

Ref: PDL: SCY: OCTOBER: 2018

Dated: 21st October, 2018

The National Stock Exchange of India Limited,
“Exchange Plaza”, BandraKurla Complex,
Bandra (East),
Maharashtra

The Bombay Stock Exchange Limited
Floor 25, PhirozeJeejeebhoy Towers
Dalal Street, Mumbai
Maharashtra

Sir/Madam

SUB: Annual report for Financial Year 2017-18.

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, please find enclosed herewith a copy of annual report for Financial Year 2017-18, as approved and adopted in the Annual General Meeting of the company held on 29.09.2018.

Kindly take the above mentioned information on record and oblige.

Thanking you.

Yours faithfully,



Raj Kumar Ralhan

Resolution Professional for Parabolic Drugs Limited
Registration Number: IBBI/IPA-001/IP-P00981/2017-2018/11614
Registered Address: Flat No. 801, Tower 01, Kalypso Court,
Jaypee Greens Wish Town, Sector 128, Noida, Uttar Pradesh, 201304
Email: rajkumarralhan@gmail.com





PARABOLIC DRUGS LTD.



Re-energizing Business

Parabolic Drugs Limited |Annual Report, 2017-2018

Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral—that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Contents

● Corporate Information	1	● Auditors' Report	38
● Re-Energizing Business	2	● Balance Sheet	44
● Parabolic Vision& Mission	3	● Profit and Loss Account	45
● From the MD's Desk	4	● Cash Flow Statement	46
● Board of Directors' Report	6	● Schedules and Notes	48
● Management Discussion & Analysis	27	● Consolidated Accounts	66
● Corporate Governance	29	● Notice	84

Corporate Information

Board of Directors:

Mr. Pranav Gupta	- Managing Director
Mr. Vineet Gupta	- Whole- Time Director
Mr. Sanjeev Kumar	-Director
Mr. Jagjit Singh Chahal	- Director
Mrs. Vandana Singla	- Director

Registered & Corporate Office:

S.C.O 186-187, Second Floor, Sector 8C,
Chandigarh

Website

www.parabolicdrugs.com

Bankers:

State Bank of India (Specialised Commercial Branch)*

S.C.O 103-106, Bank Square, Sector 17 B, Chandigarh

ICICI Bank Limited*

S.C.O 129-130, Madhya Marg, Sector 9, Chandigarh

UCO Bank*

S.C.O 55-57, Bank Square, Sector 17 B, Chandigarh

State Bank of Patiala*

S.C.O 103-107, Sector 8 C, Chandigarh

Union Bank of India

4/14- A , Asaf Ali Road , New Delhi

Central Bank of India

S.C.O 58-59, Bank Square, Sector 17- B, Chandigarh

Bank of Baroda

S.C.O 62-63, Bank Square, Sector 17 –B, Chandigarh

IDBI Bank Limited*

S.C.O 72-73, Bank Square, Sector 17-B, Chandigarh

Canara Bank

S.C.O 117-119, Sector 17- C, Chandigarh

Export-Import Bank of India

First Floor, PHD House, Sector31-A Dakshin Marg,
Chandigarh

State Bank of Hyderabad*

S.C.O 62-63, Sector 34 A, Chandigarh

Small Industries Development Bank of India (SIDBI)

S.C.O 145-146, Floor 1-3, Sector 17 –C, Chandigarh

Auditors:

M/s. V.K. Jindal & Associates.

Chartered Accountants,

Plot No 5, Sector- 1, Industrial Area, Parwanoo

Works:

i) Village: Sundhran, P.O: Mubarakpur
Tehsil: Derabassi, Distt: Mohali
Punjab

ii) Village: Chachrauli,
Tehsil: Derabassi, Distt: Mohali, Punjab

R&D Centre:

Plot No. 280-281 , Phase - 1

Block - 1

Alipur, Industrial Estates,

HSIIDC,

Tehsil: Barwala

Distt: Panchkula, Haryana

Sales Depot:

Parabolic Drugs Ltd

Safex Cargo Complex, Village: Kishanpura
Nalagarh Road, Baddi, Distt: Solan (H.P)

CORPORATE IDENTIFICATION NUMBER (CIN)

L24231CH1996PLC017755

*Debt Assigned to JM Financial Asset Reconstruction Company Private Limited

Re-Energizing Business

Parabolic Drugs, an integrated pharmaceutical enterprise, has scaled to reach the different parts of world. The company spans across 4 manufacturing hubs and has a basket of products catering to the needs of business and consumers.

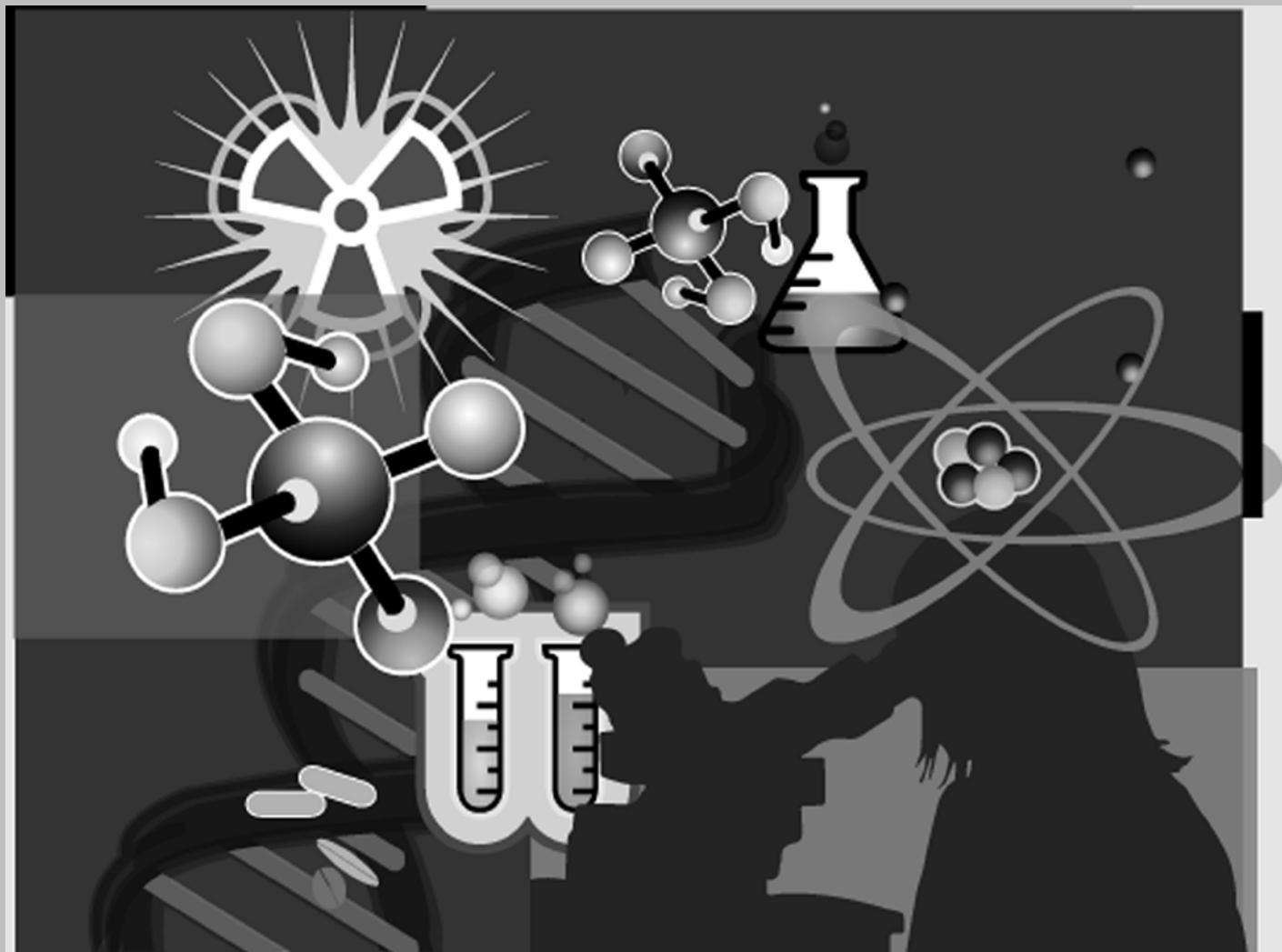
The company has evolved into a leading pharmaceutical company over the last 15 years is led by its research capabilities, chemistry skills, world class quality, IPR, large scale infrastructure, and a strong marketing setup.

With the unattractive monetary policy leading to high interest cost, the eroding of both export and domestic market prices and the weakened Indian comparative advantage in the commodity molecules, the company went into liquidity issues and had therefore applied for Corporate Debt Restructuring. The Company Continue to face liquidity issues. However, it is reorganizing its business, setting up priorities and reenergizing its potential to deliver what has been promised.

At Parabolic, we look to promising a viable future, seeking new initiatives, consolidating the system, optimizing the resources and therefore nurturing the best practices.

PDL AT A GLANCE

Established	:	1996
Facilities	:	3
Head Office	:	Chandigarh
Geographic Spread	:	55 Countries
Employees	:	150+people
Services	:	650+customers



VISION	MISSION
To become a globally acceptable API and pharmaceutical manufacturing company by providing quality products that exceed customer expectation and are produced in a safe working environment	<ul style="list-style-type: none">• To be chosen strategic partner of the world's top ten pharmaceutical companies• To grow consistently by entering Custom Synthesis and Contract Manufacturing Relationships with large Generic and Innovator companies• To leverage our cost efficiencies in manufacturing to penetrate world market across therapeutic segments, including oncology, cardiovascular and anti-hypertensive, among others

From The MD's Desk



Managing Director's Review

Dear Shareholder's

Road-To-Recovery

At the outset, I would thank you for being with us and reposing your confidence in its management. Parabolic presently is all about realigning, recovering and rethinking to resolve our current challenges. I would like to take this opportunity to convey my heartfelt thanks for your utmost commitment, unstinted support and unshakable faith throughout. This calendar year in many ways would be the defining moment for the Company as it continues the journey towards a sustainable growth.

I would also like to reiterate that your role as a share- holder as a contributor in this growth trajectory has always been well appreciated and acknowledged. It is with your support only that the Company is able to cross the hurdles at all levels.

"As we embark on a new journey and set new goals, let us focus not just on routine matters but also transform all areas and ideas that focus not just on creating waves but also creating values for our society. Not just on immediate gains but also long term benefits, not just implementing best practices but also shaping partnerships and not just on building a bright future for our people but in being a bridge to a more united and prosperous world. For the success of this journey, it is important to view this with new eyes and new sensitivity. The constraints of the past are behind us and the foundations of the future are in place"

These lines taken from a historic speech of our Honorable Prime Minister given to US Congress at Capitol Hill is perhaps most apt to describe Parabolic's present situation and the way forward. Team Parabolic has shown relentless effort and grit as we embark our recovery journey.

I am also thankful for the trust reposed by you in the Group's potential through every thick and thin in all these years. Encouraged by this symbiotic relationship, I would like to share with you with heavy heart that 2017-18 has not been an easy year as well, your Company experienced spurt in financial stress due to untamed economic variables that continued to affect the business proficiency and all performance parameters badly shaken. During the Financial Year 2017-18 registered a top line/superlative of INR 718 Million while incurring a loss of INR 570 Million. Without exaggeration, I assure you that we are trying our level best to put things back on track and I am sure that with your support we would spring back to normalcy within a short time.

We are committed towards implementing the best accounting practices and also set the highest compliance system adhering to governance standards by being vigilant. From this Financial Year, we are working on transition from I-GAAP to IND-AS which will bring the accounting at par with the international standards with utmost transparency and will also act as an impetus for adherence to systems and processes leading to productivity and growth.

Our learning and continuous quest for improvements makes us an eager learner organization to respond to the unpredictability and vulnerability of market. We will continue to build on our strengths, investing in innovation to deliver right value today and tomorrow.

We have also made it a point to increase our operating efficiency. By streamlining our business processes and improving our internal cost structure, we will operate more efficiently, and deliver greater value to both our customers and shareholders.

As we set ourselves a target of achieving bigger milestones, we realize that it is our people – our biggest strength – that will get us there. Our employees are engines that drive the whole organization forward. We are committed to nurture and develop the great talent at Parabolic by providing the team greater satisfaction to achieve organizational and personal goals.

"The road to recovery will not always be easy, but I will take it one day at a time, focusing on the moments I've dreamed about for so long" - Amanda Lindhout.

With this quote, I conclude by thanking you all, we express gratitude to our Directors for their concerted efforts all through this journey. We also take the opportunity to thank our Customers, Vendors, Bankers and Shareholders for their unflinching support.

We look forward to a prosperous year ahead and a pleasant and rewarding journey with all of you.



Pranav Gupta
Managing Director

Board of Directors' Report

Dear Members,

The Board of Directors of your Company presents the Twenty Second Annual Report on the affairs of the Company, together with the Audited Accounts of the Company for the year ended 31ST March, 2018.

1. FINANCIAL RESULTS:

The Financial Results for the year under review vis-à-vis the financial results for the previous year are as under:

Particulars	(Rs. In millions)	
	2017-18	2016-17
Net Sales	718	691
Profit before Depreciation, Interest & Tax (PBDIT)	(253)	(732)
Financial Expenses	83	99
Depreciation	216	219
Profit before Tax (PBT)	(552)	(1050)
Provision for Taxation:		
-Current Tax	---	---
-Deferred Tax	18	31
Profit after Tax (PAT)	(570)	(1081)
Profits available for equity shareholders		
Appropriation:	-	-
Proposed Dividend on Equity Shares	-	-
Corporate Dividend Tax	-	-
Balance carried to Balance Sheet	(570)	(1081)
Earnings per Share (Basic) Rupees	(9.21)	(17.46)
Earnings per Share (Diluted)Rupees	(9.21)	(17.46)

FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS

Your Directors are hereby reporting performance of the business operations as follows:-

- **Sales and Export:** During the year under review, your Company achieved a turnover of Rs. 718 million as compared to Rs. 691 million in the previous year with a increase of 4%. The export of API products has also been lower at Rs. 161 million as compared to 173 million in the previous year. Total exports including trading of products have been at Rs. 232 million as compared to Rs. 307 million in previous year. The overall decrease in exports sale has been owing to unfavorable market conditions and economic stress.
- **Profitability:** During the period, the Earnings before depreciation, interest and tax (EBDITA) has been (-) Rs. 253 million as compared to (-) Rs. 732million during the corresponding previous year. The Company incurred a loss before tax (PBT) of Rs. 552 million as compared to a loss of Rs.1050 million during the previous year. After tax adjustment of Rs. 18 million, the net loss worked out to Rs. 570 million as compared to a net loss of Rs. 1081 million in the previous year.
- **Assets:** The net fixed assets (including work-in-progress) as at 31stMarch, 2018 were Rs. 3329 million as compared to Rs. 3554 million in the previous year.

2. DIRECTORS:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. Pranav Gupta Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. Notice convening the Annual General Meeting includes the proposal for his re-appointment as the Director.

The present term of appointment of Mr. Jagjit Singh Chahal, Mr. Sanjeev Kumar and Mrs. Vandana Singla (Independent & Non Executive Director) is expiring at the ensuring Annual General meeting. The Board of Directors recommend their appointment for a further term of one year.

Mr. Ashok Jindal, CFO of the Company has resigned from the post w.e.f. 05.02.2018 and Ms. Ishrat Gill , Company secretary of the Company has resigned w.e.f. 20.12.2017

Pursuant to section 2 (51) and Section 203 of Companies Act, 2013, Mr. Pranav Gupta (Managing Director) and Mr. Vineet Gupta (Whole Time Director) are the KMP's of the Company.

Statement on Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Section 149(6) of the Companies Act, 2013 and Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

3. SUBSIDIARIES:

The Company has two wholly owned subsidiaries namely M/s. Parabolic Research Labs Limited and M/s. Ziven Life Sciences Limited. The consolidated Financial Statements

of these subsidiaries and the Company shall be laid before the Annual General Meeting of the Company.

Pursuant to Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of its subsidiary is attached along with the Financial Statements of the Company.

4. SHARE CAPITAL:

During the year under review, the Authorized Share Capital of the Company remained unchanged at Rs. 72 Crores (divided into 7,20,00,000 Equity Shares of Rs. 10 each).

The Promoters/Promoters' Associates had contributed Rs 260 million as their additional contribution towards equity share capital for the allotment of 1,80,55,556 equity shares at a price of Rs. 14.40/- (face value Rs.10 and premium Rs.4.40) per equity share in terms of sanctioned CDR package. The allotment of said shares to proposed allottee (s) has been pending for want of receipt or in principle approval from the NSE.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis of financial conditions and result of operations of the Company for the Financial Year 2017-18, as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, are annexed hereto as a separate statement in the Annual Report.

6. CORPORATE GOVERNANCE REPORT:

The Company aimed to conduct its affairs in ethical manner and has in place a system of Corporate Governance. A separate report on Corporate Governance forming a part of the Annual Report is annexed hereto. A certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is annexed to the report on Corporate Governance.

7. AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, every company at its first Annual General Meeting, has to appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting. No listed company or a company belonging to such class or classes of companies as may be prescribed, shall appoint or re-appoint an audit firm as auditors for more than two terms of five consecutive years. However, a time of three years has been given for the compliance of the said provisions.

The Board has recommended to appoint M/s. V.K. Jindal & Company, Chartered Accountants, Chandigarh for a period of one year who shall hold office from the conclusion of this annual general meeting till the conclusion of next annual general meeting.

8. AUDITORS' REPORT:

The Auditors' Report on the Annual Accounts of the Company for the year under review is self-explanatory and requires no comments. During the year, there were no instances of frauds reported by auditors under section 143(12) of the Companies Act, 2013

9. SECRETARIAL AUDITORS' REPORT:

Pursuant to section 204 of the Companies Act, 2013, M/s M.L. Aggarwal & Associates, Practising Company Secretary (COP no 13944), Chandigarh was appointed by the Board to conduct secretarial audit of the Company for the FY 31st March 2018. The Secretarial Audit Report is attached as an annexure.

10. APPOINTMENT OF COST AUDITOR:

The Board of Directors has approved the appointment of M/s. Anil Sharma & Co., Cost Accountants, Chandigarh, as the Cost Auditors of the Company for the Financial Year 2017-18, subject to the approval of the Members in the ensuing Annual General Meeting of the Company. The cost audit report for the Financial Year 2017-18 will be forwarded to the Central Government as required under Law. Further, Cost Audit report for F.Y. 2016-17 has been submitted to Central Government.

11. INTERNAL CONTROL SYSTEM:

The company has in place well designed adequate internal controls with reference to financial statements. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements.

12. FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public in terms of the provisions of Sections 73 of the Companies Act, 2013.

13. DIVIDEND:

In view of the loss incurred by the Company during the year under review, the Board of Directors has not recommended any dividend for the Financial Year 2017-18.

14. PERSONNEL AND HUMAN RESOURCES:

Your Company continues to lay emphasis on continued qualitative growth of its human resources by providing a congenial and conducive work environment in consonance with its belief that the real strength of its organization lies in its employees.

15. INDUSTRIAL RELATIONS:

The Industrial Relations between the employees and the management remained peaceful and cordial throughout the year at all the units of the Company.

16. STATEMENT OF PARTICULARS OF EMPLOYEES:

A statement of Particulars of Employees pursuant to the provisions of Section 134 of the Companies Act, 2013, is enclosed and forms a part of this report.

17. GROUP:

The Company, inter-alia with the following entities, constitutes a group:

- a) PNG Trading Private Limited
- b) Parabolic Infrastructure Private Limited

18. MEETINGS OF BOARD OF DIRECTORS:

The Board of Directors met Seven times during the financial year. Detail of board meeting is given in corporate governance report.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:-

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. appropriate accounting policies have been selected and applied consistently, and have 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 as at 31st March, 2018 and of the profit and loss of the Company for the year ended on 31st March, 2018;
- c. 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 frauds and other irregularities; and
- d. the annual accounts have been prepared on a going concern basis.
- e. adequate internal financial controls to be followed by the Company have been laid down and such controls were operating effectively.
- f. proper and adequate systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were operating effectively.

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

Energy conservation continues to be an area of major emphasis in our Company. The Company has adopted the strategy of bringing about a general awareness amongst all regarding energy conservation.

Particulars with respect to conservation of energy and other areas as per Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and form part of this report.

21. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

- a) M/s. J.M. Financial Asset Reconstruction Company (the lead lender) while exercising its right to enforce security interest under the SARFAESI, ACT , 2002 has taken physical possession of the unit located at Plot No. 45, Industrial Area, Phase II, Panchkula on 16th March, 2018. Thereafter, M/s. J.M. Financial Asset Reconstruction Company has sold the unit on 21st May, 2018. Likewise the lender has taken symbolic possession of Company's R&D Unit located at Plot No. 280-281, Phase 1, Block -1, Alipur, industrial estates , HSIIDC, Tehsil Barwala, Haryana on 16th March, 2018.

- b) M/s. J.M. Financial Asset Reconstruction Company (the lead lender) the financial creditor and M/s. Weather Makers Pvt. Ltd, Laxon Drugs Pvt. Ltd. and GMP Technical Solutions Pvt. Ltd has filed applications under section 7 and section 9 of the Insolvency & Bankruptcy Code, 2016 for initiating corporate insolvency resolution process against the company before the Honorable NCLT, Chandigarh Bench, Chandigarh.
- 22. REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS:**
- During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith and form part of the Directors' Report as Annexure I.
- 23. EXTRACT OF THE ANNUAL RETURN:**
- Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2018 forms part of this report
- 24. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**
- Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Regulation 22 Of SEBI (Listing Obligations and Disclosure Requirements), 2015, a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report genuine concerns has been established
- 25. CORPORATE SOCIAL RESPONSIBILITY (CSR):**
- The provisions of Section 135 of Companies Act, 2013 are not applicable to the Company.
- 26. NOMINATION AND REMUNERATION POLICY:**
- The Company's Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee deals with the appointment and remuneration of Directors and KMPs of the Company. The policy also covers the criteria for determining qualifications, positive attributes, independence of a Director and KMP. In terms of Section 134(3)(e) of Companies Act, 2013 the Nomination and Remuneration Policy of the Company is annexed herewith and forms part of the Directors' Report.
- 27. RISK MANAGEMENT POLICY:**
- Your Company has a Risk Management Policy in place, duly approved by the Board of Directors, wherein all material risks faced by the Company are identified and assessed. For each of the Risks identified, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.
- 28. LISTING / DE-LISTING OF SHARES:**
- The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange (NSE).
- 29. RELATED PARTY TRANSACTIONS:**
- Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC -2, is appended as Annexure 2 to the Board's report. Details of related party disclosures form part of the notes to the financial statements provided in this annual report.
- 30. PERFORMANCE EVALUATION OF THE BOARD:**
- This part is covered under Corporate Governance Report.
- 31. ACKNOWLEDGEMENT:**
- Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers and Business Constituents and the shareholders for their continued support to and the confidence reposed in the Company.
- Your Directors also express their deep appreciation for the devoted and sincere services rendered by workers, staff and executives at all levels of the organization and we are confident that our Company will continue to receive such co-operation from them in future also.

PLACE: Chandigarh
DATED: 14.08.2018

Sd/-
Vineet Gupta
Whole Time Director

FOR AND ON BEHALF OF THE BOARD

Sd/-
PRANAV GUPTA
Managing Director

Annexure to the Board of Directors' Report

INFORMATION AS PER SECTION 134(3) (m) of the COMPANIES ACT, 2013 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018:

1. CONSERVATION OF ENERGY:

Your Company has always been conscious of the need to conserve energy and also reduce the cost of production. We hold regular meetings in our Units for discussion on the various energy conservation measures and implement them. Various energy conservation measures taken during the year, which include Extra heat exchanger of cooling tower provide before brine heat exchanger to reduce load of chilled brine. This has resulted in reduction in running of chilled brine compressor which consumes very high power. Further, Stringent steam control program made to reduce husk consumption which includes leakage reduction ,steam controller inspection, steam trap inspection, hot water tanks inspection, insulation inspection, steam ejectors inspection.

The consequent impact of the above measures on the cost of production is as below:

S. No	Power/Fuel Saving Measures	Saving in Quantity	Saving in Amount (Rs)
1.	Power Saving by improvement in piping of cooling tower, chilled water/chilled brine compressor and overhauling of cooling tower	10000 KW	80,000
2.	Saving of husk by improvement in storage facility	20000 KW	1,00,000
	Total		1,80,000

The detail regarding the present energy consumption is furnished below as per Form A of the annexure to the rules.

Form-A

A. POWER & FUEL CONSUMPTION:		UNIT	2017-18	2016-17
PARTICULARS				
1. Electricity				
a) Purchased				
Units	KWH in million		6.97	9.08
Total Amount	Rs. in million		54.00	72.71
Rate per Unit	Rs./KWH		7.74	8.01
b) Own Generation through Diesel Generator				
Generator Units	KWH in million		0.73	1.07
Units per litre of Diesel	KWH		3.40	3.40
Cost per Unit	Rs./KWH		17.53	15.74
2. Furnace Oil :				
Quantity	K. Litres		0.00	0.00
Total Cost	Rs. in million		0.00	0.00
Average Rate	Rs./ litre		0.00	0.00
3. Others /Internal Generation				
Quantity (Timber & Husk)	Ton		3100.60	5065.04
Total cost	Rs. in million		14.73	16.56
Rate/Unit	Rs./ton		4750.11	3271.28
B. CONSUMPTION PER UNIT OF PRODUCTION:				
Production of Different Products				
Electricity	KWH/KG		11.50	7.25
Furnace Oil			0.00	0.00
Furnace Oil (Litres)			0.00	0.00
Others/Internal Generation			0.00	0.00
(*) Variation due to change in product mix				

2. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in Form – B as under:

Form -B

a) Research and Development(R&D):

- a) Specific areas in which Research & Development is carried out by the Company:
R & D has been carried out in areas of improvement in Product, Process, Cost Reduction, Development of New Products and Increase in Productivity.
- b) Benefits derived as a result of above R & D:
The Company was able to improve the quality of existing products and develop new products and was also able to reduce the cost of Production.
- c) Further course of action:
We intend to develop new product, to further reduce the cost and improve capacity utilization.
- d) Expenditure on R & D:

	(Rs. in million)	
	<u>2017-18</u>	<u>2016-17</u>
Capital	----	---
Recurring	---	---
	-----	-----
Total	----	---
	-----	-----

b) Technology Absorption, Adaptation and Innovation:

a) Efforts made:

The Company is continuously making efforts for adoption of latest technology in all its plants. The Company has also created specific R & D and other cells for studying and analyzing the existing processes for further improvement.

b) Particulars of Imported Technology in last five years:

- | | | |
|---------------------------------------------|---|----------------|
| i) Technology Imported | : | NIL |
| ii) Year of Import | : | Not Applicable |
| iii) Has the Technology been fully absorbed | : | Not Applicable |

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to Exports, Initiative to increase:

The Company exported Semi Synthetic Penicillin (oral and sterile) and Cephalosporin orals and sterile to various overseas customers. Our products are being exported to around 50 countries across the globe. The Company has understood the need of customer relationships and identified potential customers across the globe and initiated visit to meet them in order to know more about them and their requirements. The Company has also participated in various International/National Business fairs in order to interact with customers.

b) Total Foreign Exchange used and earned:

	(Rs. in million)	
	<u>2017-18</u>	<u>2016-17</u>
1. Earnings (FOB Value of exports)	160.90	172.96
2. Outgo (CIF Value of imports and Expenditure in foreign currency)	19.99	103.16

STATEMENT OF PARTICULARS OF EMPLOYEES

Information required as per Companies Act, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Board of Directors' Report for the year ended March 31, 2018

- A) Persons employed throughout the financial year, who were in receipt of remuneration for the year which, in the aggregate, was not less than Rs. 10,200,000 per annum

NONE

- B) Persons employed for a part of the financial year, who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8,50,000 per month.

NONE

Annexure I

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(Rs. in Million)					
Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Pranav Gupta Managing Director	-	-	-	-
2	Vineet Gupta Whole time Director	-	-	-	-
3	Jagjit Singh Chahal Non-Executive Director	-	-	-	-
4	Vandana Singla Non-Executive Director	-	-	-	-
5	Sanjeev kumar Non-Executive Director	-	-	-	-
6	Ashok Kumar Jindal* Chief Financial Officer	0.90	-	-	-
7	Ishrat Gill** Company Secretary	0.21	-	-	-

* Mr. Ashok Jindal, CFO of the Company has resigned from the post w.e.f. 05.02.2018

* Ms. Ishrat Gill, Company secretary of the Company has resigned w.e.f. 20.12.2017

Annexure II**FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	N.A.
	Nature of contracts/arrangements/transaction	N.A.
	Duration of the contracts/arrangements/transaction	N.A.
	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
	Justification for entering into such contracts or arrangements or transactions'	N.A.
	Date of approval by the Board	N.A.
	Amount paid as advances, if any	N.A.
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of contracts or arrangements or transactions at Arm's length basis. **NIL**

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	N.A.
	Nature of contracts/arrangements/transaction	N.A.
	Duration of the contracts/arrangements/transaction	N.A.
	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
	Date of approval by the Board	N.A.
	Amount paid as advances, if any	N.A.

Place: Chandigarh

Dated: 29th May, 2018

**For and on behalf of the Board
For Parabolic Drugs Limited**

Sd/-
(Pranav Gupta)
Director

Extract of Annual Return

as on Financial Year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - L24231CH1996PLC017755
- ii) Registration Date: 22 February, 1996
- iii) Name of the Company: Parabolic Drugs Limited
- iv) Category / Sub-Category of the Company: Public Listed Company
- v) Address of the registered office and contact details
S.C.O 186-87, Second Floor, Sector 8-C, Chandigarh
160008
Ph: 0172-4182800

- vi) Whether listed company - Yes
 - vii) Name, Address and Contact details of Registrar and Transfer
- Agent:**
Link Intime India Pvt Ltd
44, Community Centre, Phase-I, Near PVR,
Naraina Ind. Area,
New Delhi-110028
Ph: +91 11 4141 0592, Fax- +91 11 4141 0591

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	Cefuroxime Axetil Amorphus	21 : Manufacture of pharmaceuticals, medicinal chemical and botanical products	45.00%
2	Cefpodoxime proxetil	21 : Manufacture of pharmaceuticals, medicinal chemical and botanical products	22.00%

On the basis of net Turnover

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable section
1.	Ziven Lifesciences Limited Address: S.C.O 99-100, Top Floor, Sector 17- B, Chandigarh, 160017	U24232CH2011PLC033332	Subsidiary Company	100	2(87) of the Companies Act, 2013
2.	Parabolic Research Labs Limited Address: S.C.O 99-100, Top Floor, Sector 17- B, Chandigarh, 160017	U24232CH2007PLC031004	Subsidiary Company	100	2(87) of the Companies Act, 2013
3.	PNG Trading Private Limited Address: FLAT NO - 53, BLOCK - H,SARITA VIHAR NEW DELHI- 110076	U51909DL2004PTC124829	Associate Company	22.90	2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2369100	---	2369100	3.82	2363100	---	2363100	3.81	(0.01)
b) Central/state Govt	---	---	---	---	---	---	---	---	---
c) Bodies Corp	20576627	---	20576627	33.25	20576627	---	20576627	33.25	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
e-i)Promoter Trust	---	---	---	---	---	---	---	---	---
e-ii)Relative of Promoter	---	---	---	---	---	---	---	---	---
Sub-total									
(A) (1):-	22945727	---	22945727	37.07	22939727	---	22939727	37.06	(0.01)
(2) Foreign									
a) NRIs - Individuals	450000	---	450000	0.73	450000	---	450000	0.73	---
b) Other – Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
Sub-total									
(A) (2):-	450000	---	450000	0.73	450000	---	450000	0.73	---
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	23395727	---	23395727	37.80	23389727	---	23389727	37.79	(0.01)

B. Public Shareholding										
1. Institutions										
a) Mutual Funds										
b) Banks / FI	354643	-----	354643	0.57	354643	-----	354643	0.57	-----	
c) Central Govt	-----	-----	-----	-----	-----	-----	-----	-----	-----	
d) State Govt(s)	-----	-----	-----	-----	-----	-----	-----	-----	-----	
e) Venture Capital Funds	-----	-----	-----	-----	-----	-----	-----	-----	-----	
f) Insurance Companies	-----	-----	-----	-----	-----	-----	-----	-----	-----	
g) Foreign Portfolio Investors	4990896	-----	4990896	8.06	4990896	-----	4990896	8.06	-----	
h) Foreign Venture Capital Funds	-----	-----	-----	-----	-----	-----	-----	-----	-----	
i) Others(specify)	-----	-----	-----	-----	-----	-----	-----	-----	-----	
Sub-total (B)(1):-	5345539	-----	5345539	8.63	5345539	-----	5345539	8.63	-----	
2. Non- Institutions										
a) Bodies Corp.	2901389	200000	3101389	5.01	2018507	-----	2018507	3.26	(1.75)	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9573883	46411	9620294	15.54	16135442	190911	16326353	26.37	10.83	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14234339	144500	14378839	23.23	8704131	-----	8704131	14.06	6.66	
c) Others(specify)										
c-i)Clearing Member	830713	-----	830713	1.34	1406201	-----	1406201	2.27	0.93	
c-ii)NRI- Repat	807068	-----	807068	1.30	650916	-----	650916	1.05	(0.25)	
c-iii)NRI- NON Repat	126628	-----	126628	0.20	113238	-----	113238	0.18	(0.02)	
c-iv)Foreign Companies	-----	2046323	2046323	3.31	-----	2046323	2046323	3.31	-----	
c-v)HUF	2239494	-----	2239494	3.62	1890299	-----	1890299	3.05	(0.57)	
c-vi)Trusts	-----	-----	-----	-----	780	-----	780	0.01	0.01	
Sub-total (B)(2):-	30713514	2437234	33150748	53.55	30919514	2237234	33156748	53.55	0.01	
Total Public Shareholding (B)=(B)(1)+(B)(2)	36059053	2437234	38496287	62.18	36265053	2237234	38502287	62.18	0.00	
c) Shares held by Custodian for GDRs & ADRs	-----	-----	-----	-----	-----	-----	-----	-----	-----	
Grand Total (A+B+C)	59454780	2437234	61892014	100.00	59654780	2237234	61892014	100.00		

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	PNG Trading private Limited	14171836	22.90	22.90	14171836	22.90	22.90	----
2	Parabolic Infrastructure Private limited	6385891	10.31	10.31	6385891	10.31	10.31	----
3	Pranav Gupta	824100	1.33	1.33	824100	1.33	1.33	---
4	Vineet Gupta	701550	1.13	1.13	701550	1.13	1.13	----
5	Sachin Gupta	450000	0.73	0.00	450000	0.73	0.00	----
6	Akrita Kalra	53400	0.09	0.09	53400	0.09	0.09	----
7	Deepali Gupta	234600	0.38	0.38	234600	0.38	0.38	----
8	Rama Gupta	229650	0.37	0.37	229650	0.37	0.37	----
9	Pranav Gupta (Karta of Pranav Gupta HUF)	66600	0.11	0.00	60600	0.10	0.00	(0.01)
10	Vineet Gupta (Karta of Vineet Gupta HUF)	251700	0.41	0.00	251700	0.41	0.00	----
11	Jamboree Education Private Limited	18900	0.03	0.03	18900	0.03	0.03	-----
12	Paarth Gupta	7500	0.01	0.00	7500	0.01	0.00	----
Total		23395727	37.80	36.54	23389727	37.79	36.54	(0.01)

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

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Pranav Gupta Karta Of Pranav Gupta HUF				
	At the beginning of the year	66600	0.11	66600	0.11
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(6000)	(0.01)	60600	0.10
	At the End of the year	60600	0.10	60600	0.10

#Sold

**(iv) Shareholding Pattern of Top Ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):**

9	Anjani Yogeshbhai Sheth					
	At the beginning of the year	0	0.00			
	Bought during the year	521528	0.84	521528	0.84	
	At the end of the year	521528	0.84	521528	0.84	
10	UmaMaheswara Reddy Guddeti					
	At the beginning of the year	575070	0.93			
	Sold during the year	(142570)	(0.23)	(142570)	(0.23)	
	At the end of the year	432500	0.70	432500	0.70	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pranav Gupta				
	At the beginning of the year	8,24,100	1.331	8,24,100	1.331
	Bought during the year	Nil	Nil	Nil	Nil
	At the end of the year	8,24,100	1.331	8,24,100	1.331
2	Vineet Gupta				
	At the beginning of the year	7,01,550	1.133	7,01,550	1.133
	Bought during the year	Nil	Nil	Nil	Nil
	At the end of the year	7,01,550	1.133	7,01,550	1.133

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

(Rs. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,165.75	357.75	1.63	9,525.13
ii) Interest due but not paid	271.12	-----	-----	271.12
iii) Interest accrued but not due	1,531.49	-----	-----	1,531.49
Total (i+ii+iii)	10,968.36	357.75	1.63	11,327.74
Change in Indebtedness during the financial year				
· Addition	50.96	-----	0.03	50.99
· Reduction	-----	(4.47)	-----	(4.47)
Net Change	50.96	(4.47)	0.03	46.52
Indebtedness at the end of the financial year				
i) Principal Amount	9,165.75	353.28	1.66	9520.69
ii) Interest due but not paid	322.08	-----	-----	322.08
iii) Interest accrued but not due	1,531.49	-----	-----	1531.49
Total (i+ii+iii)	11,019.32	353.28	1.66	11,374.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. In Million)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Pranav Gupta	Vineet Gupta	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			

B. Remuneration to other directors:

(Rs. In Millions)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Jagjit Singh Chahal	Vandana Singla	Sanjeev Kumar	
1.	Independent Directors · Fee for attending Board Committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors · Fee for attending Board Committee meetings · Commission · Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	NIL	NIL	NIL	
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

(Rs. In Millions)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Ms. Ishrat Gill)*	CFO (Mr. Ashok Jindal)#+	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	0.21	0.90	1.11
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		0.21	0.90	1.11

* Mr. Ashok Jindal, CFO of the Company has resigned from the post w.e.f. 05.02.2018

Ms. Ishrat Gill, Company secretary of the Company has resigned w.e.f. 20.12.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act/ SEBI LODR	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

POLICY FOR DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING INDEPENDENCE OF A DIRECTOR

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall 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 senior management personnel i.e. employees at one level below the Board including functional heads.

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors in its meeting held on 14th day of February, 2015.

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.

- To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Key Executives and overseeing their orientation and successful alignment with the philosophy of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Interview and Selection procedure.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as the M.D or Whole-time Director or a manager who has attained the age of seventy years Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Rotation: The Managing Director/Whole Time Director and other Non-Executive Directors of the Company shall be liable to retire by rotation subject to the employment agreement, if any signed between the company and such Directors of the Company at the time of appointment.

b) **Independent Director:**

An Independent Director shall hold office for a term up to three consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such

Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Rotation: An Independent Director shall not be liable to retire by rotation pursuant to the provisions of sub-sections (6) and (7) of section 152 of the Companies Act, 2013.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Listing Agreement.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non-Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by

the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To

The Members
 Parabolic Drugs Limited
 S.C.O. 99-100, Top Floor
 Sector 17-B
 Chandigarh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Parabolic Drugs Limited. 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 Parabolic Drugs Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Parabolic Drugs Limited for the financial year ended on 31/03/2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) OTHER APPLICABLE ACTS
 - (a) The Air (Prevention & Control of Pollution) Act, 1981
 - (b) Water (Prevention & Control of Pollution) Act, 1974
 - (c) Drugs & Cosmetics Act, 1940
 - (d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - (e) The Employees State Insurance Act, 1948
 - (f) The Payment of Wages Act, 1936

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. As reported, the Company has not made allotment of shares against Share Application Money of Rs. 26,00,00,000/- (Twenty Six Crores only) which is standing in the books of Accounts of the Company as at 31st March, 2018. The said Share Application Money relates to the financial year-2013-2014.
2. As per information and explanation given to us, the allotment is pending for want of In- Principle approval from National Stock exchange under Clause 24(a) of the Listing Agreement, for which the Company had already applied and which is withheld by the Stock Exchange for want of Undertaking from Banks as required under Regulation 78(6) of SEBI ICDR Regulations, 2009 and as soon as the approval is received, the Company shall proceed to allot the said shares to the proposed allottees. BSE vide its letter dated 04.06.2015 has granted in principal approval under clause 24(a) of listing agreement of issue of shares.
3. According to information and explanations given to us, the company is not regular in depositing statutory dues under Employees' State Insurance Act, 1948 & Employees Provident Fund& Miscellaneous Provisions Act, 1952 and Income Tax Act, 1961 towards TDS & VAT/CST payable, Labour welfare fund and service tax liabilities

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.

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:

1. The company has received a notice dated 16 January, 2017 from the office of Securities Exchange Board of India (SEBI), under Rule 4 of the Securities Exchange Board of India (Procedure for Holding and Imposing Penalties by Adjudicating Officer Rules, 1995) for non-Compliance of Regulation 12 (1) read with Clause 1.2 of Part-A of Schedule I of SEBI (Prohibition of Insider Trading) Regulations, 1992 read with Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Place: Chandigarh
Date: 15/06/2018

For M. L. AGGARWAL & ASSOCIATES

Sd/-
MADAN LAL AGGARWAL
Proprietor
FCS 4840, CP No. 13944

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

Annexure-A

To

The Members
Parabolic Drugs Ltd.
S.C.O. 99-100, Top Floor
Sector 17-B
Chandigarh

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

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.

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 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.

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

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

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

Place: Chandigarh
Date: 15/06/2018

For M. L. AGGARWAL & ASSOCIATES

Sd/-
MADAN LAL AGGARWAL
Proprietor
FCS 4840, CP No. 13944

Management Discussion and Analysis

Overview

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine TenofovirAlafenamide (TAF) for 112 developing countries.

Pharmaceutical export from India stood at US\$ 17.27 billion in 2017-18, and is expected to grow by 30 per cent to reach US\$ 20 billion by the year 2020.

The decline in the US spending on medicines is expected to be balanced by the growth in the pharmerging markets. The contribution from these markets to global medicine spending has risen from 13% in 2007 to 24% in 2017, almost doubling in a decade. In total value, this accounts for an increase in spends from \$81 billion in 2007 to \$270 billion in 2017, growing at an average rate of 12.8%, which is estimated at more than twice the global growth rate.

This rise has been fuelled by the various governments' efforts to increase healthcare access by reducing medicine costs and the efforts of the global drug companies to expand their reach and scale through tie-ups and partnerships with local companies

The outlook for the current year was, however, positive, Mr. Bhaskar and IPHEX chairman P. Ramesh Babu said, citing the fact that India bagged more than 30% of Abbreviated New Drug Applications granted by the U.S. FDA in 2016. According to Pharmexcil, the Indian pharmaceuticals industry increased at a CAGR of about 17.5% between 2005-2016, growing from \$6 billion in 2005 to about \$34 billion in 2016. By 2020, it is expected to touch \$55 billion. India accounted for about 30% (by volume) and about 10% (by value) of the \$70-80 billion generics market in the U.S.

Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US \$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market,

constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US \$

12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US \$ 1,641.15 million. Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US \$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.89 billion).

With 70 per cent of market share (in terms of revenues), generic drugs form the largest segment of the Indian pharmaceutical sector. India supply 20 per cent of global generic medicines market exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years Over the Counter (OTC) medicines and patented drugs constitute 21 per cent and 9 per cent, respectively, of total market revenues of US\$ 20 billion

Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US \$ 14.53 billion between April 2000 and December 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments in the Indian pharmaceutical sector are as follows:

- Piramal Enterprises Ltd acquired a portfolio of spasticity and pain management drugs from UK-based specialty biopharmaceutical company Mallinckrodt Pharmaceuticals, in an all-cash deal for Rs1,160 crore (US\$ 171 million).
- Aurobindo Pharma has bought Portugal based Generis Farmaceutica SA, a generic drug company, for EUR 135 million (US\$ 144 million).
- Sun Pharmaceutical Industries Ltd, India's largest drug maker, has entered into an agreement with Switzerland-based Novartis AG, to acquire the latter's branded cancer drug Odomzo for around US\$ 175 million.
- Sun Pharmaceuticals Industries Limited plans to acquire 85.1 per cent stake in Russian company Biosintez for US\$ 24 million for increasing its presence in Russia through local manufacturing capability.
- Abbott Laboratories, a global drug maker based in US, plans to set up an innovation and development center (I&D) in Mumbai, which will help in developing new drug formulations, new indications, dosing, packaging and other differentiated offerings for Abbott's global branded generics business..

- Cipla announced the acquisition of two US-based companies, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$550 million.
- Glaxosmithkline Pharmaceuticals has started work on its largest greenfield tablet manufacturing facility in Vemgal in Kolar district, Karnataka, with an estimated investment of Rs. 1,000 crore (US\$ 150 million).
- Several online pharmacy retailers like PharmEasy, Netmeds, Orbimed, are attracting investments from several investors, due to double digit growth in the Rs 97,000 crore (US \$ 14.55 billion) Indian pharmacy market.

Government Initiatives

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Mr Ananth Kumar, Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology. Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India plans to set up around eight mini drug-testing laboratories across major ports and airports in the country, which is expected to improve the drug regulatory system and infrastructure facilities by monitoring the standards of imported and exported drugs and reduce the overall time spent on quality assessment.
- India is expected to rank among the top five global pharmaceutical innovation hubs by 2020, based on Government of India's decision to allow 50 per cent public funding in the pharmaceuticals sector through its Public Private Partnership (PPP) model.
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.
- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 149.11 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.

Road Ahead

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Review of Financial Performance

Net Sales

For the financial year 2017-18, the company registered a net sale of INR 718 million. The sales is affected largely on account of underutilization of its manufacturing facilities due to non-availability of sufficient working capital funds which caused banks lowering the valuation and consequently the drawing powers with retrospective effect.

EBIDTA

The EBIDTA for the financial year 2017-18 has been INR (253) million due to underutilization of manufacturing facilities which resulted in reduced sales and proportionally higher expenses.

PAT

With the recent challenges gripping the economy, the company incurred a net loss of INR 570 million in the FY 2017-18. Apart from the EBIDTA, the major factors accumulating to the unattractive bottom-line are the high interest rates, quality erosion of semi-finished stock and high incidence of overheads.

Expenses

The cost stands high due to increased input cost. The cost of employees and allied services stands at INR 93.03 million in FY 2017-18, against INR 84.66 million in the previous year. For the entire year, the other expenses stand at INR 162.73 million against INR 191.88 million in the previous year.

Interest

The Cost of finance for the entire year stands at INR 83.48 million in FY 2017-18, against INR 99.05 million for the previous year.

Depreciation, Amortization and Deferred Tax asset

The depreciation in FY 2017-18 has gone down marginally to INR 215.87 million, against INR 218.53 million for the previous year. The R&D writes off for the FY 2017-18 stands at INR 128.23 million, against INR 314.90 million for the previous year. The deferred tax assets are **NIL**, against INR **NIL** in previous year.

Report on **Corporate Governance**

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to the combination of laws, regulations, procedures, implicit rules and good corporate practices which ensures that the Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of the society. Parabolic Drugs Limited (Parabolic) is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve excellence by enhancing long term shareholders value. Parabolic is committed to achieve the best standards of Corporate Governance through complete transparency in its dealings with the management, associate companies and other third parties. The Management of Parabolic understands its accountability and responsibility towards its shareholders/investors, regulatory authorities and also other sections of the society.

• BOARD OF DIRECTORS:

2(A) Board Meetings:

During the financial year 2017-18, the Board met 7 times on the following dates:

- 10th May, 2017
- 29th May, 2017
- 14th August, 2017
- 21st August, 2017
- 13th November, 2017
- 20th December, 2017
- 13th February, 2018

2(B) Composition as on 31st March, 2018:

The Board of Directors comprises of a Non-Executive Chairman, 2 Whole Time Director and 2 Non-Executive Director. Out of the total strength of Five Directors, Three directors are independent, thus it meets the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Board of Directors and the attendance of Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship in Public Limited Companies:

Name of the Director	Designation & Category	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorship in other companies	No. of committee memberships in other companies	Total no. of Board chairmanship in other companies	Total no. of committee chairmanship in other companies
Pranav Gupta	Managing Director	07	Yes	02	Nil	02	Nil
Vineet Gupta	Whole Time Director	07	Yes	02	Nil	Nil	Nil
Jagjit Singh Chahal	Non-Executive Independent Director	07	Yes	02	Nil	Nil	Nil
Vandana Singla	Non-Executive Independent Director	03	Yes	Nil	Nil	Nil	Nil
Sanjeev Kumar	Non-Executive Independent Director	03	Yes	Nil	Nil	Nil	Nil

2(C) Detail of Remuneration paid to the Executive Directors for the Financial Year 2017-18:

The details of the remuneration paid to the Managing Director and Executive/Whole Time Directors for the Financial Year 2017-18 is as under:

Particulars	Pranav Gupta	Vineet Gupta
Salary, Allowances and perquisites (in Million)	-	-
Bonus/Performance Incentive	-	-
Retirement Benefits	-	-
Stock options	-	-
Tenure	3 Years	3 Years
Notice Period & Severance Pay	-	-
Number of shares held	824100	701550

2(D) Details of Remuneration paid to the Non-Executive Directors for the Financial Year 2017-18:

Non-Executive Directors are not entitled to any remuneration except sitting fees for the Board and committee Meetings. The details of the sitting fees paid to Non-Executive Directors for the Financial Year 2017-18 is as follows:

Name of the Director	Sitting Fee (in Rs.)
Mr. Jagjit Singh Chahal	NIL
Mrs. Vandana Singla	NIL
Mr. Sanjeev Kumar	NIL

- **COMMITTEES:**

3(A) AUDIT COMMITTEE:

As at 31st March, 2018, the Audit Committee comprised of three directors namely Mr. Jagjit Singh Chahal, Mr. Pranav Gupta and Mrs. Vandana Singla.

Mr. Jagjit Singh Chahal is the Chairman of the Committee. The terms of reference of the Audit Committee are as contracted in the Companies Act and also as contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee met five times during the Financial Year 2017-18 on the following dates:

- | | |
|----------------------|----------------------|
| -29th May, 2017 | - 14th August, 2017 |
| -21st August, 2017 | -13th November, 2017 |
| -13th February, 2018 | |

The attendance of the members of the Audit Committee during the financial year 2017-18 is given below:

Sr. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent	No. of Audit Committee Meetings Attended
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent	5
2.	Pranav Gupta	Member	Executive & Promoter	Non Independent	5
3.	Vandana Singla	Member	Non-Executive	Independent	2

3(B) NOMINATION & REMUNERATION COMMITTEE:**a) Composition:**

As at 31st March, 2018, the remuneration Committee of the Company comprised of three Directors namely Mr. Jagjit Singh Chahal, Mr. Sanjeev Kumar and Mrs. Vandana Singla. Mr. Jagjit Singh Chahal is Chairman of the nomination and remuneration committee.

The Nomination & Remuneration Committee met once during the Financial Year 2017-18 on 10-05-2017.

The membership & attendance of the members of the Nomination & Remuneration Committee during the Financial Year 2017-18 is given below:

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent	No. of Remuneration Committee Meetings Attended
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent	1
2.	Sanjeev Kumar	Member	Non-Executive	Independent	1
3.	Vandana Singla	Member	Non-Executive	Independent	1

The terms of reference of the Nomination & Remuneration Committee are as contained in Companies Act and also as contained in the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015.

3(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**a. Composition:**

As at 31st March, 2018, the stakeholders relationship committee of the Company comprised of three Directors namely Mr. Jagjit Singh Chahal, Mr. Sanjeev Kumar and Mrs. Vandana Singla. Mr. Jagjit Singh Chahal is Chairman of the stakeholders relationship committee.

S. No.	Name of the Director	Designation	Executive/ Non Executive/ Promoter	Independent/ Non Independent
1.	Jagjit Singh Chahal	Chairman	Non-Executive	Independent
2.	Sanjeev Kumar	Member	Non-Executive	Independent
3.	Vandana Singla	Member	Non-Executive	Independent

The stakeholders relationship committee constituted by the Company looks into redressal of investors complaints on various issues.

The Stakeholder Relationship Committee met once during the Financial Year 2017-18 on 03-03-2018

The email id of the Company for Investor Grievance is pdl.investors@parabolicdrugs.com

Details of investor complaints during the Financial Year 2017-18:

RECEIVED	SOLVED	PENDING
0	0	0

- GENERAL BODY MEETINGS:**

The detail of General Body Meetings held during the last three financial years are given as below:

Nature of Meeting	Day, Date and time of AGM	Venue	Number of Special Resolutions	Whether any special resolution passed last year through postal ballot
Annual General Meeting	Friday, 29 th September, 2017 09.30 A.M	PHD House, Sector 31 A, Chandigarh	3	No
Annual General Meeting	Thursday, 29 th September, 2016 09.30 A.M	PHD House, Sector 31 A, Chandigarh	4	No
Annual General Meeting	Tuesday, 29 th September, 2015 09.00 A.M	PHD House, Sector 31 A, Chandigarh	4	No

- DISCLOSURES:**

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. All transaction entered into by the Company with related parties, during the financial year 2017-18, were in ordinary course of business and on arm's length basis. Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued there under and Regulation 23 of the Listing Regulations.

The Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets.

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as stated in SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015).

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. In accordance with the Whistle Blower Policy, the personnel of the Company may, in exceptional cases, approach directly to the Chairperson of the Audit Committee for registering complaints. No personnel is denied access to the Audit Committee of the Company

- CODE OF CONDUCT:**

The Company has laid down a Code of Conduct ("Code") for all Board Members and Senior Management of the Company. The Code is available on the website of the Company i.e. www.parabolicdrugs.com. The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the Code of Conduct.

A declaration signed by the Managing Director to this effect is part of the Annual Report.

- MEANS OF COMMUNICATION:**

Presently, the Company communicates with the stakeholders at large through its Annual Reports, publication of Financial Results, press release in leading newspapers and by filing various reports, information and returns with the statutory Bodies like Stock Exchanges, Reserve Bank of India and the Registrar of Companies. The information is published in prominent daily newspapers viz. Financial Express and Desh Sewak. The investor's related information of the Company is also made available at the Company's website i.e. www.parabolicdrugs.com.

- GENERAL SHAREHOLDER INFORMATION:**

- i. AGM: 22nd Annual General Meeting**

Date: 29th September, 2018

Time: 09.30 A.M.

Venue: PHD House, Sector 31-A, Chandigarh

- ii. Financial Calendar (2018-19)**

First Quarter Results: August, 2018

Second Quarter Results: November, 2018

Third Quarter Results: February, 2019

Fourth Quarter and Annual Results: May, 2019

iii. Date of Book Closure: 23rd September, 2018 to 29th September, 2018 (Both Days Inclusive)

iv. Listing on Securities:

The Equity Shares of the Company are listed on the following two Stock Exchanges:

The Bombay Stock Exchange Limited (BSE)

Floor 25, Pheroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

The National Stock Exchange of India Limited (NSE)

Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai- 400 051

The Listing fee for the financial year 2016-17 & 2017-18 has yet not been paid to both the Stock Exchanges.

v. Stock Code:

BSE: 533211

NSE: PARABDRUGS

vi. Market Price Data: High, Low during each month in last financial year:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	Total Turnover (Rs.)	Spread High-Low	Spread Close-Open
Apr-17	8.5	9.48	7.7	8.85	6,69,592	58,33,102	1.78	0.35
May-17	8.02	9	6.48	7.51	4,34,578	34,87,264	2.52	-0.51
Jun-17	7.87	8.07	6.85	7.06	1,53,644	11,36,282	1.22	-0.81
Jul-17	7.1	8.8	7.09	7.63	2,19,728	17,63,450	1.71	0.53
Aug-17	7.27	8	6.29	6.74	1,31,629	9,28,821	1.71	-0.53
Sep-17	6.51	7.25	6.37	6.66	57,422	3,93,538	0.88	0.15
Oct-17	6.98	9.81	6.02	9.08	2,61,136	21,59,569	3.79	2.1
Nov-17	9.2	9.68	8.1	8.86	2,87,938	25,63,434	1.58	-0.34
Dec-17	8.9	8.99	8	8.54	2,35,247	19,70,874	0.99	-0.36
Jan-18	8.88	9.18	7.62	8.13	6,56,775	55,07,789	1.56	-0.75
Feb-18	8.1	9.05	6.96	8.25	2,98,726	24,16,530	2.09	0.15
Mar-18	8.62	8.62	6.85	7.45	1,35,503	10,67,026	1.77	-1.17

vii. Registrar and Share Transfer Agents:

M/s. Link Intime India Private Limited

C-101, 247 Park
L.B.S Marg, Vikhroli (West)
Mumbai 400 083
Tel: + (91 22) 4918 6270
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

44, Community Centre,
2nd Floor, Naraina Ind. Area
Phase-I, Near PVR Naraina
New Delhi – 110 028
Tel: + (91 11) 4141 0592, 93, 94
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

viii. Share Transfer System:

The Company has constituted a Share Transfer Committee of its Directors which meets as per requirement and in accordance with the regulations of SEBI(LODR), 2015 and Companies Act. The list of valid transfers and objections, if any, are placed before the Committee for its approval/ Confirmation.

All the requests for transfer are effected within the stipulated period under the Listing regulations & Companies Act. Presently, the shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shareholders may operate through any of the depositories. The International Securities Identification Number (ISIN) is INE 618H01016. No case is pending for transfer as well as dematerialization of shares as on 31st March, 2018.

ix. Distribution of shareholding as on 31st March, 2018:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Up to 500	8845	67.35	1577425	2.5487
501-1000	1713	13.04	1468036	2.3719
1001-2000	1019	7.75	1588233	2.5661
2001-3000	418	3.18	1091911	1.7642
3001-4000	182	1.38	664639	1.0739
4001-5000	223	1.69	1073454	1.7344
5001-10000	333	2.53	2531050	4.0895
10001 and above	399	3.03	51897266	83.8513
Total	13132	100	61892014	100

Shareholding Pattern as on 31st March, 2018:

Category	No. of shares	No. of shareholders	% of shareholding
Promoter & Promoter Group	23389727	12	37.79
Public Shareholding			
Institutional			
Mutual Funds/ UTI/FIs/Banks/ Central & State Government	354643	2	0.57
FVCF/FII	4990896	3	8.06
Non Institutional			
- Individuals	25030484	12401	40.44
- Body Corporate	2018507	125	3.26
- NRI	764154	152	1.23
- Foreign Company	2046323	2	3.31
- Trust/HUF	1891079	382	3.05
- Clearing Member	1406201	53	2.27
Total	61892014	13132	100.00

x. Dematerialization of shares and Liquidity: Presently, some of the Pre –IPO shares are in physical mode and the entire Post-IPO holding is in Demat form.

xi. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

xii. Plant Locations:

The plants of the Company are located at the following locations:

a) Parabolic Drugs Limited,

Village: Sundhran, P.O. Mubarakpur, Tehsil: Derabassi, District: Mohali, Punjab

b) Parabolic Drugs Limited,

Plot No. 280-281, Phase I, Block 1, Alipur Industrial Estates, HSIIDC, Tehsil Barwala, Haryana, District: Panchkula

c) Parabolic Drugs Limited,

Village: Chachrauli, Tehsil: Derabassi, District: SAS Nagar, Mohali

xiii. Address for correspondence:**Registered and Corporate Office:**

Parabolic Drugs Limited,

S.C.O. 186-187, Second Floor, Sector 8 C, Chandigarh 160 008

Phone No's: 0172-4182800, Fax No: 0172-3914645

Website: www.parabolicdrugs.com

xiv. Green Initiative in Corporate Governance:

The Company support the Green Initiative taken by the Ministry of Corporate Affairs ("MCA") vide its circulars issued in this regard Accordingly, to comply with better Corporate Governance Practice and to implement the said circulars, the Company opted to send the notices and Annual Report etc. in electronic form to the members at their registered-mail address.

During the previous financial year, the Company sent Annual Report including Notice of AGM in electronic form to those members whose e-mail addresses were registered with their respective depositories (NSDL & CDSL) and the Company.

Auditor's Certificate on Compliance of Corporate Governance

The Members

Parabolic Drugs Limited,
S.C.O. 99-100, Top Floor,
Sector 17-B, Chandigarh

We have examined the compliance of conditions of Corporate Governance by M/s. Parabolic Drugs Limited ("the Company"), for the year ended 31st March 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance, of the condition of the 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 and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable..

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

For V.K Jindal & Associates,
Chartered Accountants

Sd/-
(V.K. Jindal)

Membership No. 084128
FRN 005244N

Place: Chandigarh
Date: 29/05/2018

Declaration Regarding Compliance With Code of Conduct

The Company has adopted the Code of Conduct for all Board Members and Senior Management of the Company.

It is hereby affirmed that all the Directors and Senior Managerial personnel have complied with the Code of conduct and have given a confirmation in this regard.

**Sd/-
Pranav Gupta
Managing Director**

Place: Chandigarh

Dated: 29.05.2018

Certificate of Managing Director and General Manager (Finance & Accounts)

We have reviewed financial statements and cash flow statement for the April 1, 2017 to March 31, 2018 and to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in the compliance with existing accounting standards, applicable laws and regulations.
- (iii) No transactions entered into by the Company during the years which are fraudulent, illegal or violative of the company's Code of Conduct.

Further, 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 reporting and we have disclosed to the Auditors and the Audit Committee:

- a) deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or proposes to take to rectify these deficiencies;
- b) significant changes in internal control over financial reporting during the year;
- c) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chandigarh
Dated: 29.05.2018

Sd/-
General Manager
(Finance & Accounts)

Sd/-
Managing Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARABOLIC DRUGS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of M/s. Parabolic Drugs Limited ("the company") which comprises the Balance sheet as at 31st March 2018 and the Statement of Profit & Loss (including other Comprehensive Income), the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (herein refer to as "standalone financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **subject to Note 25(1) of the standalone financial statements regarding confirmation of debit or credit balances (including sundry parties) on whatsoever account, the aforesaid standalone financial statements read with note 25 forming part of 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 :

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- b) In the case of Statement of Profit & Loss including other Comprehensive Income, of the **Loss** for the year ended on that date, and
- c) In case of cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 enclose in the **Annexure "A"** a statement on the matters specified in paragraph 3 and 4 of the said order, to the extent applicable .

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 and the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- e) On the basis of written representations received from the Directors, as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from

- being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to 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 litigation on its financial position in the standalone financial statements;
- ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, including derivatives contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

ChandigarhDated: 29th May 2018**FOR V K JINDAL & ASSOCIATES.**CHARTERED ACCOUNTANTS
Firm Registration No. 005244NSd/-
(Vijay Jindal)
Partner**Membership No: 084128**Name: M/s. V.K. Jindal & Associates.
Chartered Accountants
Address: Plot No 5, Sector- 1, Industrial Area, Parwanoo**Annexure-`A' referred to in the Independent Auditors' Report to the Members of M/s. Parabolic Drugs Limited, on the accounts for the year ended 31st March 2018.**

- (i) (a) As confirmed by the management, the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. However it is not up to date as on 31st March, 2018.
- (b) We are informed that the company has framed programme of periodical physical verification of its fixed assets in phased manner, which in our opinion is reasonable having size of the company and nature of its business. As confirmed by the management, physical verification of the fixed assets has not been carried out by the management as on 31st March, 2018 and hence the existence of all the fixed assets as appearing in the Financial Statements cannot be confirmed.
- (c) According to the information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties as disclosed in Note-9 to these financial statements, are generally held in the name of the company. However we have not verified the title deeds for immovable properties during the year.
- (ii) According to the information & explanations given to us, the inventories comprises of raw material, work in progress, material at shop floor , semi-finished goods and finished goods total valuing Rs 1588.34 Lacs as on 31st March 2018 . Further the physical verification of inventories has been conducted by the management as on 31st March, 2018 as per detail submitted to us. It is further confirmed by the management that no material discrepancies were noticed on physical verification.
- (iii) Since the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, so paragraph iii (a), iii (b) & iii(c) is not applicable.

- (iv) In our opinion and according to information and explanation 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 and guarantees and securities provided by it.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
- (vi) The company is required to maintain cost records as prescribed by Central Government under section 148(1) of the Companies Act 2013. According to the information and explanations given to us, the company has maintained proper records as prescribed by central government However we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. Further as confirmed by the management, the Cost Audit Report for the FY 2016-17 has not been submitted by the Cost Auditor .
- (vii) (a) According to information and explanations given to us and the records of the company examined by us , in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities . There are no statutory dues outstanding as on 31st March,2018 for a period exceeding six months from the date they become payable **except** as given below:

S.No.	Nature of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which amount relates
1	Employee State Insurance Act,1948	ESI Payable-Derabassi	35.31	Feb-2015 to Sept-2017
2	Employees Provident Funds & Miscellaneous Provisions Act,1952	PF Payable-Derabassi	195.93	June-2014 to Sept-2017
3	Employee State Insurance Act,1948	ESI Payable-Panchkula	1.80	Apr-2015 to Sept-2017
4	Employees Provident Funds & Miscellaneous Provisions Act,1952	PF Payable-Panchkula	7.78	July-2014 to Sept-2017
5	Employee State Insurance Act,1948	ESI Payable-Contractor (Derabassi)	5.00	Feb-2014 to Sept-2017
6	Labour Welfare Fund Act,1972	Staff Welfare Fund Payable	1.57	Feb-2015 to Sept-2017
7	Income Tax Act,1961	TDS Payable	56.77	Oct-2014 to Sept-2017
8	Central Sales Tax Act and Sales tax Act of Various States	Vat /Cst Payable (Baddi,H.P)	75.90	Jan-2015 to Mar-2016
9	Central Sales Tax Act and Sales tax Act of Various States	Vat /Cst Payable (Haryana)	1.48	Apr-2017 to Jun-2017
10	Finance Act,1944	Service Tax Payable	4.20	Sept-2016 to Jun-2017

(b) According to the information and explanations given to us, and the records of the company examined by us , in our opinion , there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax , which are outstanding as on 31st March,2018 and which have not been deposited with the appropriate authorities on account of any dispute **except** the following cases of Income tax ,Excise duty & Service Tax which are pending at various courts as there demand will be confirmed after order:-

S. No.	Nature of the Statute	Nature of Dues	Amount (Rs. In Lacs)	Period to which amount related	Forum where dispute is pending
1	Finance Act,1944	Service Tax	6.34	FY 2013-2014	Deputy Commissioner Derabassi
2	Finance Act,1944	Service Tax	14.22	Apr-2014 to Mar-2016	Assistant Commissioner, Central Excise & Service Tax, Derabassi
3	Central Excise act,1944	Excise Duty	5859.97	FY 2012-2013	Punjab & Haryana High Court
4	Central Excise act,1944	Rebate Claim	875.95	FY 2012-2013	Commissioner Chandigarh
5	Income Tax Act 1961	Income Tax	127.60	F.Y 2008-2009 (AY 2009-2010	Deputy Commissioner of Income Tax, Central Circle -I, Chandigarh
6	Income Tax Act 1961	Income Tax	145.40	F.Y 2010-2011 (AY 2011-2012)	Hon'ble Punjab and Haryana High Court
7	Income Tax Act 1961	Income Tax	173.81	F.Y 2004-2005 (AY 2005-2006	Deputy Commissioner of Income Tax, Central Circle -I, Chandigarh

- (viii) In our opinion and according to the information and explanations given to us and as confirmed by management, the company has defaulted in repayment of dues to a financial institutions & banks as all the credit facilities from most of banks/financial institutions of the company have already been classified as NPA.
- (ix) Since no money has been raised by way of initial public offer or further public offer (including debt instruments) during the year, the requirement of paragraph 3(ix) is not applicable and further we report that the no fresh term loans has been raised by the company during the year under report.
- (x) During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to information & explanation given to us, we have neither come across any instance of fraud by the company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the Management.
- (xi) According to information and explanations given to us and based on our examination of records of the company , the company has not paid any managerial remuneration during the year . Accordingly,provisions of clause 3(xi) of the order are not applicable.
- (xii) In our opinion and according to information and explanations given to us , the company is not a Nidhi Company and Nidhi Rules,2014 are not applicable to it. Accordingly,provisions of clause 3(xii) of the order are not applicable.

- (xiii) To the best of our knowledge and according to the information and explanations given to us, all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act where applicable and the detail of such related party transactions have been disclosed in Note No 25(36) to the financial statements as required by the applicable Accounting Standards.
- (xiv) According to information and explanations given to us and based on our examination of records of the company ,the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to information and explanations given to us and based on our examination of records of the company ,the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company.

Chandigarh

Dated: 29th May 2018

FOR V K JINDAL & ASSOCIATES.

CHARTERED ACCOUNTANTS

Firm Registration No. 005244N

Sd/-

(Vijay Jindal)

Partner

Membership No: 084128

Name: M/s. V.K. Jindal & Associates.

Chartered Accountants

Address: Plot No 5, Sector- 1, Industrial Area, Parwanoo

Annexure-B**INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PARABOLIC DRUGS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of M/s Parabolic Drugs Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"].

FOR V K JINDAL & ASSOCIATES.
CHARTERED ACCOUNTANTS
Firm Registration No. 005244N

Chandigarh
Dated: 29th May 2018

Sd/-
(Vijay Jindal)
Partner
Membership No: 084128
Name: M/s. V.K. Jindal & Associates.
Chartered Accountants
Address: Plot No 5, Sector- 1, Industrial Area, Parwanoo

PARABOLIC DRUGS LIMITED
(CIN No. L24231CH1996PLC017755)
BALANCE SHEET AS AT 31st March 2018

PARTICULARS	NOTE	(Rs. In Millions)	
		As at 31st March 2018	As at 31st March 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	(9,342.22)	(8,772.19)
(2) Share Application Money Pending Allotment		260.01	260.01
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	8,363.29	8,362.95
(b) Deferred tax liabilities (Net)	4	346.99	329.39
(c) Long term provisions	5	10.44	12.21
(4) Current Liabilities			
(a) Short-term borrowings	6	1,477.82	1,431.67
(b) Trade payables	7	808.69	1,057.66
(c) Other current liabilities	8	1,645.49	1,633.11
	TOTAL	4,189.43	4,933.73
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3263.68	3488.35
(ii) Intangible assets			
(iii) Capital work-in-progress		65.18	65.18
(b) Non-current investments	10	63.42	63.26
(c) Other non-current assets	11	21.82	151.31
(2) Current assets			
(a) Inventories	12	158.83	152.49
(b) Trade receivables	13	288.24	669.64
(c) Cash and cash equivalents	14	7.84	6.03
(d) Short-term loans and advances	15	283.09	296.09
(e) Other current assets	16	37.32	41.38
	TOTAL	4,189.43	4,933.73

**Significant Accounting Policies &
Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of Financial Statements

As per our report of even date

On behalf of the Board

For V K Jindal & Associates

Chartered Accountants

Firm Registration Number: 005244N

Sd/-
Vineet Gupta
Whole Time Director
(DIN-01256753)

Sd/-
Pranav Gupta
Managing Director
(DIN-00914361)

Sd/-
Vijay Jindal
Partner

Membership No. 084128

Place: Chandigarh

Date: 29.05.2018

Sd/-
GM Finance & Accounts

PARABOLIC DRUGS LIMITED
(CIN No. L24231CH1996PLC017755)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. In Millions)

PARTICULARS	NOTE	As at 31 st March 2018	As at 31 st March 2017
REVENUE			
Net Revenue from sale of products		717.93	691.24
Other operating revenue		8.07	45.99
I. Revenue from Operations	17	726.00	737.23
II. Other Income	18	41.05	42.54
III. Total Revenue (I +II)		767.05	779.77
EXPENSES			
Cost of Materials consumed	19	642.21	640.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(7.34)	278.65
Employee benefit expenses	21	93.04	84.66
Finance costs	22	83.48	99.05
Depreciation and amortization expense	23	345.36	534.89
Other expenses	24	162.74	191.88
IV. Total Expenses		1319.49	1829.95
V. Profit before tax(III-IV)		(552.44)	(1050.18)
VI. Tax expense:			
(1) Current tax (including wealth tax)		-	-
(2) Deferred tax Charge/ (Credit)		17.60	30.51
(3) Tax Adjustment Earlier Years		-	-
		17.60	30.51
VII. Profit for the period (V-VI)		(570.03)	(1,080.69)
Weighted Average Number of Equity Shares Outstanding (In Millions Number)		61.89	61.89
VIII. Earning per equity share of Rs.10 each:			
(1) Basic		(9.21)	(17.46)
(2) Diluted		(9.21)	(17.46)

Significant Accounting Policies &**Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of Financial Statements**As per our report of even date****On behalf of the Board****For V K Jindal & Associates****Chartered Accountants****Firm Registration Number: 005244N****Sd/-**

Vineet Gupta

Whole Time Director

(DIN-01256753)

Sd/-

Pranav Gupta

Managing Director

(DIN-00914361)

Sd/-**Vijay Jindal****Partner****Membership No. 084128****Sd/-**

GM Finance & Accounts

Place: Chandigarh**Date: 29.05.2018**

PARABOLIC DRUGS LTD
(CIN No. L24231CH1996PLC017755)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Millions)

PARTICULARS	As at 31 st March 2018	As at 31 st March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
(INCLD. WC CHANGES)		
Profit/(Loss) before tax	(552.44)	(1050.18)
Depreciation & amortization	215.87	218.53
Finance Expenses	83.48	99.05
R & D Expenses Written off	128.24	314.90
Misc Expenses Written Off	1.26	1.46
Total Operating Cash flow before WC Changes	(123.59)	(416.24)
Working Capital Changes		
Current Assets		
- Inventory	6.34	(248.52)
- Debtors	(381.40)	(30.96)
- Loans & Advances & Other Current Assets	(17.06)	(16.54)
Increase / (Decrease) in Current Assets	(392.12)	(296.02)
Current Liabilities		
- Trade Payables	(248.97)	125.88
- Others Current Liabilities & Provisions	12.38	13.74
- Long Term Provisions	(1.77)	(2.89)
Increase / (Decrease) in Current Liabilities	(238.36)	136.73
Net Increase/(Decrease) in Working Capital	153.76	432.75
- Reversal of Income Tax	0.00	0.00
Total Cash inflow / (outflow) Flow from Operations including Working capital Changes (A)	30.17	16.51
CASH FLOW FROM INVESTMENT ACTIVITIES		
- (Purchase)/Sale of Fixed Assets(Net)	8.80	5.01
- Investment In Shares	(0.17)	0.00
- Dividend	0.00	0.00
- R&D Expenditure	0.00	0.00
Total Cash Inflow/(out Flow) from Investment Activities (B)	8.63	5.01

(Rs. in Millions)

PARTICULARS	As at 31 st March 2018	As at 31 st March 2017
CASH FLOW FROM FINANCING ACTIVITIES		
- Share Capital/Share Premium/ Share Application Money	0.00	0.00
- Term Loans Additions / (Repayments)	4.81	1032.67
- Unsecured Loans/Deferred Creditors	(4.48)	14.98
- Increase / (Decrease) in Working Capital Loans	46.15	(970.47)
- Finance Expenses	(83.48)	(99.05)
Total Cash inflow/(outflow) from Financing Activities (C)	(37.00)	(21.86)
Net cash inflow/(outflow) During the Year(A+B+C)	1.81	(0.34)
Cash & Cash Equivalents in the beginning of the year	6.03	6.37
Cash & Cash Equivalents at the end of the year	7.84	6.03

NOTE:-

- 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 (AS 3), Cash Flow Statement.
- 2) Cash and Cash Equivalents comprise cash on hand, current accounts and deposits with banks.
- 3) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification disclosure.

AUDITORS' REPORT:

Under reference to our report of even date.

For and On behalf of the Board

For V K Jindal & Associates**Chartered Accountants****Firm Registration Number: 005244N****Sd/-**

Vineet Gupta

Whole Time Director

(DIN-01256753)

Sd/-

Pranav Gupta

Managing Director

(DIN-00914361)

Sd/-**Vijay Jindal****Partner****Membership No. 084128****Sd/-**

GM Finance & Accounts

Place: Chandigarh**Date: 29.05.2018**

Notes on Financial Statements for the year ended 31st March 2018

1. SHARE CAPITAL

(Rs. in Millions)

PARTICULARS	31 st March 2018	31 st March 2017
AUTHORISED 72000000 Equity Shares (Previous Year 72000000) of Rs. 10 each	720.00	720.00
ISSUED, SUBSCRIBED AND FULLY PAID UP 61892014 Equity Shares (Previous Year 61892014) of Rs. 10 each fully paid up	618.92	618.92
TOTAL ISSUED, SUBSCRIBED & FULLY PAID UP SHARE CAPITAL	618.92	618.92

(A) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

EQUITY SHARES

(No/Rs. in Millions)

PARTICULARS	31 st March 2018		31 st March 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	0.00	0.00	0.00	0.00
Shares Bought Back	0.00	0.00	0.00	0.00
Shares outstanding at the end of current reporting period	61.89	618.92	61.89	618.92

(B) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only One Class of Equity Shares having par value of Rs. 10 each. Each holder of Equity share is entitled to one vote per share with a right to receive per share dividend declared by the company. The company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

PARTICULARS	31 st March 2018		31 st March 2017	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14171836	22.90%	14171836	22.90%
M/s Parabolic Infrastructure Pvt. Ltd.	6385891	10.31%	6385891	10.31%

2. RESERVE & SURPLUS

(Rs. in Millions)

PARTICULARS	31 st March 2018	31 st March 2017
Profit and Loss Account		
At the beginning of the year	(10,406.71)	(9,326.02)
Add/(Less) : Net Profit/(Loss) for the Year	(570.03)	(1,080.69)
Less: Appropriations	-	-
	(10,976.74)	(10,406.71)
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning of the year	1,631.18	1,631.18
Net Surplus in the Statement of Profit and Loss	(9,342.22)	(8,772.19)

(Rs. in Millions)

PARTICULARS	31 st March 2018	31 st March 2017
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3. LONG TERM BORROWINGS

Secured:		
Term Loans from Banks	8,010.01	8,005.20
Unsecured:	-	
Due to Others	337.19	336.59
Due to Directors	16.08	21.16
	8,363.28	8,362.95

Terms of borrowings are as under:

Term Loans from Banks /Financial Institutions are secured by way of 1st pari passu charge on all existing & future fixed assets of the company at all locations with equitable mortgage of land & building, 2nd pari passu charge on all the current assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D.Gupta, Mr T.N Goel, Mr Pranav Gupta and Mr Vineet Gupta.

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability (A)		
Related to Fixed assets	346.99	329.39
Deferred Tax Assets (B)		
Related to Accumulated Loss	-	-
(A-B)	346.99	329.39

5. LONG TERM PROVISIONS

Provision for Employee Benefits-Gratuity	6.81	8.79
Provision for Employee Benefits-Leave Encashment	3.63	3.42
	10.44	12.21

6. SHORT TERM BORROWINGS

Secured:		
Working Capital Loans from Banks:		
-Cash Credit	1337.50	1,291.35
-Buyer Credit	-	-
-LC Devolvement	140.32	140.32
-Temporary overdraft from Banks		
	1,477.82	1,431.67

Working Capital borrowings from Banks / Financial Institutions are secured by way of first pari passu charge on hypothecation of entire present & future current assets of the Company, Second pari passu charge on all fixed assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr. J.D. Gupta, Mr T.N Goel, Mr. Pranav Gupta and Mr. Vineet Gupta.

7. TRADE PAYABLES

Sundry Creditors – Materials	681.02	937.73
Sundry Creditors – Expenses	71.05	61.69
Sundry Creditors - Capital Expenses	56.62	58.24
TOTAL	808.69	1,057.66

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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8. OTHER CURRENT LIABILITIES

Share Application money due for refund	-	-
Cheques Payable	0.05	0.05
Advance from Customers	-	-
Statutory Liabilities	22.01	20.80
Other Expenses Payable	43.83	40.74
	1579.60	1,571.52
	1,645.49	1,633.11

9. FIXED ASSETS

(Rs. in Millions)

PARTICULARS	USEFUL LIFE	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		AS ON 1-4-2017	ADDITION DURING THE PERIOD (01.04.2017 - 30.09.17)	ADDITION DURING THE PERIOD (01.10.2017 - 31.03.2018)	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2018	AS ON 1-04-2017	PROVIDED DURING THE YEAR	ASSETS SOLD/WRI TTEN BACK/ADJ USTMENT	AS ON 31.03.2018	AS ON 31.03.2018	AS ON 31.03.2017
1. TANGIBLE ASSETS:												
Land & Site Development	-	38.42	0.00	0.00	0.00	38.42	0.00	0.00	0.00	0.00	38.42	38.42
Factory Building	30	945.64	0.00	0.00	0.00	945.64	172.42	30.06	0.00	202.48	743.16	773.22
NON FACTORY BUILDING	60	6.50	0.00	0.00	0.00	6.50	1.50	0.11	0.00	1.61	4.90	5.00
Plant & Machinery	20	3299.19	0.00	0.00	0.95	3298.24	908.39	157.79	0.79	1065.39	2232.85	2390.80
Office Equipment	5	12.55	0.00	0.00	0.00	12.55	11.88	0.02	0.00	11.90	0.65	0.67
Furniture & Fixture	10	134.50	0.00	0.00	0.00	134.50	72.69	13.08	0.00	85.77	48.73	61.81
TUBEWELL	5	6.04	0.00	0.00	0.00	6.04	5.74	0.00	0.00	5.74	0.30	0.30
Vehicles	6	11.78	0.00	0.00	0.00	11.78	10.72	0.00	0.00	10.72	1.06	1.06
Computers & Peripherals	3	13.86	0.00	0.00	0.00	13.86	13.13	0.04	0.00	13.17	0.69	0.73
Research & Development - Fixed Assets	-	351.48	0.00	0.00	15.09	336.39	135.15	14.77	6.44	143.47	192.92	216.33
		4819.96	0.00	0.00	16.04	4803.92	1331.61	215.87	7.24	1540.24	3263.68	3488.35
2. INTANGIBLE ASSETS:												
COMPUTER SOFTWARE	3	7.12	0.00	0.00	0.00	7.12	7.11	0.00	0.00	7.11	0.01	0.01
3. CAPITAL WORK IN PROGRESS												
TOTAL (1+2+3):		4892.26	0.00	0.00	16.04	4876.22	1338.72	215.87	7.24	1547.35	3328.86	3553.54
PREVIOUS YEAR		4899.71	0.00	0.00	7.46	4892.26	1122.64	218.53	2.44	1338.72	3553.54	3777.08

(Rs. in Millions)

<u>PARTICULARS</u>	31st March 2018	31st March 2017
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10. NON CURRENT INVESTMENTS

A. TRADE INVESTMENTS:		
Parabolic Research Labs Ltd (Unquoted, Fully paid up) 4950000 equity Shares (PY 4950000) of Rs. 10/- each	49.50	49.50
Ziven Lifesciences Ltd (Unquoted, Fully paid up) 1250000 equity Shares (PY 1250000) of Rs. 10/- each	12.50	12.50
B. NON TRADE INVESTMENTS:		
<u>Investment in equity instruments</u>		
(1) Nimbua Greenfield (Punjab) Ltd- Unquoted, Fully paid up 18750 Equity shares (PY 18750) of Rs. 10/- each	0.19	0.19
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up 123600 Equity shares (PY 106800) of Rs. 10/- each	1.24	1.06
	63.42	63.25

11. OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	1.20	2.46
-Research & Development Expenses	20.62	148.85
	21.82	151.31

12. INVENTORIES

Raw Materials	101.77	102.76
Work in Process/ Semi Finished Goods	38.26	44.16
Finished Goods	18.81	5.57
Stores and Consumables	-	-
	158.83	152.49

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

13. TRADE RECEIVABLES

Unsecured, Considered Good)		
Outstanding for a period of:		
-More than six Months	223.94	614.50
-Less than six Months	64.29	55.14
Less: Provision for doubtful debts	-	-
	288.23	669.64

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
14. CASH & CASH EQUIVALENTS		
Cash in hand and as imprest	0.12	0.37
Cheques in Hand	-	-
Balance with Banks	-	-
- Current accounts	6.01	3.98
- Public issue refund account	0.05	0.05
- Fixed Deposit accounts	1.66	1.63
	7.84	6.03

15. SHORT TERM LOANS & ADVANCES

Loans and Advances to Related Parties	39.68	35.13
Loans and Advances to Employees	0.38	0.44
Security Deposits	24.02	24.05
Deposits/Balances with Statutory Authorities	182.54	197.86
Unexpired Expenses	0.09	0.50
Commercial Advances	-	-
-For Raw materials/ Expenses	15.28	15.92
-For Capital Goods	21.09	22.19
	283.08	296.09

16. OTHER CURRENTS ASSETS

Interest accrued but not due on Fixed deposits	-	-
Advances Recoverable in cash or Kind or for value to be received	37.32	41.38
	37.32	41.38

17. REVENUE FROM OPERATIONS

Net Revenue from sale of products	717.93	691.24
Other Operating Revenue	8.07	45.99
	726.00	737.23

18. OTHER INCOME

Interest Income	0.05	3.61
Other non-operating income	40.73	38.93
Applicable net loss on foreign currency transactions and translations	0.27	-
	41.05	42.54

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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19. COST OF MATERIALS CONSUMED

RAW MATERIAL		
Opening Stock	102.76	72.64
Purchases	640.58	670.30
Closing Stock	101.77	102.76
	641.57	640.18
STORES & SPAIRS-		
Opening Stock	-	-
Purchases	0.64	0.64
Closing Stock	-	-
	0.64	0.64
	642.21	640.82

20. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Opening Stock:		
Finished Goods	5.57	6.15
Work in Process	44.16	322.23
	49.73	328.38
 Closing Stock:		
Finished Goods	18.81	5.57
Work in Process	38.26	44.16
	57.07	49.73
	(7.34)	278.65

21. EMPLOYEE BENEFIT EXPENSES

Salary, Wages and other allowances	84.49	74.49
Staff and labour Welfare Expense	3.92	4.86
Contribution to Statutory Funds	4.62	5.31
	93.03	84.66

22. FINANCE COST

Interest expense	51.26	96.86
Other Borrowing cost	32.22	2.19
	83.48	99.05

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
23. DEPRECIATION & AMORTISATION EXPENSES		
Depreciation	215.87	218.53
Miscellaneous Expenditure written off	1.26	1.46
Research and development expenditure written off	128.23	314.90
	345.36	534.89
24. OTHER EXPENSES		
Water & Electricity charges	68.73	89.66
Repair & maintenance		
- Machinery	5.37	10.47
- Building	0.75	0.13
- Others	0.37	3.13
Job work charges	1.83	0
Generator set expenses	12.95	17.61
Lab expenses	4.26	5.15
Freight & other expenses (inward)	4.05	4.77
Hire charges (nitrogen tank)	0.21	0.43
Travelling & conveyance		
- Directors (including foreign travelling)	0.13	0.44
- Others (including foreign travelling)	3.75	3.71
Vehicle running & maintenance	0.44	0.70
Printing & stationery	0.58	1.08
Telephone expenses	0.82	1.00
Postage & telegram	0.62	0.71
Insurance expenses	0.34	0.14
Rate, fees & taxes	8.30	2.29
Legal & professional charges	4.87	3.15
Directors remuneration	-	-
Office expenses	0.61	2.29
Security charges	3.10	3.62
Auditors' remuneration		
- Statutory auditor	0.10	0.50
- Internal auditor	-	-
- Out of pocket expense	-	-
Charity & donation	-	-
Director sitting fee	-	-
Advertisement	0.29	0.41
Office rent	0.36	0.51
Subscription fee	0.01	0.15
Testing charges	0.38	0.32
Newspaper, books & periodicals	0.08	-
Commission & Brokerage	-	-
Interest & Penalties	9.00	1.63
General repair & maintenance	1.72	1.45
Profit / Loss on sale of fixed assets	1.73	1.83
Foreign Exchange Fluctuation loss	0.00	4.56
Insurance expenses (sales)	0.12	0.60
Freight & cartage outward	2.87	2.16
Clearing & forwarding (export)	6.68	6.54
Commission on sale	4.19	12.76
Business promotion	0.05	0.18
Balance Written Off	-	-
Rebate & discount	13.08	7.80
Miscellaneous expenses	-	-
	162.74	191.88

PARABOLIC DRUGS LIMITED

SIGNIFICANT ACCOUNTING POLICIES

The company's summarized significant accounting policies are stated as below -

A. CONVENTION

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis and under the historical cost convention.

B. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention on accrual basis in accordance with Accounting Standard -1 "Disclosure of Accounting Policies".

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in Additional Notes.

C. FIXED ASSETS

All the fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition of fixed assets includes all direct cost relating to the acquisition and installation of fixed assets as per Accounting Standard 10- "Accounting for Fixed Assets".

Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take substantial period of time to get ready for their intended use are capitalized in accordance with Accounting Standard -16 "Borrowing costs".

Expenditure and outlays of money on uncompleted Fixed Assets are shown as capital work in progress until such time the same are completed. Capital work in progress is stated at cost.

D. DEPRECIATION

Depreciation on Fixed assets, Tangible and Intangible, have been provided on continuous process basis on the basis of useful life of assets as prescribed under Schedule II of the Companies Act, 2013. During the year, depreciation on all the fixed assets has been provided at the rates applicable to continuous process industry on the straight-line method.

E. IMPAIRMENT OF ASSETS

The company provides for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

F. PRE-OPERATIVE EXPENSES

Pre-operative expenses represent expenses incurred prior to the date of commencement of commercial production for setting up new manufacturing facilities or expansion of existing facilities. Until capitalization, all expenses are disclosed under pre-operative expenses pending allocation/capitalization and allocated to cost of fixed assets on capitalization.

G. INVENTORIES

Inventories are valued in accordance with Accounting Standard -2 "Valuation of Inventories" and the method of valuation is given as under:

(i) Raw Material, Stores and Spares and Packing Materials	Lower of Cost or Net Realizable Value whichever is less on FIFO Basis. However, materials and other items held for use in the production of finished goods are not written down below cost if the products in which they will be used are expected to be sold at or above cost.
(ii) Works in Process / Semi Finished Goods	At cost up to estimated stage of completion. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
(iii) Finished Goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes excise duty.

H. **REVENUE RECOGNITION**

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from sale of Goods is recognized at the point of dispatch of finished goods. The VAT liability has been provided as per the VAT Returns filed. The additional liability arising at the time of assessment will be booked as & when arise. Sales are exclusive of VAT. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

Interest Income

Interest Income is recognized on time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of Profit and Loss.

Income from Job Work

Income from job work is recognized on the basis of work executed as per the contract/agreement.

DEPB(Duty Entitlement Pass Book) Income

DEPB income is recognized by the Company after the admission of export benefit credited against the DEPB license realized from the Director General of Foreign Trade on eligible exports made by the Company and the gain (recognized on the basis of discount amount and the resultant difference between the license value and purchase value) on purchase of DEPB licenses from exporters for the purpose of payment of customs duty on import of raw material by the Company is also included within DEPB income.

Investment Income

Income from Investments is accounted on an accrual basis, inclusive of related tax deducted at source. Income from Dividends is accounted when the right to receive such dividends is established.

I. **FOREIGN CURRENCY TRANSACTIONS**

Foreign Currency Transactions are accounted for in accordance with Accounting Standard-11—"The Effects of changes in Foreign Exchange Rates". Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rate prevailing as on the balance sheet date.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year are recognized as income or expenses in the year in which they arise.

J. **INVESTMENTS**

The company follows AS-13 "Accounting for investments" for treatment of its investments. Long Term investments are stated at cost. However, provision for diminution in value, other than temporary is made. Current investments are stated at the lower of cost and fair value, which is determined on an individual investment basis.

K. **RETIREMENT AND OTHER EMPLOYEE BENEFITS**

Retirement Benefits are accounted in accordance with Accounting Standard -15 "Accounting for retirement benefits in the financial statements of employers" as follows:

Defined Contribution Plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The company makes regular monthly contributions to Provident Funds and such paid/payable amounts are charged against revenue.

Defined Benefit Plans:

Liability in respect of defined benefit plans i.e. gratuity and leave encashment, are determined based on actuarial valuation made by an independent actuary as at balance sheet date .The actuarial gains or losses are recognized immediately in the profit and loss account. .

L. BORROWING COSTS

Borrowing costs include interest and commitment charges on borrowings. As per Accounting Standard -16 "Borrowing Costs" Costs incurred on borrowings directly attributable to development projects, which take substantial period of time to complete, are capitalized to respective projects and all other borrowing costs are recognized in the profit and loss account in the period in which they are incurred.

M. SEGMENT REPORTING

The company is exclusively in the Pharmaceutical business segment and thus there is not more than one reportable segment, therefore the disclosure in the context of Accounting Standard 17 "Segment Reporting" has not been considered necessary.

N. TAXES ON INCOME

The company provides for Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences between taxable income and accounting income subject to the consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Further, in respect of Deferred tax asset, it is recognized to the extent there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

O. EARNING PER SHARE

Basic Earning per Share is calculated by dividing the net earnings after tax for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

P. RESEARCH AND DEVELOPMENT EXPENSES

In accordance with the Accounting Standard -26 "Intangible Assets", Cost incurred on research and development expenses of revenue nature are recognized as intangible assets and amortized on a straight line basis over a period of five years. Subsequent expenditure on research and development of revenue nature are also added to the cost of intangibles and also written off in succeeding five years.

Capital expenditure on Research & Development is shown under "R&D Equipment" under Fixed Assets and depreciation have been provided on continuous process basis on the basis of useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

Q. AMORTISATION OF EXPENSES

Preliminary Expenses are amortized over a period of ten years.

R. EXPORT BENEFITS/ INCENTIVES

Export entitlements under Duty Entitlement pass Book [DEPB] Scheme are recognized in the Profit & Loss Account when the right to receive credit as per terms of the scheme is established in respect of export made.

Obligations/entitlements on account of Advance license scheme for import of raw material are accounted for on purchase of raw material and/ or export sales.

S. CONTINGENT LIABILITIES AND PROVISIONS

In accordance with Accounting Standard -29- "Provisions, Contingent Liabilities and Contingent Assets", which are material and where future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed in notes on accounts to financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.

T. USE OF ESTIMATES

In preparing companies financial statement in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

U. FINANCIAL DERIVATIVES HEDGING TRANSACTIONS

The use of Financial Derivatives Hedging Contracts is governed by the Company's policies which provide principles on the use of such financial derivatives consistent with the company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Financial Derivatives Hedging Contracts are accounted on the date of their settlement/termination and realized gain/loss in respect of the settled/terminated contracts is recognized in the profit and loss account.

V. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short term investments with an original maturity of three months or Less.

W CASH AND CASH EQUIVALENTS (FOR THE PURPOSE OF CASH FLOW STATEMENT)

Cash flows are prepared using the Indirect Method, whereby profit / loss before extra ordinary items and tax is adjusted for the affects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

X. OPERATING CYCLE

Based on the varied nature of products / activities of the company and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

25. Additional Notes to the Financial Statements:

- (1) Debit or Credit Balances (including sundry parties) on whatever account are subject to confirmation/ reconciliation.
- (2) The work-in-process / semi – finished goods and by product etc. have been grouped as closing stock and the variation in stock has been worked out accordingly.
- (3) The amount less received from the parties against sales made to them has been charged to Rebate & Discount Account and vice-versa.
- (4) In the opinion of the Board of Directors, all current assets and loans and advances have a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made for all the known liabilities.
- (5) The Company has called for the information from its suppliers as regard to disclosure required under Micro, Small and Medium Enterprises Development Act, 2006. The replies from most of the suppliers in this regard are still awaited. Hence the information required to be given in accordance with section 22 of the said act is not ascertainable and not disclosed .
- (6) Commission on sales and rebate & discount are accounted for when accounts are finally settled with the agents, including conclusion of underlying sales contracts.
- (7) Fixed Deposit with banks of Rs.1.65 mn (Previous year Rs. 1.63 mn) are pledged as margin money with banks.
- (8) The Company has been approved U/s 35 (2AB) of the Income Tax Act, 1961 by the Prescribed Authority i.e. The Secretary, Department of Scientific and Industrial Research, Govt. of India, New Delhi for co-operation in In-house Research and Development facility at Derabassi and Barwala upto 31.03.2016 vide letter No. TU/IV-RD/2502/2013 dated 18th September,2013. The Revenue expenditure already incurred in the preceding years has been treated as deferred revenue expenditure and is being written off over the period of 5 years as per the policy of the Company.
- (9) The Inventory valuing Rs.158.83 mn comprises of raw material, stock of work in progress,semi finished goods including recovery stock and material at shop floor . Further Inventory has been physically verified by the management as on 31st March 2018 and Inventories as valued and certified by the management has been considered in the financial statements.
- (10) Since the company has not sent any balance confirmation letters to Sundry parties (Including Trade Receivables amounting to Rs 288.23 mn Trade Payables (including M/s Sandoz, M/s Orbit Lifesciences Pvt Ltd and M/s PEC Limited) amounting to Rs 808.68 mn, Commercial Advance to Suppliers amounting to Rs 36.36 mn and Advance from Customers amounting to Rs 22.01 mn) as on 31st March, 2018, the balances have been taken as per records of the company.
- (11) The GST Returns for the year ended 31.03.2018 are subject to reconciliation with the financial statements.
- (12) The Balances with Union Bank of India ,SIDBI,EXIM Bank in respect of various loans taken by the company is subject to confirmation as on 31st March,2018. The Balance with Union Bank of India , ICICI Bank & State Bank of India in respect of Fixed Deposit Accounts and Balance with ICICI Bank Public Issue Refund account held by the company is subject to confirmation as on 31st March,2018.
- (13) A sum of Rs.260 mn received by company as share application money from Promoters/ Promoters' Associates, to comply a critical condition to infuse an amount of Rs.260 mn in the form of Equity Share Capital of the Company, as stipulated under CDR package sanctioned to the Company pursuant to a scheme approved under the Corporate Debt Restructuring Framework of Reserve Bank of India .Now, the said amount of subscription money of Rs.260 mn has been received by the Company. The special resolution to this effect has been passed by the shareholders of the company by postal ballot on 31st January, 2014, however, the allotment of shares to the proposed allottees is pending awaiting the In-Principle approval of the Stock Exchanges required under the Listing Agreements. Approval from BSE has been received but pending due to NOC not received from the Lead Bank for allotment of the same.
- (14) The Authorized Share Capital of the Company was increased from Rs. 720 mn to Rs. 820 mn vide resolution passed in Annual General Meeting of the members of the company held on 29th September 2015, but the company has not notified the Registrar of companies by Filing form SH-7 prescribed under the Companies General Rules & Forms due to non receiving of NOC from the lead bank for the allotment of shares to promoter and promoter group.
- (15) The company has incurred losses of Rs 570.03 mn (PY Rs 1080.69 mn) during the current year and the company has net current liabilities of Rs 3156.68 mn (PY net current liabilities of Rs 2956.81 mn) as on 31.03.2018. Further the company's accumulated losses have resulted in erosion of its entire net worth. The continuous losses have adversely affected the cash flows of the company.
- (16) During the financial year 2017-2018, most of Banks have not charged interest due to NPA Status of Loan Accounts. Hence Provision for interest on these loans amounting to Rs 1303.82 mn for the year ended 31st March,2018 on these loans has not been made in the financial statements.

- (17) M/s J.M. Financial Asset Reconstruction Company Private Limited has taken over the Loans/Debts of SBOH, SBOP, ICICI, UCO, IDBI & SBI as on 31st March,2018 and M/s J.M. Financial Asset Reconstruction Company Private Limited has not provided the statement /Balance confirmation in respect of above debts as on 31st March,2018.
- (18) The company has not paid any Director remuneration to Shri Pranav Gupta during the financial year 2017-2018.
- (19) Other Non Operating Income for the year ended 31st March,2018 includes Rs 38.25mn pertaining to M/s Orbit Life Sciences Ltd, Opera House ,Mumbai . It includes Rs 20.78 mn pertaining to FY 2016-2017.
- (20) Net Revenue from Sales for the year ended 31st March,2018 (Net of Excise duty) of Rs 41.85 mn made during the year on consignment basis and treated as sales.
- (21) The Investment in Equity Shares of M/s Mohali Green Environment Private Limited of Rs 1.23 mn as on 31.03.2018 is subject to confirmation and reconciliation.
- (22) The company has paid Rs 30.99 mn as commission on purchase of Raw Material purchase from M/s Orbit Lifesciences Ltd during the year which has been shown/classified head Finance cost in the financial statements. It includes Rs 9.72 mn pertaining to FY 2016-17. The company made adjustments in respect of such Debit Notes as & when received by the company.
- (23) The Audit Committee of the Board of the company has written off Rs 391.54 mn (Dr) due from M/s Phoenix Medicine Company, Hongkong and write back Rs 379.04 mn due to M/s Arch Pharmalabs Ltd during the FY 2017-18 as per its decision dated 9.12.2017 on account of Quality dispute of the material supplied by M/s Arch Pharmalabs Ltd and further supplied to M/s Phoenix Medicine Company, Hongkong as mutually agreed by the parties also.

The following debit balances amounting to Rs 34.82 mn are outstanding as on 31st March,2018 . These balances are disputed and subject to confirmation/reconciliation and no Provision for Bad Debts have been made in the financial statements.

S.No	Name of Account	Balance (Rs in Million)
a)	Amount Recoverable rom Banks	12.60
b)	DEPB Licences in Hand	3.12
c)	DEPB Recoverable	17.85
d)	Service Tax	1.25
Total		34.82

- (25) Disclosure in accordance with accounting standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:
(Rs. in Millions)

	As at 31st March, 2017	Additions during the year	Amount paid/ reversed during the year	As at 31st March, 2018
Gratuity	8.79	2.12	4.11	6.80
Leave Encashment	3.42	2.02	1.81	3.63

(26) Taxation

- In order to comply with the requirement of Accounting Standard –22 " Accounting for Taxes on Income, the company has followed the deferred tax method of accounting. Consequently the company has accounted the deferred tax for the current period amounting to Rs. 17.59 mn in the Statement of Profit & Loss.
- Deferred Tax Asset/ Liability are attributable to the following items:

Particulars	Deferred tax Asset/ (Liability) 01.04.2017	(Charge) / Credit	Deferred tax Asset/ (Liability) 31.3.2018 (Rs. in Millions)
Deferred Tax(Liability)\Asset			
Difference between Tax and Book Written down value of Fixed Assets	(329.39)	(17.59)	(346.98)
Total	(329.39)	(17.59)	(346.98)

(27) Fixed Assets possessed by PARABOLIC DRUGS LIMITED are treated as Corporate Assets and are not cash generating units as per Accounting Standard-28. In the opinion of Management, there is no impairment of fixed assets of the Company.

(28) Earnings Per Share

Description	(Rs./No. in Millions)	
	2017-2018	2016-2017
Profit/(Loss) for the year (Amount in Rs.)	(570.03)	(1,080.69)
Weighted average number of Ordinary shares outstanding (In Nos)	61.89	61.89
Add: Dilutive effect of potential ordinary shares (In Nos)	0	0
Weighted average number of Ordinary shares in computing diluted earning per share (In Nos)	61.89	61.89
Earnings per share on profit for the year (Face value Rs.10/- per share)		
- Basic	(9.21)	(17.46)
- Diluted	(9.21)	(17.46)

(29) Employee Benefits:

Consequent upon adoption of Accounting Standard on Employee Benefits" (As 15) (Revised 2005), as required by the Standard, the following disclosures are made :

(As valued and certified by Actuary)

(Rs. in Millions)		
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Obligation at period beginning (April 1, 2017)	8.80	3.41
Current service Cost	0.93	3.63
Reconciliation of opening and closing balances of the present value	0.86	0.25
Actuarial (gain)/loss	0.33	(1.85)
Benefits paid	(4.11)	(1.81)
Obligation at the year end (March 31, 2018)	6.81	3.63
Changes in plan assets	N.A.	N.A.
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at the year end, at fair value	Nil	Nil
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	Nil	Nil

(Rs. in Millions)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Present value of the defined benefits obligation at the end of the year	6.81	3.63
Liability / (Asset) recognized in the Balance Sheet	6.81	3.63
Cost for the year		
Current Service Cost	0.93	3.63
Interest Cost	0.86	0.25
Expected return on plan assets	-	-
Actuarial (gain)/ loss	0.33	(1.85)
Net Cost recognized in the Profit and Loss Account	2.12	2.03
Assumption used to determine the benefit obligations:		
Interest rate	7.30%	7.40%
Estimated rate of return on plan assets	N.A.	N.A.
Expected rate of increase in salary	10.00%	10.00%
Actual return on plan assets	-	-

- (30) **Related Party Disclosures in accordance with the Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006**

Key Management Personnel with whom transactions have taken place during the Year

1. Shri Pranav Gupta	Managing Director
2. Shri Vineet Gupta	Whole Time Director

Relatives of Key Management Personnel with whom transactions have taken place during the Year

- | |
|--------------------|
| 1. J.D Gupta (HUF) |
|--------------------|

Subsidiary with whom transactions have taken place during the Year

- | |
|--------------------------------|
| 1. Ziven Life Sciences Limited |
|--------------------------------|

Associates with whom transactions have taken place during the Year

- | |
|----------------------------------------------|
| 1. Saj Infrastructure Private Limited. |
| 2. Mohali Green Environment Private Limited. |

RELATED PARTY TRANSACTIONS

Disclosure of transactions between the company and the Related parties during the year and the status of outstanding balances as on 31.03.2018

Nature of Transactions (Excluding Reimbursements)	Subsidiary	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration to Key Management Personnel	0.00	0.00	0.00	0.00	0.00
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Rent Paid	0.00	0.00	0.00	0.20	0.20
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.20</i>	<i>0.20</i>
Advances given	4.35	0.00	0.00	0.00	4.35
	<i>4.81</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>4.81</i>
Interest Income	0.00	0.60	0.00	0.00	0.00
	<i>3.48</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>3.48</i>
Loan taken	0.00	0.60	0.00	0.00	0.60
	<i>0.00</i>	<i>0.00</i>	<i>6.06</i>	<i>0.00</i>	<i>6.06</i>
Loan repaid	0.00	0.00	5.07	0.00	5.07
	<i>0.00</i>	<i>20.40</i>	<i>0.00</i>	<i>0.00</i>	<i>20.40</i>
Investment in Equity Shares	0.00	0.16	0.00	0.00	0.16
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Balances as on 31st March, 2018					
Investments	62.00	1.23	0.00	0.00	53.23
	<i>62.00</i>	<i>1.06</i>	<i>0.00</i>	<i>0.00</i>	<i>63.06</i>
Loans & Advances (Asset)	39.67	0.00	0.00	0.00	39.67
	<i>35.12</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>35.12</i>
Loans (Liability)	22.10	274.27	16.08	0.00	312.45
	<i>22.10</i>	<i>273.67</i>	<i>21.15</i>	<i>0.00</i>	<i>316.92</i>
Sundry Creditor-Capital Goods	0.00	0.00	9.47	0.00	9.47
	<i>0.00</i>	<i>0.00</i>	<i>9.47</i>	<i>0.00</i>	<i>9.47</i>
Expenses Payable	0.00	0.00	0.00	0.37	0.37
	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.19</i>	<i>0.19</i>

Note: Figures in Italics represents Previous Year's amount.

(31) Additional information pursuant to the provision of Schedule-III of the Companies Act, 2013 [As certified by the Management and accepted by the Auditors)

a) Value of Imports during the year (C.I.F. Basis)

(Rs. in Millions)		
Description	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw materials	19.07	98.19
Capital goods	0.00	0.00

b) Value of Raw Material, Spare Parts & Components Consumed

Description	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Amt.	% age of total	Amt.	% age of total
Raw materials consumed				
Indigenous	622.49	97.03%	541.99	84.66%
Imported	19.07	2.97%	98.18	15.34%
Stores & spares consumed	-		-	
Indigenous	0.64	100.00%	5.00	100.00%
Imported	-	-	-	-

c) Expenditure in Foreign Currency

(Rs. in Millions)		
Description	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Commission on sales	0.20	4.20
Fee & Taxes	0.28	0.43
Legal, Professional , Consultancy expenses	0.00	0.06
Travelling expenses	0.43	0.28

d) Earnings in Foreign Currency

(Rs. in Millions)		
Description	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Export of Goods (F.O.B)	160.90	172.96

e) Dividend remittance in foreign currency

(Rs. in Millions)		
Description	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Amount of Dividend	NIL	NIL

(32) Contingent Liabilities**(a) Foreign Letter of Credit/Inland Letter of Credit/Bank guarantee issued by bankers:**

(Rs. in Millions)

Description	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Letter of Credit (Foreign/ Inland) *	NIL	NIL
Bank Guarantees	NIL	NIL

- (b) In respect of Income Tax matters pending before appellate authorities/CIT (Appeals) which company expects to succeed , based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 44.68 Mn.
- (c) In respect of Service Tax matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed , based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 2.05 mn
- (d) In respect of Excise Duty matters pending before appellate authorities/Commissioner (Appeals) which company expects to succeed , based on decisions of Tribunals/ Courts. There is contingent liability amounting to Rs 6.73mn
- (e) In respect of Legal cases against the company ,there is contingent liability amounting to Rs 9.05mn .

(33) Segment Reporting:

There is not more than one reportable segment. Hence information as per AS-17 is not required to be disclosed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. Parabolic Drugs Limited** (hereinafter referred to as " **the Holding Company** ") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at 31st March 2018 ,the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the companies Act,2013(hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries , the aforesaid consolidated financial statements **read with note 25 forming part of financial statement** 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:

- (a) in the case of Balance Sheet, of the state of affairs of the Group as at 31st March 2018;
- (b) in the case of Consolidated Statement of Profit & Loss , of the **Loss** for the year ended on that date and
- (c) in case of Consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements and other financial information , in respect of 2 subsidiaries whose financial statements include total assets of Rs. 329.47 lakhs as at 31st March, 2018 , total revenues of Rs.61.06 lakhs and net cash flows of Rs 4.67 Lacs for the year ended on that date. These financial statements and other financial information have been

audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management .

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as referred in the 'Other Matters' paragraph, 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 financial statements;
- b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated 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 & Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

- e) On the basis of written representations received from the Directors of the Holding Company, as on 31st March 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the Directors of the Group companies, is disqualified as on 31st March 2018 from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial controls over financial reporting of the Holding company and its subsidiaries incorporated in India 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 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 and based on the consideration of report of other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the "Other Matters" paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts; and
 - 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 its subsidiaries companies incorporated in India.

Chandigarh

Dated: 29th May 2018

FOR V K JINDAL & ASSOCIATES.

CHARTERED ACCOUNTANTS
Firm Registration No. 005244N

Sd/-
(Vijay Jindal)
Partner

Membership No: 084128

Name: M/s. V.K. Jindal & Associates.
Chartered Accountants
Address: Plot No 5, Sector- 1, Industrial Area, Parwanoo

Annexure-A**INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of M/s Parabolic Drugs Limited And Its Subsidiary Companies ("the Holding Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies 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". 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 material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiaries have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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 .

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to separate financial statements of 2 subsidiaries is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

Chandigarh

Dated: 29th May 2018

FOR V K JINDAL & ASSOCIATES.

Firm Registration No. 005244N

Sd/-

(Vijay Jindal)

Partner

Membership No: 084128

Name: M/s. V.K. Jindal & Associates.

PARABOLIC DRUGS LIMITED & ITS SUBSIDIARIES
BALANCE SHEET AS AT 31st March 2018

PARTICULARS	NOTE	(Rs. in Millions)	
		As at 31st March 2018	As at 31st March 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	618.92	618.92
(b) Reserves and Surplus	2	(9,432.37)	(8,856.89)
(2) Share Application Money Pending Allotment		260.01	260.01
(3) Minority Interest		-	-
(4) Non-Current Liabilities			
(a) Long-term borrowings	3	8,352.47	8,352.10
(b) Deferred tax liabilities (Net)	4	337.80	320.20
(c) Long term provisions	5	10.44	12.21
(5) Current Liabilities			
(a) Short-term borrowings	6	1,477.82	1,431.67
(b) Trade payables	7	810.49	1,058.73
(c) Other current liabilities	8	1,653.82	1,641.86
	TOTAL	4,089.40	4,838.81
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,263.70	3,488.38
(ii) Intangible assets		0.01	0.02
(iii) Capital work-in-progress		65.18	65.18
(b) Non-current investments	10	1.42	1.26
(c) Other non-current assets	11	21.82	151.33
(2) Current assets			
(a) Inventories	12	158.84	152.49
(b) Trade receivables	13	288.24	671.19
(c) Cash and cash equivalents	14	8.69	6.41
(d) Short-term loans and advances	15	243.62	261.16
(e) Other current assets	16	37.88	41.38
	TOTAL	4,089.40	4,838.81

**Significant Accounting Policies &
Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of Financial Statements

As per our report of even date

On behalf of the Board

For V K Jindal & Associates

Chartered Accountants

Firm Registration Number: 005244N

Sd/-

Vineet Gupta

Whole Time Director

(DIN-01256753)

Sd/-

Pranav Gupta

Managing Director

(DIN-00914361)

Sd/-

Vijay Jindal

Partner

Sd/-

GM Finance & Accounts

Membership No. 084128

Place: Chandigarh

Date: 29.05.2018

PARABOLIC DRUGS LIMITED & ITS SUBSIDIARIES
(CIN No. L24231CH1996PLC017755)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

PARTICULARS	NOTE	(Rs. in Millions)	
		As at 31st March 2018	As at 31st March 2017
REVENUE			
Net Revenue from sale of products		723.50	703.02
Other operating revenue		8.07	45.99
I. Revenue from Operations	17	731.57	749.01
II. Other Income	18	41.59	61.95
III. Total Revenue (I + II)		773.16	810.96
EXPENSES			
Cost of Materials consumed	19	646.01	648.67
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(7.34)	281.19
Employee benefit expenses	21	98.34	90.33
Finance costs	22	83.55	108.01
Depreciation and amortization expense	23	345.39	536.51
Other expenses	24	165.10	196.60
IV. Total Expenses		1331.04	1861.31
V. Profit before tax(III-IV)		(557.88)	(1050.35)
VI. Tax expense:			
(1) Current tax (including wealth tax)		-	-
(2) Deferred tax Charge/ (Credit)		17.60	30.51
(3) Tax Adjustment Earlier Years		-	-
		17.60	30.51
VII. Profit for the period (V-VI)		(575.48)	(1080.86)
Weighted Average Number of Equity Shares Outstanding (In Millions Number)		61.89	61.89
VIII. Earning per equity share of Rs.10 each:			
(1) Basic		(9.21)	(17.46)
(2) Diluted		(9.21)	(17.46)

**Significant Accounting Policies &
Notes on Financial Statements**

25

The accompanying notes (No. 1 to 25) are an integral part of Financial Statements

As per our report of even date

On behalf of the Board

For V K Jindal & Associates

Chartered Accountants

Firm Registration Number: 005244N

Sd/-

Vineet Gupta

Whole Time Director

(DIN-01256753)

Sd/-

Pranav Gupta

Managing Director

(DIN-00914361)

Sd/-

Vijay Jindal

Partner

Membership No. 084128

Sd/-

GM Finance & Accounts

Place: Chandigarh

Date: 29.05.2018

PARABOLIC DRUGS LTD & ITS SUBSIDIARIES
(CIN No. L24231CH1996PLC017755)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Millions)

PARTICULARS	As at 31 st March 2018	As at 31 st March 2017
CASH FLOW FROM OPERATING ACTIVITIES		
(INCLD. WC CHANGES)		
Profit/(Loss) before tax	(557.89)	(1050.35)
Depreciation & amortization	215.88	218.59
Finance Expenses	83.55	108.01
R & D Expenses Written off	128.23	316.43
Misc Expenses Written Off	1.29	1.50
Total Operating Cash flow before WC Changes	(128.94)	(405.82)
Working Capital Changes		
Current Assets		
- Inventory	6.34	(251.07)
- Debtors	(382.95)	(31.10)
- Loans & Advances & Other Current Assets	(21.04)	(25.04)
Increase / (Decrease) in Current Assets	(397.65)	(307.21)
Current Liabilities		
- Trade Payables	(248.24)	126.36
- Others Current Liabilities & Provisions	11.97	7.45
- Long Term Provisions	(1.77)	(2.89)
Increase / (Decrease) in Current Liabilities	(238.04)	130.92
Net Increase/(Decrease) in Working Capital	(159.61)	(438.13)
- Income Tax reversal	-	-
Total Cash flow from Operations include. WC (A)	30.67	32.31
CASH FLOW FROM INVESTMENT ACTIVITIES		
- Sale /Purchase of Fixed Assets	8.80	5.01
- Investment In Shares	(0.17)	0.00
- Dividend	0.00	0.00
- R&D Expenditure	0.00	0.00
Total Cash Inflow/(out Flow) from Investment Activities (B)	8.63	5.01
CASH FLOW FROM FINANCING ACTIVITIES		
- Share Capital/Share Premium	0.00	0.00
- Term Loans Additions / (Repayments)	4.81	1032.67
- Unsecured Loans/Deferred Creditors	(4.44)	21.81

(Rs. in Millions)

PARTICULARS	As at 31st March 2018	As at 31 st March 2017
- Increase / (Decrease) in Working Capital Loans	46.15	(984.65)
- Finance Expenses	(83.55)	(108.01)
Total Cash Flow from Financing (C)	(37.03)	(38.18)
Net cash inflow/(outflow) During the Year(A+B+C)	2.27	(0.86)
Cash & Cash Equivalents in the beginning of the year	6.42	7.28
Cash & Cash Equivalents at the end of the year	8.69	6.42

AUDITORS' REPORT:

Under reference to our report of even date.

For and On behalf of the Board**For V K Jindal & Associates****Chartered Accountants****Firm Registration Number: 005244N****Sd/-**

Vineet Gupta

Whole Time Director

(DIN-01256753)

Sd/-

Pranav Gupta

Managing Director

(DIN-00914361)

Sd/-**Vijay Jindal****Partner****Membership No. 084128****Sd/-**

GM Finance & Accounts

Place: Chandigarh**Date: 29.05.2018**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**1. SHARE CAPITAL**

(Rs. in Millions)

PARTICULARS	As At 31st March 2018	As At 31st March 2017
AUTHORISED 72000000 Equity Shares (Previous Year 72000000) of Rs. 10 each	720.00	720.00
ISSUED, SUBSCRIBED AND FULLY PAID UP 61892014 Equity Shares (Previous Year 61892014) of Rs. 10 each fully paid up	618.92	618.92
TOTAL ISSUED, SUBSCRIBED & FULLY PAID UP SHARE CAPITAL	618.92	618.92

(A) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**EQUITY SHARES**

(Rs/No. in Millions)

PARTICULARS	31st March 2018		31st March 2017	
	Number	Amount(Rs)	Number	Amount(Rs)
Shares outstanding at the beginning of current reporting period	61.89	618.92	61.89	618.92
Shares Issued & Subscribed during the Period	0.00	0.00	0.00	0.00
Shares Bought Back	-----	-----	-----	-----
Shares outstanding at the end of current reporting period	61.89	618.92	61.89	618.92

(B) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only One Class of Equity Shares having par value of Rs. 10 each. Each holder of Equity share is entitled to one vote per share with a right to receive per share dividend declared by the company. The company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity shares held by the Shareholders.

(C) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

PARTICULARS	31st March 2018		31st March 2017	
	Number	% Holding	Number	% Holding
M/s PNG Trading Pvt. Ltd.	14171836	22.90%	14171836	22.90%
M/s Parabolic Infrastructure Pvt. Ltd.	6385891	10.31%	6385891	10.31%

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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2. RESERVE & SURPLUS

Profit and Loss Account		
At the beginning of the year	(10,491.41)	(9,410.55)
Add/(Less) : Net Profit/(Loss) for the Year	(575.48)	(1,080.86)
Less: Appropriations		
Share of minority loss	-	-
	(11,006.90)	(10,491.41)
Capital Reserve		
At the beginning and at the end of the year	0.34	0.34
Capital Subsidy		
At the beginning and at the end of the year	3.00	3.00
Security Premium		
At the beginning and at the end of the year	1,631.18	1,631.18
Grand total of Reserve & Surplus	(9,432.37)	(8,856.89)

Note : - Out of total shares belonging to promoter and promoter's group , Shares in nos 22619927 (36.55%) of total share capital are encumbered.

3. LONG TERM BORROWINGS

Secured:		
Term Loans from Banks/ Financial Institutions	8,010.01	8,005.20
Unsecured:		
Due to Others	325.59	324.99
Due to Directors	16.87	21.91
	8,352.47	8,352.10

Terms of borrowings are as under:

Term Loans from Banks /Financial Institutions are secured by way of 1st pari passu charge on all existing & future fixed assets of the company at all locations with equitable mortgage of land & building, 2nd pari passu charge on all the current assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta,Mr. J.D.Gupta,Mr T.N Goel, Mr Pranav Gupta and Mr Vineet Gupta.

4. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability (A)		
Related to Fixed assets	346.99	329.39
Deferred Tax Assets (B)		
Related to Accumulated Loss	9.19	9.19
TOTAL (A-B)	337.80	320.20

5. LONG TERM PROVISIONS

Provision for Employee Benefits-Gratuity	6.81	8.79
Provision for Employee Benefits-Leave Encashment	3.63	3.42
	10.44	12.21

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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6. SHORT TERM BORROWINGS

<u>Secured:</u>		
Working Capital Loans from Banks/Financial Institutions:		
-Cash Credit	1,337.50	1,291.35
-LC Developement	140.32	140.32
-Temporary overdraft from Banks	-	-
	1,477.82	1,431.67

Working Capital borrowings from Banks / Financial Institutions are secured by way of first pari passu charge on hypothecation of entire present & future current assets of the Company, Second pari passu charge on all fixed assets of the Company and pari passu charge on the collateral properties of M/s Parabolic Infrastructure P Ltd, M/s PNG Trading P Ltd & also personally guaranteed by Mrs Rama Gupta, Mr.J.D. Gupta , Mr T.N Goel, Mr. Pranav Gupta and Mr Vineet Gupta.

7. TRADE PAYABLES

Sundry Creditors – Materials	682.82	938.80
Sundry Creditors - Expenses	71.05	61.69
Sundry Creditors - Capital Expenses	56.62	58.24
	810.49	1,058.73

8. OTHER CURRENT LIABILITIES

Share Application money due for refund	0.05	0.05
Advance from Customers	25.55	24.19
Statutory Liabilities	44.39	41.34
Other Expenses Payable	1,583.83	1,576.28
	1,653.82	1,641.86

Note: Since most of the credit facilities have been classified as NPA during the year, the Company has not made separate disclosure of current maturities of long term debt during the year.

9. FIXED ASSETS

(Rs. in Millions)

PARTICULARS		GROSS BLOCK					DEPRECIATION				NET BLOCK	
	USEFUL LIFE	AS ON 1-4-2017	ADDITION DURING THE PERIOD (01.04.2017 - 30.09.17)	ADDITION DURING THE PERIOD (01.10.2018-31.03.2018)	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2018	AS ON 1-04-2017	PROVIDED DURING THE YEAR	ASSETS SOLD/WRITTEN BACK/ADJUSTMENT	AS ON 31.03.2018	AS ON 31.03.2018	AS ON 31.03.2017
1. TANGIBLE ASSETS:												
Land & Site Development	-	38.42	0.00	0.00	0.00	38.42	0.00	0.00	0.00	0.00	38.42	38.42
Factory Building	30	945.64	0.00	0.00	0.00	945.64	172.42	30.06	0.00	202.48	743.16	773.22
NON FACTORY BUILDING	60	6.50	0.00	0.00	0.00	6.50	1.50	0.11	0.00	1.61	4.90	5.00
Plant & Machinery	10	3299.19	0.00	0.00	0.95	3298.24	908.39	157.79	0.79	1065.39	2232.85	2390.80
Office Equipment	5	12.62	0.00	0.00	0.00	12.62	11.95	0.02	0.00	11.97	0.65	0.67
Furniture & Fixture	10	134.50	0.00	0.00	0.00	134.50	72.69	13.08	0.00	85.77	48.73	61.81
TUBEWELL	5	6.04	0.00	0.00	0.00	6.04	5.74	0.00	0.00	5.74	0.30	0.30
Vehicles	6	11.78	0.00	0.00	1.42	11.78	10.72	0.00	0.00	10.72	1.06	1.06
Computers & Peripherals	3	14.22	0.00	0.00	0.00	14.22	13.47	0.04	0.00	13.51	0.71	0.75
Research & Development - Fixed Assets	-	351.48	0.00	0.00	15.09	336.39	135.15	14.77	6.44	143.47	192.92	216.33
		4820.39	0.00	0.00	16.04	4804.35	1332.02	215.87	7.24	1540.65	3263.70	3488.38
2. INTANGIBLE ASSETS:												
COMPUTER SOFTWARE	3	7.12	0.00	0.00	0.00	7.12	7.11	0.00	0.00	7.11	0.01	0.01
PATENTS		0.19	0.00	0.00	0.00	0.19	0.17	0.01	0.00	0.18	0.01	0.02
		7.31	0.00	0.00	0.00	7.31	7.29	0.01	0.00	7.30	0.03	0.02
3. CAPITAL WORK IN PROGRESS		65.18	0.00	0.00	0.00	65.18	0.00	0.00	0.00	0.00	65.18	65.18
TOTAL (1+2+3) :		4892.88	0.00	0.00	16.04	4876.84	1339.31	215.88	7.24	1547.95	3328.89	3553.58
PREVIOUS YEAR		4900.34	0.00	0.00	7.46	4892.88	1123.16	218.59	2.44	1339.31	3553.58	3777.18

NOTE:

- 1) All the Fixed Assets have been physically verified by the management as on 31st March, 2018.
- 2) During the Year, the depreciation has been provided on the basis of useful life of assets as prescribed under schedule-II of the companies Act, 2013.

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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10. NON CURRENT INVESTMENTS

A. NON TRADE INVESTMENTS:		
Investment in equity instruments		
(1) Nimbua Greenfield (Punjab) Ltd- Unquoted, Fully paid up 18750 Equity shares (PY 18750) of Rs. 10/- each	0.19	0.19
(2) Mohali Green Environment Private Ltd- Unquoted, Fully paid up 123600 Equity shares (PY 106800) of Rs. 10/- each	1.23	1.07
	1.42	1.26

11. OTHER NON CURRENT ASSETS

Other Non Current Assets		
-Preliminary Expenses	1.20	2.48
-Research & Development Expenses	20.62	148.85
	21.82	151.33

12. INVENTORIES

Raw Materials	101.77	102.76
Work in Process/ Semi Finished Goods	38.26	44.16
Finished Goods	18.81	5.57
Stores and Consumables	-	-
	158.84	152.49

Inventory has been valued as per inventory taken, valued and certified by the management on which we have relied upon.

13. TRADE RECEIVABLES

Unsecured, Considered Good)		
Outstanding for a period of:		
-More than six Months	223.94	614.50
-Less than six Months	64.30	56.69
Less: Provision for doubtful debts	-	-
	288.24	671.19

14. CASH & CASH EQUIVALENTS

Cash in hand and as imprest	0.12	0.38
Cheques in Hand	-	-
Balance with Banks		
- Current accounts	6.54	4.05
- Public issue refund account	0.05	0.05
- Fixed Deposit accounts	1.98	1.94
	8.69	6.41

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
15. SHORT TERM LOANS & ADVANCES		
Loans and Advances to Related Parties	-	-
Loans and Advances to Employees	0.41	0.48
Security Deposits	24.12	24.14
Deposits/Balances with Statutory Authorities	182.63	197.92
Unexpired Expenses	0.09	0.50
Commercial Advances	-	-
-For Raw materials/ Expenses	15.28	15.92
-For Capital Goods	21.09	22.20
	243.62	261.16

16. OTHER CURRENTS ASSETS

Advances Recoverable in cash or Kind or for value to be received	37.88	41.38
	37.88	41.38

17. REVENUE FROM OPERATIONS

Net Revenue from sale of products	723.50	703.02
Other Operating Revenue	8.07	45.99
	731.57	749.01

18. OTHER INCOME

Interest Income	0.07	3.63
Other non-operating income	41.25	58.32
Applicable net loss on foreign currency transactions and translations	0.27	-
	41.59	61.95

19. COST OF MATERIALS CONSUMED

RAW MATERIAL		
Opening Stock	102.76	72.64
Purchases	644.38	678.15
Closing Stock	101.77	102.76
	645.37	648.03
STORES & SPAIRS-		
Opening Stock	-	-
Purchases	0.63	0.64
Closing Stock	-	-
	0.64	0.64
	646.00	648.67

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
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20. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Opening Stock:		
Finished Goods	5.57	8.69
Work in Process	44.16	322.23
	49.73	330.92
Closing Stock:		
Finished Goods	18.81	5.57
Work in Process	38.26	44.16
	57.07	49.73
	(7.34)	281.19

21. EMPLOYEE BENEFIT EXPENSES

Salary, Wages and other allowances	89.63	80.04
Staff and labour Welfare Expense	3.95	4.89
Contribution to Statutory Funds	4.76	5.40
	98.34	90.33

22. FINANCE COST

Interest expense	51.26	105.74
Other Borrowing cost	32.29	2.26
	83.55	108.01

23. DEPRECIATION & AMORTISATION EXPENSES

Depreciation	215.88	218.58
Miscellaneous Expenditure written off	1.28	1.50
Research and development expenditure written off	128.23	316.43
	345.39	536.51

(Rs. in Millions)

PARTICULARS	31st March 2018	31st March 2017
24. OTHER EXPENSES		
Water & Electricity charges	68.73	89.65
Repair & maintenance	-	-
- Machinery	5.37	10.47
- Building	0.75	0.13
- Others	0.37	3.27
Job work charges	1.83	-
Generator set expenses	12.95	17.61
Lab expenses	4.26	5.15
Freight & other expenses (inward)	4.05	4.77
Hire charges (nitrogen tank)	0.21	0.43
Travelling & conveyance		
- Directors (including foreign travelling)	0.13	0.44
- Others (including foreign travelling)	4.94	4.63
Vehicle running & maintenance	0.44	0.70
Printing & stationery	0.62	1.10
Telephone expenses	0.82	1.01
Postage & telegram	0.62	0.72
Insurance expenses	0.36	0.17
Rate, fees & taxes	8.32	2.35
Legal & professional charges	4.99	3.21
Office expenses	0.66	2.34
Security charges	3.10	3.62
Auditors' remuneration	-	-
- Statutory auditor	0.10	0.52
Charity & donation	-	-
Advertisement	0.33	0.53
Office rent	0.43	1.41
Subscription fee	0.01	0.15
Testing charges	0.38	0.32
Newspaper, books & periodicals	0.08	-
Interest & Penalties	9.43	1.68
General repair & maintenance	1.76	1.49
Loss on sale of fixed assets/ shares	1.73	1.83
Foreign Exchange flucuation loss	0.01	4.68
Insurance expenses (sales)	0.12	0.60
Freight & cartage outward	3.15	2.64
Clearing & forwarding (export)	6.68	6.54
Commission on sale	4.19	12.76
Business promotion	0.05	0.18
Rebate & discount	13.13	9.49
Miscellaneous expenses	0.00	0.01
	165.10	196.60

PARABOLIC DRUGS LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH, 2018

25. SIGNIFICANT ACCOUNTING POLICIES:

a. ACCOUNTING CONVENTION

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the company unless otherwise stated

b. PRINCIPLES OF CONSOLIDATION

i) The consolidated financial statement relate to Parabolic Drugs Limited (the 'Company') and its subsidiaries. The consolidated financial statements have been prepared on the following basis: -

- The financial statement of the company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profit or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other event in similar circumstances and are presented to the extent possible in the same manner as in the company separate financial statements.

ii) The subsidiaries considered in the consolidated financial Statements are:-

Name of Company	Country Of Incorporation	% Age voting Power held as at 31.03.2018	% Age voting Power held as at 31.03.2017
Parabolic Research Labs Limited	India	100.00	100.00
Ziven Lifesciences Limited	India	100.00	100.00

c. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are setout in the notes to the financial statements under 'Significant accounting policies and notes to accounts' of the financial statements of the Parabolic Drugs Limited and its subsidiaries.

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs (Millions)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Parabolic Research Labs Limited	Ziven Lifesciences Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	49.50	12.50
5.	Reserves & surplus	(27.57)	(62.57)
6.	Total assets	22.21	10.73
7.	Total Liabilities	0.28	60.81
8.	Investments	-	-
9.	Turnover	-	5.57
10.	Profit before taxation	(0.11)	(5.43)
11.	Provision for taxation	-	-
12.	Profit after taxation	(0.11)	(5.43)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Parabolic Research Labs Limited
NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	PNG Trading Private Limited
Latest audited Balance Sheet Date	31.03.2017
Shares of Associate/Joint Ventures held by the company on the year end	
No.	14171836
Amount of Investment in Associates/Joint Venture	-
Extend of Holding%	22.90
Description of how there is significant influence	Due to (%age) of Share Capital
Reason why the associate/joint venture is not consolidated	It is a separate entity
Net worth attributable to shareholding as per latest audited Balance Sheet	-
Profit/Loss for the year (in Rs.)	(1,11,426.00)
Considered in Consolidation	N.A.
Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

NIL
NIL

Place: Chandigarh
Dated: 29th May, 2018

For and on behalf of the Board
For Parabolic Drugs Limited

Sd/-
(Pranav Gupta)
Director

NOTICE

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Members of the Company will be held on Saturday, the 29th day of September, 2018 at 9.30 A.M at PHD House, Sector 31A, Chandigarh to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for the year ended on that date, together with Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Pranav Gupta, who retires by rotation in accordance with the Articles of Association of the company and being eligible, offers himself for re-appointment.
3. To appoint V.K Jindal & Associates, Chartered Accountants, Chandigarh as Auditors for the financial year 2018-19 and to fix their remuneration.

Special Business:

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Jagjit Singh Chahal (holding DIN No.06906773), in respect of which the Company has received a notice from member signifying his intention to propose Mr. Jagjit Singh Chahal as a candidate for the office of Independent Director of the Company, whose office shall not be liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 28th September, 2019."

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company and the Companies (Appointment and Qualification of Directors) Rules, 2014 Mr. Sanjeev Kumar (holding DIN No.07372338), in respect of which the Company has received a notice from member signifying his intention to propose Mr. Sanjeev Kumar as a candidate for the office of Independent Director of the Company, whose office shall not be liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 28th September, 2019"

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the Articles of Association of the Company and the Companies (Appointment and Qualification of Directors) Rules, 2014 Mrs. Vandana Singla (holding DIN No.00285781), in respect of which the Company has received a notice from member signifying his intention to propose Mrs. Vandana Singla as a candidate for the office of Independent Director of the Company, whose office shall not be liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 28th September, 2019"

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

"RESOLVED that, pursuant to Section 148 of the Companies Act, 2013, M/s Anil Sharma & Co., Cost Accountants, be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company for the financial year 2018-2019 at a remuneration as may be decided by the Managing Director of the Company."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**
2. The Information pursuant to Corporate Governance in SEBI (LODR) in respect of the concerned regulation (s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No.4, 5 & 6 of the notice is annexed hereto separately and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2018 to 29th September, 2018 (Both days inclusive).
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No. 4 to 7 is annexed hereto and forms part of the Notice.
5. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

6. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

8. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

The process and instructions for e-voting are as under:

- (i) The voting period begins on **26th September, 2018 from 9.00 A.M. and ends on 28th September, 2018 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22nd September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on "**Shareholders**".
- (iv) Now **Enter your User ID**
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then **your existing password** is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "**SUBMIT**" tab.
- (ix) Members holding shares in **physical form** will then **directly reach the Company selection** screen. However, members holding shares in demat form will now reach '**Password Creation**' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN of Parabolic Drugs Limited** to vote.
- (xii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non- Institutional Shareholders and Custodians
- Non- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.
9. Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
10. The Ministry of Corporate Affairs (“MCA”) has vide Circular Nos. 17/ 2011 and 18/ 2011 dated 21st April, 2011 and 29th April, 2011 respectively, taken a ‘Green Initiative in Corporate Governance’ by allowing paperless compliances through electronic mode, allowing to send documents such as Notices convening General Meetings, Audited Financial Statements, Directors’ Report, Auditor’s Report etc. and any other Notice/Documents, henceforth in electronic form in lieu of paper form.

In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your E-mail ID with Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned Address:

M/s. Link Intime India Private Limited

C-101, 247 Park
L.B.S Marg, Vikhroli (West)
Mumbai 400 083
Tel: + (91 22) 4918 6270
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

44, Community Centre,
2nd Floor, Naraina Ind. Area
Phase-I, Near PVR Naraina
New Delhi – 110 028
Tel: + (91 11) 4141 0592, 93, 94
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

Annexure to the Notice:**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****ITEM No. 4 of the Special Business**

The Board of Directors at their meeting held on August 14, 2018 proposed to re-appoint Mr. Jagjit Singh Chahal as an Independent Director of the Company. Mr. Jagjit Singh Chahal holds office up to the date of the ensuing Annual General Meeting.

Mr. Jagjit Singh Chahal is a member of the Nomination & Remuneration Committee, Audit Committee and Stakeholders' Relationship Committee, of the Board of Directors of the Company.

In terms of Sections 149,150,152 and other applicable provisions of the Companies Act 2013, Mr Jagjit Singh Chahal, being eligible and seeking appointment, is proposed to be Re-appointed as an Independent Director to hold office for a term up to 28th September, 2019. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Jagjit Singh Chahal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Jagjit Singh Chahal, proposed to be reappointed as Independent Director, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of the Management. A Copy of the draft letter for appointment of Mr. Jagjit Singh Chahal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM. The Board considers that his association would be of immense benefit to the Company.

The resolution seeks the approval of members for the Re-appointment of Mr. Jagjit Singh Chahal as an Independent director of the Company up to 28th September, 2019, pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial personnel or their relatives, except Mr. Jagjit Singh Chahal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ITEM No. 5 of the Special Business

The Board of Directors at their meeting held on August 14, 2018 proposed to re-appoint Mr. Sanjeev Kumar as an Independent Director of the Company. Mr. Sanjeev Kumar holds office up to the date of the ensuing Annual General Meeting.

Mr. Sanjeev Kumar is a member of the Nomination & Remuneration Committee and Stakeholders' Relationship Committee, of the Board of Directors of the Company.

In terms of Sections 149,150,152 and other applicable provisions of the Companies Act 2013, Mr. Sanjeev Kumar, being eligible and seeking appointment, is proposed to be Re-appointed as an Independent Director to hold office for a term up to 28th September, 2019. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Sanjeev Kumar for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Sanjeev Kumar, Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of the Management. A Copy of the draft letter for appointment of Mr. Sanjeev Kumar as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM. The Board considers that his association would be of immense benefit to the Company.

The resolution seeks the approval of members for the Re-appointment of Mr. Sanjeev Kumar as an Independent director of the Company up to 28th September, 2019, pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial personnel or their relatives, except Mr. Sanjeev Kumar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ITEM No. 6 of the Special Business

The Board of Directors at their meeting held on August 14, 2018 proposed to re-appoint Mrs. Vandana Singla as an Independent Director of the Company. Mrs. Vandana Singla holds office up to the date of the ensuing Annual General Meeting.

Mrs. Vandana Singla is a member of the Nomination & Remuneration Committee, Audit Committee and Stakeholders' Relationship Committee, of the Board of Directors of the Company.

In terms of Sections 149,150,152 and other applicable provisions of the Companies Act 2013, Mrs. Vandana Singla, being eligible and seeking appointment, is proposed to be Re-appointed as an Independent Director to hold office for a term up to 28th September, 2018. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mrs. Vandana Singla for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Vandana Singla, Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of the Management. A Copy of the draft letter for appointment of Mrs. Vandana Singla as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM. The Board considers that his association would be of immense benefit to the Company.

The resolution seeks the approval of members for the Re-appointment of Mrs. Vandana Singla as an Independent director of the Company up to 28th September, 2019, pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial personnel or their relatives, except Mrs. Vandana Singla, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ITEM No. 7 of the Special Business

In accordance with provisions contained under Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of your Company at its meeting held on 29th May 2018, on the recommendation of the Audit Committee, has approved the appointment of M/s. Anil Sharma & Co. as the Cost Auditors of the Company to conduct Cost Audits relating to cost accounts of the Company for the year ending 31st March, 2019, at a remuneration plus out-of-pocket expenses as may be decided by Chairman & Managing Director of the Company.

M/s. Anil Sharma & Co. have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have also conducted the audit of the cost records of the Company for the last Financial Year. The Board recommends the appointment of M/s. Anil Sharma & Co. as the Cost Auditors. Accordingly, the approval of the shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

By Order of the Board

Place: Chandigarh
Date: 14.08.2018

Sd/-
Pranav Gupta
Managing Director

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 29, 2018 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Name of the Director	Mr. Sanjeev Kumar	Mr. Jagjit Singh Chahal	Mrs. Vandana Singla
Date of Birth	21 ST September, 1985	05th February, 1951	05 th September, 1963
Date of Appointment	17 th December, 2015	14th August, 2014	14 th November, 2014
Relationship with Directors and Key Managerial Personnel	None	None	None
Expertise in specific functional area	Accountancy	Chemicals & Pharmaceuticals	Business
Qualification	Chartered Accountant	B. Tech (Chemical)	Post Graduate
Directorship of other companies	NIL	2	1
Chairmanships/Memberships of Board Committee of other companies	NIL	NIL	NIL
Number of shares held	NIL	NIL	NIL

Parabolic Drugs Limited
Registered Office: S.C.O. 186-187, Second Floor, Sector 8 C, Chandigarh-160 008

ATTENDANCE SLIP

I hereby record my presence at the 22nd Annual General Meeting of the above named Company being held at PHD House, Sector 31 A, Chandigarh at 09.30 A.M. on Saturday, the 29th day of September, 2018.

.....
Full Name of the Member (IN BLOCK LETTERS)

.....
Signature

Folio No. / Client-Id No.

No. of Shares held.....

.....
Full Name of the Proxy
(IN BLOCK LETTERS)

.....
Signature

NOTE: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall of the Company



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No. L24231CH1996PLC017755

Name of the Company: Parabolic Drugs Limited

Registered Address: S.C.O. 186-187, Second Floor, Sector 8 C Chandigarh

Name of the member (s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature _____ or failing him
2. Name:
Address:
E-mail Id:
Signature _____ or failing him
3. Name:
Address:
E-mail Id:
Signature _____ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on the 29th day of September, 2018 at 09.30 A.M. at PHD House, Sector 31 A, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

Ordinary Business:

1. Adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the Report of Board of Directors and Auditors thereon.
2. Appointment of Mr. Pranav Gupta as a Director liable to retire by rotation.
3. Appointment of Auditors for the year 2018-19 and fixation of their remuneration

Special Business:

4. Re-appointment of Mr. Sanjeev Kumar as an Independent Director of the Company.
5. Re-appointment of Mr. Jagjit Singh Chahal as an Independent Director of the Company.
6. Re-appointment of Mrs. Vandana Singla as an Independent Director of the Company.
7. Appointment of M/s. Anil Sharma & Co. as Cost Accountants of the Company.

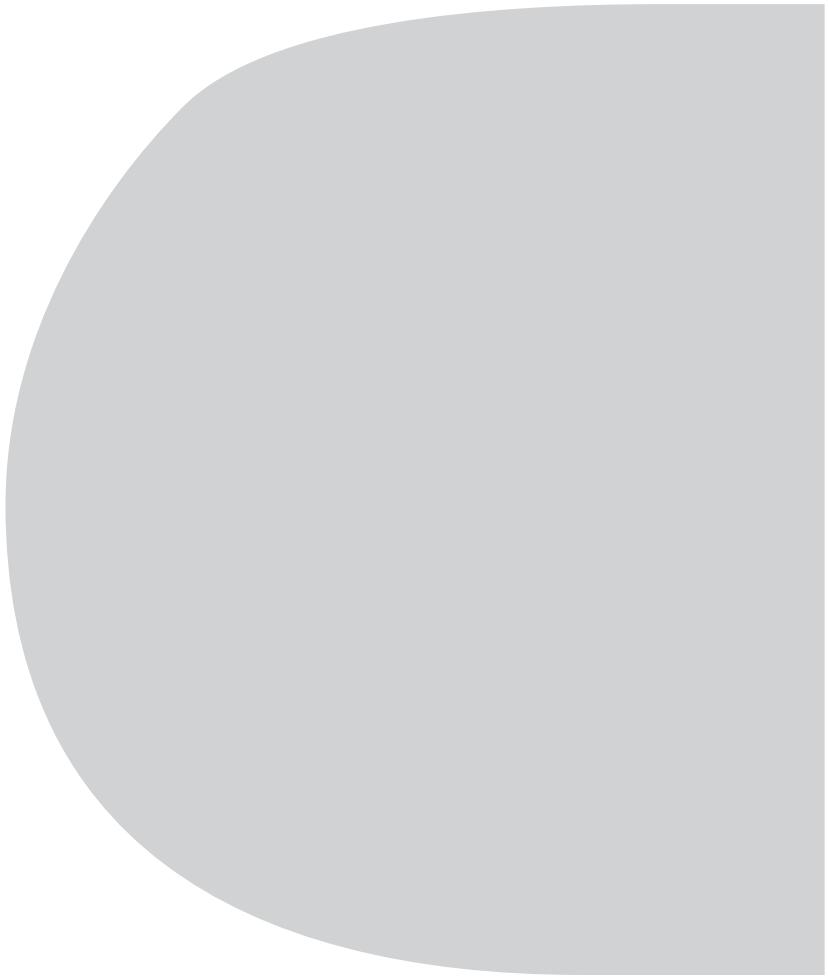
Signed this 14th day of August 2018

Affix
Revenue
Stamp

.....
Signature of Proxy holder(s)

.....
Signature of shareholder

- NOTES:**
1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself.
 2. The Proxy form duly signed across Revenue Stamp should reach the Company's Registered Office at least 48 hours before the time of meeting.
 3. Shareholders are requested to update their PAN numbers & E-mail Id's in their respective DEMAT Accounts, if not updated.



Parabolic Drugs Ltd.

CIN: L24231CH1996PLC017755

www.parabolicdrugs.com