	-1.33
CHF	-2.03	2.03	-0.70	0.70
Increase / (Decrease) in profit or loss	68.69	-68.69	139.54	-139.54

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

*Contd.*

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**Note: 27 - FINANCIAL RISK MANAGEMENT : Contd.**

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Not due	10,800.36	10,174.66	9,049.11
0-3 Months	4,173.77	4,971.50	4,034.10
3 - 6 Months	1,391.71	1,062.48	302.64
6 Months and above	5,636.57	3,047.79	2,588.39
<b>Total</b>	<b>22,002.41</b>	<b>19,256.43</b>	<b>15,974.24</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Opening Provision	373.04	435.86	177.48
Add :- Additional provision made	258.32	183.78	392.18
Less : - Provision written off	196.72	246.60	133.80
Less : - Provision reversed	-	-	-
Closing Provisions	434.64	373.04	435.86

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Floating Rate			
Expiring within one year (Cash Credit and other facilities)	6,461.91	4,685.22	5,654.42
Expiring beyond one year (bank loans)	-	-	-

Contd.

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**Note: 27 - FINANCIAL RISK MANAGEMENT : Contd.**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

**(ii) Maturity patterns of Borrowings**

Particulars	March 31, 2017				March 31, 2016			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	<b>2,942.40</b>	<b>13,230.97</b>	-	<b>16,173.37</b>	1,508.58	3,788.53	-	<b>5,297.11</b>
<b>Short term borrowings</b>	<b>11,835.80</b>	-	-	<b>11,835.80</b>	8,723.16	-	-	<b>8,723.16</b>
<b>Total</b>	<b>14,778.20</b>	<b>13,230.97</b>	-	<b>28,009.17</b>	<b>10,231.74</b>	<b>3,788.53</b>	-	<b>14,020.27</b>

**(iii) Maturity Patterns of other Financial Liabilities**

March 31, 2017	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,341.76	30.19	485.89	15,857.84
Payable related to Capital goods	429.57	55.67	59.85	545.09
Other Financial liability (Current and Non Current)	4,376.34	415.09	2,754.98	7,546.41
<b>Total</b>	<b>20,147.67</b>	<b>500.95</b>	<b>3,300.72</b>	<b>23,949.34</b>

March 31, 2016	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	12,211.67	92.18	487.31	12,791.16
Payable related to Capital goods	206.24	71.63	62.08	339.95
Other Financial liability (Current and Non Current)	4,013.48	257.17	1,595.88	5,866.53
<b>Total</b>	<b>16,431.39</b>	<b>420.98</b>	<b>2,145.27</b>	<b>18,997.64</b>

April 1, 2015	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	11,789.86	-	-	11,789.86
Payable related to Capital goods	195.70	-	-	195.70
Other Financial liability (Current and Non Current)	3,179.68	75.01	1,127.05	4,381.74
<b>Total</b>	<b>15,165.24</b>	<b>75.01</b>	<b>1,127.05</b>	<b>16,367.30</b>

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**Note 28 : Capital Management**

**(a) Risk Management**

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The Group strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Net Debt	22,003.22	12,980.31	8,623.44
Equity	65,155.24	57,651.16	52,773.75
<b>Net debt to equity ratio</b>	<b>33.8%</b>	<b>22.5%</b>	<b>16.3%</b>

**(b) Dividends**

(Amt in ₹)

Particulars	March 31, 2017	March 31, 2016
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2016 of ₹ 0.20 (March 31, 2015 – ₹ 1.60) per fully paid share	184.30	1,474.41
Interim dividend for the year ended March 31, 2017 - NIL (March 31, 2016 - ₹ 1.40) per fully paid share	–	1,290.11
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.60 per fully paid equity share (March 31, 2016 – ₹ 0.20). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,474.41	184.30

**Notes (Consolidated)**  
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**Note 29 : Segment Information**

**(a) Description of segments and principal activities**

The Company has only one reporting segment of its business i.e. Pharmaceutical, wherein the Company's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

	<i>March 31, 2017</i>	<i>March 31, 2016</i>
<b>Total adjusted EBITDA</b>	<b>15,646.40</b>	<b>17,042.10</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

<i>Particulars</i>	<i>Note No</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>
<b>Total adjusted EBITDA</b>		<b>15,646.40</b>	<b>17,042.10</b>
Finance costs	23	621.28	1,239.45
Other Income	17	(396.56)	(156.18)
Depreciation and amortisation expense	21	6,328.09	6,066.17
<b>Profit before income tax from continuing operations</b>		<b>9,093.59</b>	<b>9,892.66</b>

**(c) Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

<i>Particulars</i>	<i>March 31, 2017</i>			<i>March 31, 2016</i>		
	<i>India</i>	<i>Outside India</i>	<i>Total</i>	<i>India</i>	<i>Outside India</i>	<i>Total</i>
Revenue from External Customers	61,867.60	45,068.65	1,06,936.25	56,946.97	41,468.77	98,415.74
Non Current Assets (*)	57,442.92	-	57,442.92	44,787.62	-	44,787.62

\* Excluding financial assets, deferred & current tax assets

**Product :**

<i>Particulars</i>	<i>March 31, 2017</i>	<i>March 31, 2016</i>
Revenue from Product	99,939.38	92,065.85
Revenue from Services	6,996.87	6,349.89
<b>Total, Revenue</b>	<b>1,06,936.25</b>	<b>98,415.74</b>

## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Note 30 : Events occurring after the reporting period

#### Other events

Refer to note 28 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting

### Note 31 : Earnings Per Share

Particulars	Apr'16-Mar'17	Apr'15-Mar'16
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit for the year	7,706.10	8,193.99
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
Basic & Diluted Earnings Per Share (₹ 2/-)	8.36	8.89

### Notes 32:

Contingent Liabilities not provided for:

		(₹ In lakhs)	
		As at March 31, 2017	As at March 31, 2016
A)	Matters under dispute		
i)	Sales Tax (₹ 210.79 lakhs has been paid under protest Previous year ₹ 172.16 lakhs) **	441.79	441.79
ii)	Excise / Service Tax ***	640.78	643.49
iii)	Income Tax *	15.72	21.12
B)	Bank Guarantees	205.00	65.00
C)	Letters of Credit	2,242.57	586.16
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 3,734.47 lakhs (Previous year ₹ 1,770.05 lakhs)	4,911.15	6,023.49
E)	Corporate Guarantee given to Bank on behalf of the Subsidiary	200.00	200.00

### Legal Case –

The Group had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Group on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

The Group has filed case against a Stockiest under Section 138 under Negotiable Instruments Act 1881 for Cheque Bounce of ₹1.50 Lacs.

A CFA has filed a case against the Group for recovery of the amount adjusted against credit note of ₹1.49 lacs the Group has disputed the Claim.

Contd.



## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

**Note 32 :** *Contd.*

**\* Income Tax demand comprises of**

- a) TDS of ₹ 15.72 Lakhs (Previous year – ₹ 21.12 Lakhs ) for Short Deduction appearing in traces.

**\*\* Sales Tax demand comprises of**

- a) ₹ 421.58 Lakhs (Previous year – ₹ 421.58 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Group has filed an appeal before High Court which is yet to be heard.
- b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs ) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Group has filed appeal before Commissioner.

**\*\*\*Excise tax demand comprises of**

- a) Group appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) Appeal pending before CESTAT for classification dispute ₹ NIL (Previous year – ₹ 2.71 Lakhs).
- d) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.
- e) Group has Filed an appeal before CESTAT for valuation of physician sample ₹1.25 Lakhs (Previous year – ₹ 1.25 Lakhs).
- f) Group appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs ).
- g) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- h) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.
- i) Group appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- j) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs ).
- k) ₹ 279.55 Lakhs (Previous year – ₹ 279.55 Lakhs) pending before Commissioner of Central Excise Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

*Contd.*

## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Note 33: Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current Assets</b>			
<b>Financial Assets</b>			
Floating Charge			
Receivables	21,573.10	18,772.30	15,364.39
<b>Non Financial Assets</b>			
Floating Charge			
Inventories	18,504.34	16,447.29	14,735.69
<b>Total, Current Assets Pledged as security</b>	<b>40,077.44</b>	<b>35,219.59</b>	<b>30,100.08</b>
<b>Non Current Assets</b>			
First Charge			
Land & Building	3,671.61	-	190.20
Furniture, fittings and equipment	1,134.12	481.47	471.52
Plant and machinery	16,527.15	8,795.71	7,441.87
Others	2,305.83	1,286.97	1,118.57
<b>Total, Non-current assets Pledged as security</b>	<b>23,638.71</b>	<b>10,564.15</b>	<b>9,222.16</b>
<b>Total, Assets pledged as security</b>	<b>63,716.15</b>	<b>45,783.73</b>	<b>39,322.24</b>

\* The Assets Pledged does not include capital work in progress.

### Note 34 :

Related Party Disclosure as required by Ind AS 24.

#### I. Related Parties

(A)	Enterprises that control or are controlled by the reporting Company:	
	Holding Companies	Not Applicable
	Subsidiary Company	Not Applicable
	Fellow Subsidiaries	Not Applicable
(B)	Associates and Joint Ventures of reporting Company:	
	Associates	Not Applicable
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting Company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Mrs. Laxmi Bambolkar, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation ,Warren Generics s.r.o, Indoco Remedies Singapore Pte Ltd	

Contd.

**Notes (Consolidated)**  
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Note 34 : *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting Company	Associates and Joint Ventures of reporting Company	Individuals owning and having control over the reporting Company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)		-	-	-	-	-
Purchases or sales of fixed assets		-	-	-	-	-
Rendering or receiving of services	C.Y.	-	-	-	15.49	111.33
	P.Y.	-	-	-	16.69	112.02
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	638.05	-
	P.Y.	-	-	-	541.87	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	6.75	41.97
	P.Y.	-	-	-	12.95	39.91
Finance (including loans and equity contributions in cash or in kind)	C.Y.	-	-	-	-	0.80
	P.Y.	-	-	-	-	0.85
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Payable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-

*Contd.*

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Note 34 :** *Contd.*

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting Company	Associates and Joint Ventures of reporting Company	Individuals owning and having control over the reporting Company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	-	-	-	660.29	154.10
	P.Y.	-	-	-	571.51	152.78
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

**Note 35:**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

		2016 -17	2015 -16
A	Principal Amount Due Interest due on the above	40.34	30.20
B	Interest paid during the year beyond the appointed day	-	-
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
D	Amount of interest accrued and remaining unpaid at the end of the year.	-	-
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	-	-

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

## **Notes (Consolidated)** **on financial statements for the year ended March 31, 2017**

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### **Note 36:**

Previous year's figures have been regrouped and reclassified wherever necessary.

### **Note 37 : First-time adoption of Ind AS**

#### **Transition to Ind AS**

This is the Group first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group date of transition). In preparing its opening Ind AS balance sheet, the group 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 Indian GAAP). An explanation of how the transition from previous IGAAP to Ind AS has affected the Group financial position, financial performance and cash flows is set out in the following tables and notes.

#### **A. Exemptions and exceptions availed**

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

##### **A.1 Ind AS optional exemptions**

###### **A.1.1 Cumulative translation differences**

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired. The group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

###### **A.1.2 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous IGAAP carrying value.

###### **A.1.3 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The group has elected to apply this exemption for its investment in equity investments

###### **A.1.4 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date

*Contd.*

## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

### Note 37 : First-time adoption of Ind AS : Contd.

of transition to Ind AS, except where the effect is expected to be not material.

The group has elected to apply this exemption for such contracts/arrangements.

#### A.2.2 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous IGAAP (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 April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous IGAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous IGAAP:

Investment in equity instruments carried at FVPL or FVOCI;

Investment in debt instruments carried at FVPL; and

Impairment of financial assets based on expected credit loss model.

#### A.2.3 Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the group has applied the above requirement prospectively

### B: Reconciliations between previous IGAAP and Ind AS

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 IGAAP to Ind AS.

Particulars	March 31, 2016			April 01, 2015		
	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non Current Assets</b>						
(a) Property, Plant and Equipment	33,580.12	(143.34)	33,436.78	31,226.22	(114.07)	31,112.15
(b) Capital Work in Progress	581.89	–	581.89	876.79	–	876.79
(c) Goodwill on consolidation	30.52	–	30.52	30.52	–	30.52
(d) Other Intangible Assets	3,896.24	–	3,896.24	4,449.59	–	4,449.59
(e) Intangible Assets under Development	4,897.93	–	4,897.93	3,668.70	–	3,668.70
(f) Financial Assets						
(i) Investments	2.10	–	2.10	12.10	–	12.10
(ii) Loans	129.54	–	129.54	24.20	–	24.20
(iii) Other Financial Assets	459.96	–	459.96	345.59	–	345.59

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**Notes (Consolidated)**  
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(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

Particulars	March 31, 2016			April 01, 2015		
	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS
(g) Deferred Tax Assets (Net)	2,418.25	(225.83)	2,192.42	1,939.59	(258.73)	1,680.86
(h) Current Tax Assets (Net)	(3.78)	35.12	31.34	–	–	–
(i) Other Non Current Assets	1,944.25	–	1,944.25	928.05	–	928.05
<b>Total, Non Current Assets</b>	<b>47,937.02</b>	<b>(334.05)</b>	<b>47,602.97</b>	<b>43,501.35</b>	<b>(372.80)</b>	<b>43,128.55</b>
<b>Current Assets</b>						
(a) Inventories	16,519.13	149.99	16,669.12	14,912.13	115.84	15,027.97
(b) Financial Assets						
(i) Investments	1,520.78	47.20	1,567.98	466.47	–	466.47
(ii) Trade Receivables	18,883.39	–	18,883.39	15,538.38	–	15,538.38
(iii) Cash and Cash Equivalents	1,039.95	–	1,039.95	1,050.88	–	1,050.88
(iv) Bank Balances other than (iii) above	223.40	–	223.40	358.07	–	358.07
(v) Loans	43.96	–	43.96	35.21	–	35.21
(vi) Other Financial Assets	153.48	239.74	393.22	21.65	436.20	457.85
(c) Other Current Assets	7,627.45	–	7,627.45	5,965.87	–	5,965.87
	<b>46,011.54</b>	<b>436.93</b>	<b>46,448.47</b>	<b>38,348.66</b>	<b>552.04</b>	<b>38,900.70</b>
(d) Assets classified as held for sale	6.63	–	6.63	–	–	–
<b>Total, Current Assets</b>	<b>46,018.17</b>	<b>436.93</b>	<b>46,455.10</b>	<b>38,348.66</b>	<b>552.04</b>	<b>38,900.70</b>
<b>Total, Assets</b>	<b>93,955.19</b>	<b>102.88</b>	<b>94,058.07</b>	<b>81,850.01</b>	<b>179.24</b>	<b>82,029.25</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	1,843.01	–	1,843.01	1,843.01	–	1,843.01
(b) Other Equity	56,585.79	(777.72)	55,808.07	50,036.19	894.47	50,930.66
<b>Equity attributable to owners of Indoco Remedies Ltd.</b>	<b>58,428.80</b>	<b>(777.72)</b>	<b>57,651.08</b>	<b>51,879.20</b>	<b>894.47</b>	<b>52,773.67</b>
Non-controlling interest	0.08	–	0.08	0.08	–	0.08
<b>Total, Equity</b>	<b>58,428.88</b>	<b>(777.72)</b>	<b>57,651.16</b>	<b>51,879.28</b>	<b>894.47</b>	<b>52,773.75</b>
Share application money	0.69	–	0.69	–	–	–

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**Notes (Consolidated)**  
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(All amounts in INR lakhs, unless otherwise stated)

Note 37 : First-time adoption of Ind AS : *Contd.*

Particulars	March 31, 2016			April 01, 2015		
	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS	Previous IGAAP *	Adjustment on transition to Ind AS	Ind AS
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	3,793.02	(4.49)	3,788.53	1,285.35	(7.16)	1,278.19
(ii) Other Financial Liabilities	646.62	–	646.62	633.28	–	633.28
(b) Long Term Provisions	1,721.06	(367.17)	1,353.89	1,504.46	(340.61)	1,163.85
(c) Other Non-Current Liabilities	321.99	–	321.99	335.37	–	335.37
<b>Total, Non-Current Liabilities</b>	<b>6,482.69</b>	<b>(371.66)</b>	<b>6,111.03</b>	<b>3,758.46</b>	<b>(347.77)</b>	<b>3,410.69</b>
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	8,775.08	(51.92)	8,723.16	7,547.97	(16.45)	7,531.52
(ii) Trade Payables	13,131.11	–	13,131.11	11,985.56	–	11,985.56
(iii) Other Financial Liabilities	5,219.91	–	5,219.91	3,748.46	–	3,748.46
(b) Short Term Provisions	1,399.24	1,304.18	2,703.42	2,096.83	(351.01)	1,745.82
(c) Current Tax Liabilities (Net)	–	–	–	495.42	–	495.42
(d) Other Current Liabilities	517.59	–	517.59	338.03	–	338.03
<b>Total, Current Liabilities</b>	<b>29,042.93</b>	<b>1,252.26</b>	<b>30,295.19</b>	<b>26,212.27</b>	<b>(367.46)</b>	<b>25,844.81</b>
<b>Total, Liabilities</b>	<b>35,525.62</b>	<b>880.60</b>	<b>36,406.22</b>	<b>29,970.73</b>	<b>(715.23)</b>	<b>29,255.50</b>
<b>Total, Equity and Liabilities</b>	<b>93,955.19</b>	<b>102.88</b>	<b>94,058.07</b>	<b>81,850.01</b>	<b>179.24</b>	<b>82,029.25</b>

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

*Contd.*



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

<i>Particulars</i>	<i>Previous IGAAP *</i>	<i>Adjustments</i>	<i>Ind AS</i>
<b>Income</b>			
Revenue from Operations (Gross)	101,116.70	(304.64)	100,812.06
Other Income	108.98	47.20	156.18
<b>Total, Income (I)</b>	<b>101,225.68</b>	<b>(257.44)</b>	<b>100,968.24</b>
<b>Expenditure</b>			
Cost of Materials Consumed	30,504.59	–	30,504.59
Purchase of Stock in Trade	5,608.09	–	5,608.09
Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress	(1,078.33)	(34.15)	(1,112.48)
Employee Benefit Expenses	18,263.32	(76.24)	18,187.08
R&D Expenses	4,317.87	–	4,317.87
Other Expenditure	26,264.81	–	26,264.81
Finance Costs	1,251.21	(11.76)	1,239.45
Depreciation and Amortization Expense	6,036.90	29.27	6,066.17
<b>Profit before Tax</b>	<b>10,057.22</b>	<b>(164.56)</b>	<b>9,892.66</b>
Provision for Tax			
(a) Current	2,233.42	(35.12)	2,198.30
(b) Deferred	(478.65)	(26.19)	(504.84)
(c) Earlier years	5.21	–	5.21
<b>Total, Taxes</b>	<b>1,759.98</b>	<b>(61.31)</b>	<b>1,698.67</b>
<b>Profit for the year</b>	<b>8,297.24</b>	<b>(103.25)</b>	<b>8,193.99</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations	–	(19.40)	(19.40)
ii) Income tax relating to this item	–	6.71	6.71
<b>Total, Other Comprehensive Income</b>	<b>–</b>	<b>(12.69)</b>	<b>(12.69)</b>
<b>Total, Comprehensive income for the year</b>	<b>8,297.24</b>	<b>(115.94)</b>	<b>8,181.30</b>

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

Contd.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

**Reconciliation of total equity as at March 31, 2016 and April 01, 2015**

<i>Particulars</i>	<i>March 31, 2016</i>	<i>April 1, 2015</i>
Total equity (shareholder's funds) as per previous IGAAP	58,428.80	51,879.20
<b>Adjustments:</b>		
Fair valuation of investments	47.20	–
Proposed dividend & Tax	221.82	1,774.56
Borrowings – transaction cost adjustment	4.50	7.16
Revaluation of PCFC Loans	51.91	16.45
MTM Gain / (loss)	239.74	436.20
Provision for Sales Return	(1,526.00)	(1,393.26)
COGS on Provision for Sales Return	149.99	115.84
Depreciation on Property, Plant & Equipment	(143.34)	(114.07)
Employee Benefit	367.16	310.32
Tax effects of adjustments	(190.70)	(258.73)
<b>Total adjustments</b>	<b>(777.72)</b>	<b>894.47</b>
<b>Total, Equity as per Ind AS</b>	<b>57,651.08</b>	<b>52,773.67</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

<i>Particulars</i>	<i>March 31, 2016</i>
<b>Profit after tax as per previous IGAAP</b>	<b>8,297.24</b>
<b>Adjustments:</b>	
Impact of Sales Return	(132.72)
MTM Gain/loss on debtors	(171.92)
MTM Gain/loss on PCFC loans	(24.53)
Fair valuation of investments	47.20
COGS on Sales Return	34.15
Impact on employee benefit	56.84
Borrowings – transaction cost adjustment	(2.66)
Revaluation of PCFC Loans	38.95
Depreciation on Property, Plant & Equipment	(29.27)
Tax effects of adjustments	68.02
<b>Total adjustments</b>	<b>(115.94)</b>
<b>Profit after tax as per Ind AS</b>	<b>8,181.30</b>

Contd.

## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

### **C: Notes to first-time adoption:**

#### **1: Fair valuation of investments**

Under the previous IGAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by ₹ 47.20 lakhs as at March 31, 2016 (April 1, 2015 - NIL).

#### **2: Deferred tax**

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

#### **3: Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous IGAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 56.41 lakhs (April 1, 2015 – ₹ 23.61 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 increased by ₹ 36.29 lakhs.

#### **4: Proposed dividend**

Under the previous IGAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 221.83 lakhs as at March 31, 2016 (April 1, 2015 – ₹ 1774.56 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

#### **5 : Excise duty**

Under the previous IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 1003.37 lakhs. There is no impact on the total equity and profit.

#### **6 : Cash Discount**

Under previous IGAAP, cash discount amounting to ₹ 111.64 lakhs was recognised as part of other expenses which has been adjusted against the revenue under Ind AS during the year ended March 31, 2016. There was no impact on the total equity and profit.

*Contd.*

## Notes (Consolidated) on financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

### 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by ₹ 19.40 lakhs. There is no impact on the total equity as at March 31, 2016.

### 8 : Assets classified as held for sale

In the year 2015-16, the Group announced its intention to sale its Tarapur plant and initiated an active program to locate a buyer. Under previous IGAAP, the concept of disposal Group held for sale does not exist. Accordingly, assets and liabilities of disposal Group have not been presented as held for sale. The Group has disclosed property, plant and equipment held for sale under 'Current assets' in accordance with AS 10 Accounting for Fixed Assets.

Ind AS 105 Non-current Assets held for Sale and Discontinued Operations requires disposal Company to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, it has been determined that the plant held at Tarapur should be presented as held for sale under Ind AS. Consequently, the assets of disposal Company held for sale have been presented separately from the other assets respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment

Based on above, the following assets and liabilities were classified as held for sale as at March 31, 2016:

Particulars	March 31, 2016
Assets classified as held for sale :	
Property, plant and equipment	6.63

### 9: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous IGAAP.

### 11 : Provision for Sales Return & Cost of Goods Sold

The Group has provided for sales return @ 3.4% on the domestic sales based on average sales returns of the last 3 years. The Group has, therefore, recognised revenue on this transaction with a corresponding provision against revenue for estimated returns. Accordingly, short term provisions as at March 31, 2016 have been increased by ₹ 1525.99 lakhs (April 1, 2015 – ₹ 1393.26 lakhs) with a corresponding adjustment to retained earnings. The total equity reduced by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 132.72 lakhs as a result of sales provision (net).

Cost on goods sold has been created on saleable returns. Accordingly, inventory have been increased by ₹ 149.99 lakhs (April 1, 2015 - ₹ 115.84 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended March 31, 2016 increased by INR 34.15 lakhs.

Contd.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2017**

(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : First-time adoption of Ind AS : Contd.**

**12 : Mark to Market Gain / (Loss) (MTM)**

MTM Gain (Net of loss) have been accounted in books. Accordingly, Other financial assets have been increased by ₹ 239.74 lakhs (April 1, 2015 - ₹ 436.20 lakhs) with a corresponding adjustment to retained earnings. The total equity reduced by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 196.45 lakhs.

**13 : Property, Plant & Equipment**

Depreciation has been created on lease hold land on the basis of its lease terms. Accordingly, Property, plant & equipment have been reduced by ₹ 143.34 lakhs (April 1, 2015 - ₹ 114.07 lakhs) with a corresponding adjustment to retained earnings. The total equity reduced by an equivalent amount. The profit for the year ended March 31, 2016 reduced by ₹ 29.27 lakhs.

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As per our Report attached

For **Patkar & Pendse**  
*Chartered Accountants*  
Firm Registration No. : 107824W

**B. M. Pendse**  
*Partner*  
Membership No. 32625

**Sunil D Joshi**  
*President (Finance) &  
Company Secretary*

**Aditi Panandikar**  
*Managing Director*  
DIN : 00179113

**Sundeep V Bambolkar**  
*Jt. Managing Director & CFO*  
DIN : 00176613

Mumbai, May 26, 2017

# GEMS - Creating Leaders From Within

GEMS – Guiding, Empowering, Mentoring, Supporting has been initiated with an intent of creating leaders for the future. Under this programme, the selected mentees undergo an extensive Management Development Programme over a period of two years and are exposed to various aspects of Operational Management and Business Development. The new batch of 2015-17 include mentees from three locations, viz., Mumbai, Goa and Patalganga.

An Eventful Year for the GEMS:



GEMS from Goa with Chairman, Mr. Suresh G. Kare



Industrial Visit to Goa Plant



Introspection Workshop at ADHAR NGO, Badlapur



Book Review Competition



GEMS gaining knowledge on DPCO



GEMS Mumbai Team



A session on Strength training for the GEMS



Session on 'Organising Your Presentation'

# BUZZ @ INDOCO



CARNIVAL 2017 - January 9, 2017



Students of SSC & HSC felicitated for achieving good results



The Winning portrait on the theme of 'Wheels to Wings' on Dussehra Pooja day



Diwali Celebrations



SYZGY III



'O Womaniya' - Women's Day @ Indoco



Annual Pooja @ Baddi



Jt. Managing Director, Mr. Sundeep Bambolkar's session on 'Execution'



Interactive training session @ Patalganga



Session on Personal Finance for CLIMB



Indoco Foundation Day celebrations @ Goa - August 23, 2016



Impact Training session @ HO



Chairman, Mr. Suresh G. Kare's interaction with Team Impact

# BUZZ @ INDOCO



Annual General Meeting 2016 @ MIG, Bandra



CPhI Worldwide 2016 Expo in Madrid



CPhI India 2016



Star Awards 2015 - 16



Proud achievers from Indoco Nagpur Division



High Flyers 2015 - 16

### Safe Harbour

Statements made in this Annual Report describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.





Indoco House, 166 C.S.T. Road,  
Kalina, Santacruz (E),  
Mumbai 400 098, India  
Tel. : +91 22 26541851 - 55  
Fax : +91 22 26520787  
Website: [www.indoco.com](http://www.indoco.com)