ERIS LIFESCIENCES LIMITED

INDIA HEART STUDY

ANNUAL REPORT 2018-19

Better Health Outcomes. For a Better You.

FORWARD-LOOKING STATEMENTS

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

Eris becomes the first Indian Pharma company to publish a study on BP measurement based on Indian population

The study reinforces Eris's position in the league of Thought Leaders that relentlessly aim towards creating a path-breaking body of knowledge and thereby improving health outcomes.

As one of the nation's leading pharmaceutical companies, Eris is aware of its responsibilities towards promoting science based on evidence, especially in context of the Indian population.

Eris becomes the first Indian pharma company to have carried out the largest study covering 1,233 doctors and 18,918 patients across 300 cities in 15 Indian states to analyse the difference in the blood pressure of patients when measured in office and at home.

The study aims to evaluate the burden of White Coat Hyper Tension and Masked Hyper Tension which essentially means the misdiagnosis of hypertension. Unfortunately so far the major limitation was the absence of any Indian data based on a large population of patients. Also, limited Indian data was available on resting heart rate.

The final outcome of the study has shown some startling revelations which will lead to better health outcomes.

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BETTER HEALTH OUTCOMES. FOR A BETTER YOU.

EVERY DAY....

We ask ourselves how we can IMPROVE HEALTH OUTCOMES

Just as a responsible thought paves way for a responsible action and becomes a significant achievement with time, we began with a belief that every day we can make a difference to life through science. It is this belief that drives us to ask ourselves everyday... how we can improve health outcomes.

Today, myriads of patients across India gain from our extensive effort in Patient Care Initiatives like ABPM, Holter on Call, Sleep Study, Diabetes Companion and many more.

Over the years, this massive effort has culminated to Eris gaining the position of an esteemed stakeholder in the healthcare framework. It allows us a knowledge and science based engagement with the Key Opinion Leaders in our specialty business. For our 14 marketing divisions, it provides an unhindered mindspace and superior facetime with super specialist and specialist doctors.

EMPOWERING CLINICIANS AND PATIENTS WITH BETTER DIAGNOSIS

Every Day... our initiatives like ABPM, Holter on Call, Sleep Apnea Study, Adbhut Matrutva and many more are changing the way disease management is approached. Every month thousands of doctors use our initiatives to improve outcome for thousands of patients.

Tendia
Diabetes Companion
An Eris initiative

CGM ON CALL

9,200
CGM conducted
Enabling thousands of patients to receive continuous blood glucose monitoring

MOBILITY Patron

1,00,000
Patients counselled
Guiding patients in mobility related pain management

ABPM on Call

HOLTER ON CALL
An Eris Initiative for 24 hr Rhythm Monitoring

59,000 ABPMs
30,000 Holter on Calls
Helping Cardiologists, Diabetologists, Nephrologists manage risks of hypertension

Montana anc associate FOGSI

1,24,000
Patients screened
Educating patients regarding Fetal Origin of Adult diseases

Sleep Study On Call

7,745
patients counselled under this initiative, thereby meeting the changing needs of cardiovascular care.

EMPOWERING THROUGH AWARENESS अतुल्य प्रयास

Every Day... our HealthScan Kiosks at 6 airports across the country help travellers to stay on top of their health monitoring. Eris's Kiosks have to date helped screen more than 200,000 patients. Astonishingly, more than 50,000 of them probably learned for the first time at these screenings that they were hypertensive, diabetic or both.

EMPOWERING THROUGH TECHNOLOGY ENABLED KNOWLEDGE - SAARTHI

Saarthi 2.0 is a unique learning platform that aims to help doctors meet the challenges of a profession where every patient is unique in the way s/he experiences a disease and responds to a drug. This app-based platform is a one-stop destination to provide Continuous Medical Education (CME), medical content, medico-legal precedents, medical conference feeds, case discussions, etc. for physicians and specialists.

SAARTHI
Empowering you

ERIS AT A GLANCE
WHO WE ARE

Eris Lifesciences Ltd is one of India's largest domestic branded formulations companies.

Over the last decade, Eris has established itself as a leading domestic branded formulations company with presence in high growth chronic and subchronic segments. Our product portfolio has strong presence in lifestyle related therapy areas of cardiovascular care, diabetes care, nutrition, CNS, etc. Our 14 marketing divisions cater to more than 80,000 specialist and super specialist doctors to promote over 100 mother brands. Our unique Patient Care Initiatives approach has ensured Eris is today ranked 24th in India, entering the elite list of Top 25 pharma companies.

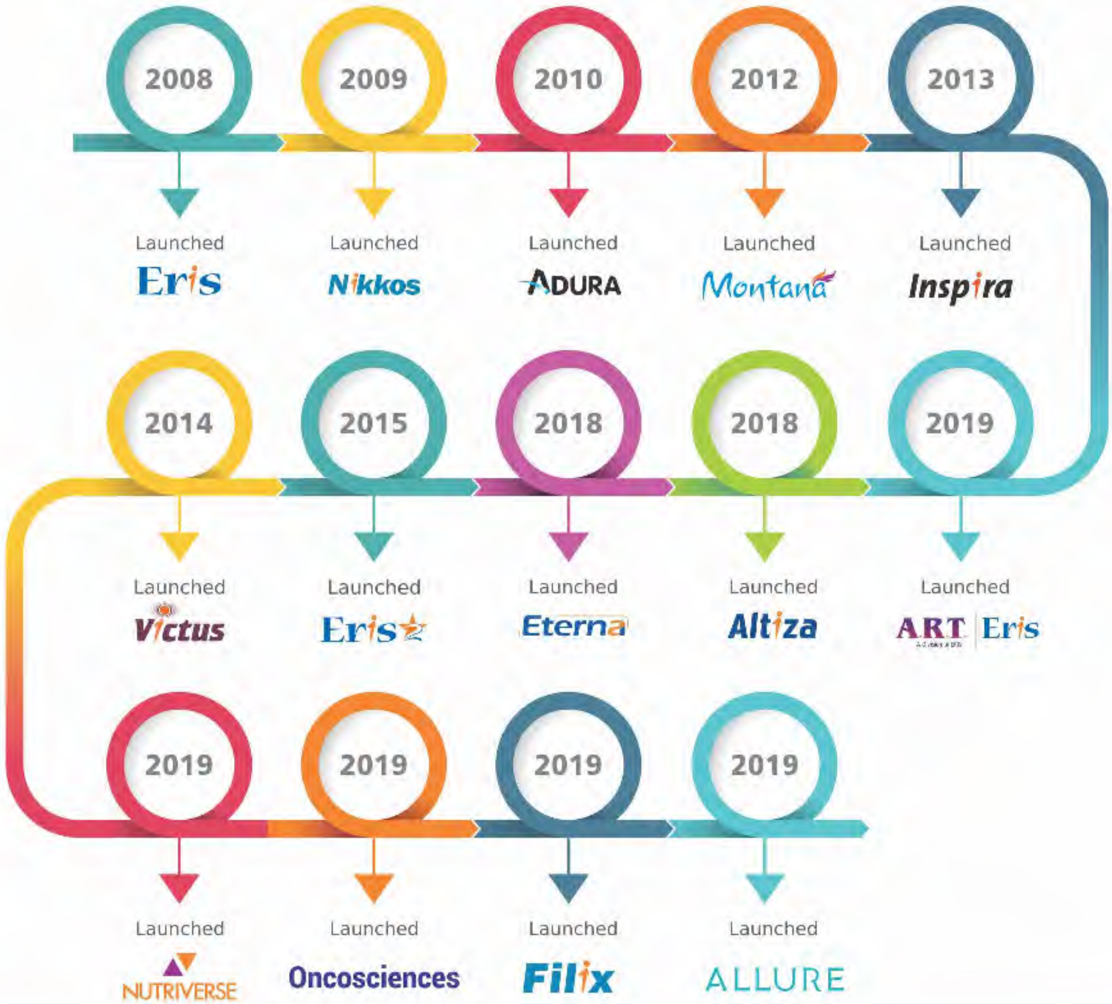
Today, more than 3,300 Erisians work in our offices, our advanced manufacturing facility in Guwahati and across field in India to deliver better health outcomes for a healthier nation.

RANK PROGRESSION

- 2019 — 24
- 2017 — 29
- 2012 — 33
- 2010 — 65
- 2008 — 123
- 2007 — Incorporated

Source: AIOCD MAT Mar'19

OUR DIVISIONS



Division Name	Therapeutic Areas Covered	Super Specialist / Specialist Covered	Key Brands
Eris	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Neurologists	Glimisave, Eritel
Nikkos	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Consulting Physicians and others	Renerve, Rabonik, Velgut
Adura	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians	Olmin, Crevast, Remylin
Montana	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Raricap, Metital, Calshine P
Inspira	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Nephrologists	LN Bloc, Eritel LN, LN Beta
Victus	Anti-diabetes	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
Eris2	Arthritis & Pain Management	Orthopedicians	Tayo, Rosiflex, Mienta
Eterna	Neurology & Neuropsychiatry	Neurologists & Psychiatrists	Serlift, Desval
Altiza	Neurology & Neuropsychiatry	Neurologists & Psychiatrists	Levroxa, Ginkocer
Eris A.R.T	In-vitro fertilization	IVF specialists, Gynaecologists	Fetinine, Cetnine, Regunine
Nutriverse	Medical Nutrition Therapy	Endocrinologists, Diabetologists, Consulting Physicians	Prototal, Obicure
Oncosciences	Cancer therapy	Oncologists	Zumab, Ariterone, Leuren
Filix	Multi-therapy	Consulting Physicians, General Practitioners, Orthopedics and Neurologists	Renerve
Allure	Cosmetology & Dermatology	Cosmetologist, Dermatologist, Aesthetic Facial Surgeons	Starting Up Face, Retriderm, Urbane Renewal, Body of Knowledge

OUR PEOPLE

The passion for improving outcomes that drives Eris begins with each of our employees as they individually and as cohesive teams persevere towards the larger goal. We believe that empowering our people allows them to grow and inspire others. Towards this belief, at Eris we continuously strengthen our culture of high performance through various people development initiatives.

AAGMAN: Enhancing the on-boarding and joining experience for our colleagues through Aagman. A Corporate Induction program, Aagman is designed to orient employees with Eris's core value system and their role at Eris. It involves a structured joint field induction program through simulative learning methodology, thus enhancing the learning relevance and retention. In FY 19, we had more than 400 employees attending Aagman Program.

GYANSHAALA: Gyanshaala is an e-learning program aimed at enabling continuous learning while on job. This year through this program we covered 145 employees.

ERIS CARE: Eris Care was launched with a view of creating a caring environment where any challenges faced by our field employees see quick resolution by relevant stakeholders. It is a one-stop platform to address concerns and resolve them in stipulated timelines.

ENGAGEMENTS: Engaging our field employees through various online initiatives like virtual league tournaments, that witnessed a participation of more than 700 employees. Various events and celebrations were held at our offices and plant.

The result of the importance Eris places in our people is that this year Eris won the **National Best Employer Brand 2018**, winning over 100 other employer brands.

Aagman

OUR PEOPLE

3,399
EMPLOYEES

₹ 4.1 LACS
Yield per Man per Month

2,000 Medical Representatives

880 Field Managers

223 Manufacturing

67 Sales & Marketing

40 Intellectual Property & Research

189 Others

National Best Employer Brand 2018

Eris wins out of 100 brands

OUR MANUFACTURING FACILITY

Eris' manufacturing infrastructure aims for the highest levels of quality. Our world-class state-of-the-art manufacturing plant situated in Guwahati, Assam helps us aim for and achieve high quality standards in manufacturing of our products. The WHO GMP certified facility is spread over a total area of 100,000 sq feet and manufactures over 300 products today. With the enhancement of a soft gel line expected to begin commercial manufacturing by Q4 FY 20 or Q1 FY 21, the plant will also manufacture our Renerve brand in house, thereby taking the estimated production to 70 to 80% of our estimated revenue.

Employing over 250 employees, the plant showcases advanced manufacturing as well as quality testing technology such as dissolution compliances and related substances test for non-pharmacopoeial in-house products. We are currently also developing a residual solvent analysis of products.

Aiming Beyond the Brief - Delivering More Than What is Required

Always aiming to make our processes more robust, in 2018, we undertook a challenging project for full recording of complete manufacturing / packing processes online electronically by using the eBMR system. Astonishingly, this was accomplished within four months from initiation and today Cloud eBMR has been validated and implemented successfully.

Also, in 2018 we introduced a Quality Risk Management system where every change is analyzed and evaluated for potential risks at all levels of production and processing cycles.

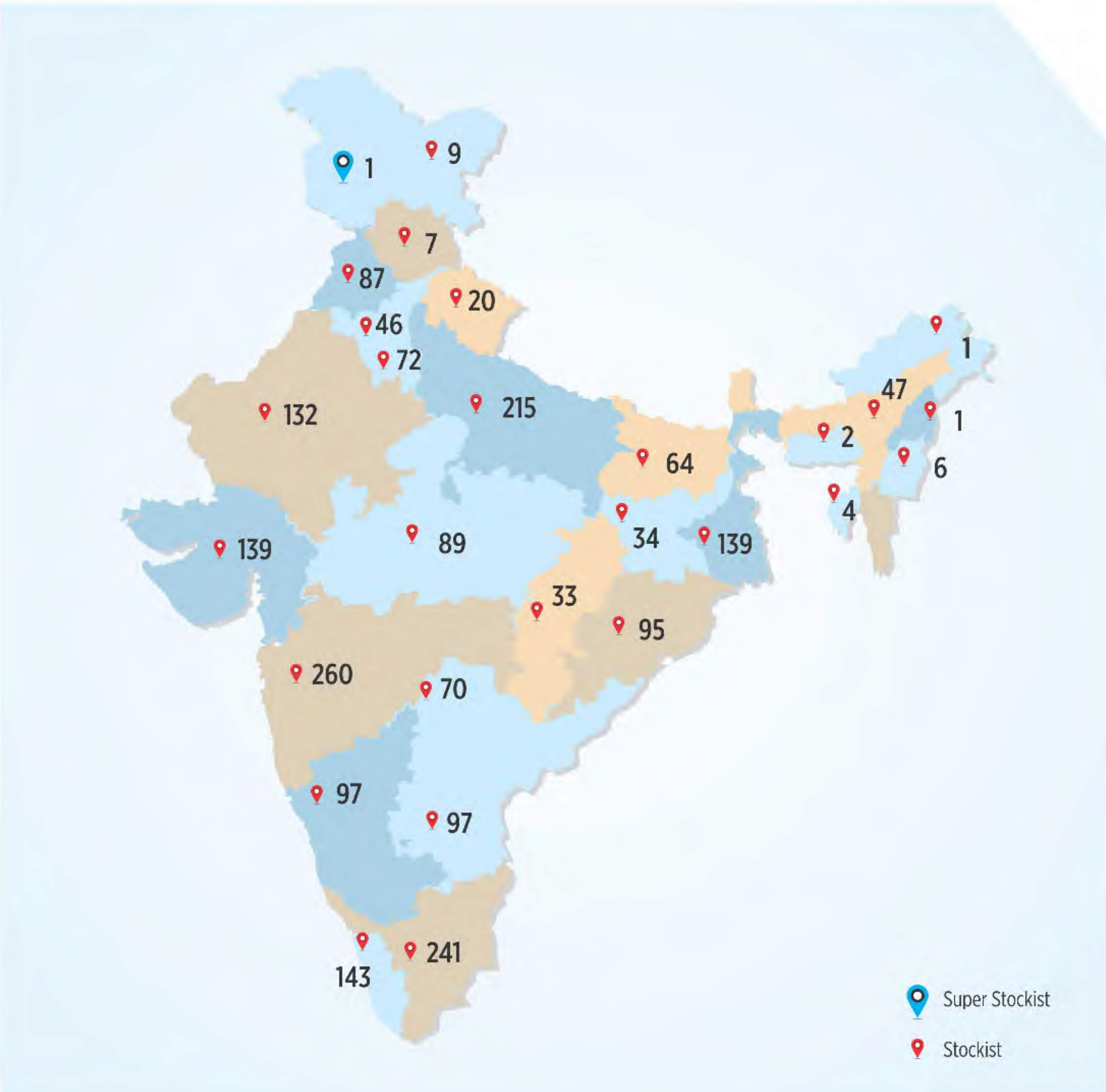
In August this year, one of our colleagues at the Guwahati plant, Dr. Antara Dasgupta had her review article feature published in Langmuir, an American Chemical Society Journal. We are proud of her achievements.

The result of these continuous efforts today shows in the best in class quality of our products and processes as well as in the job satisfaction of our colleagues who make it happen.

OUR DISTRIBUTION NETWORK

23 SALES DEPOT | **2,151** STOCKISTS | **5,00,000+** RETAIL CHEMISTS

Our robust distribution network of 23 Sales Depot and 2,151 Stockists caters to over 500,000 chemists across the country.



OUR IT INFRASTRUCTURE

Information Technology forms the core support system for all functions at Eris – Supply Chain Network, Production, Marketing and Field Force Management.

Digital Field Force

Taking ahead our belief of empowering our people, Eris has a unique approach to Field Force Management - Our entire field force is fully digital on iPAD Devices. Be it guiding and monitoring their Doctor Visits or Brand Promotion and supply management, the system uses purpose built applications to optimize their efforts.

This digital real time connection with the field force helps in swifter recognition and action of issues they may face and thereby allows management decision-making to be agile and nimble.

Our robust MIS infrastructure, with customised dashboards and drill down capabilities, allows management to have a single "pane of glass" view to key metrics on near real time basis.

Data Centres

Eris has a state of the art data centre to support all of our information systems built with sound design, scalability, robustness and security to safeguard our digital assets while servicing all business units and group companies. Our manufacturing facility at Guwahati also has a local data centre to support all of its local IT needs.

Eris also uses Cloud Infrastructure for special scenarios which helps us augment our capabilities for relevant business needs.

AWARDS & RECOGNITION

Financial Express CFO of the Year Awards 2019

Eris wins in the Medium Enterprises (Manufacturing Industry) Category

National Best Employer Brand 2018

Eris wins out of 100 brands

STRATEGIES FOR FUTURE LEADERSHIP

Consolidate

Consolidate positions in existing therapeutic areas by targeting new categories and enhancing product lifecycle. Working towards patient care initiatives and improving productivity.

Strategic

Acquisitions Focus on enhancing product line and capabilities through inorganic route.

Future Patent Expiry

Leverage R&D to target new product areas in cardiovascular and diabetes care segments nearing patent expiry.

In-Licensing

Leveraging existing sales, marketing, distribution and manufacturing capabilities to explore inlicensing opportunities.

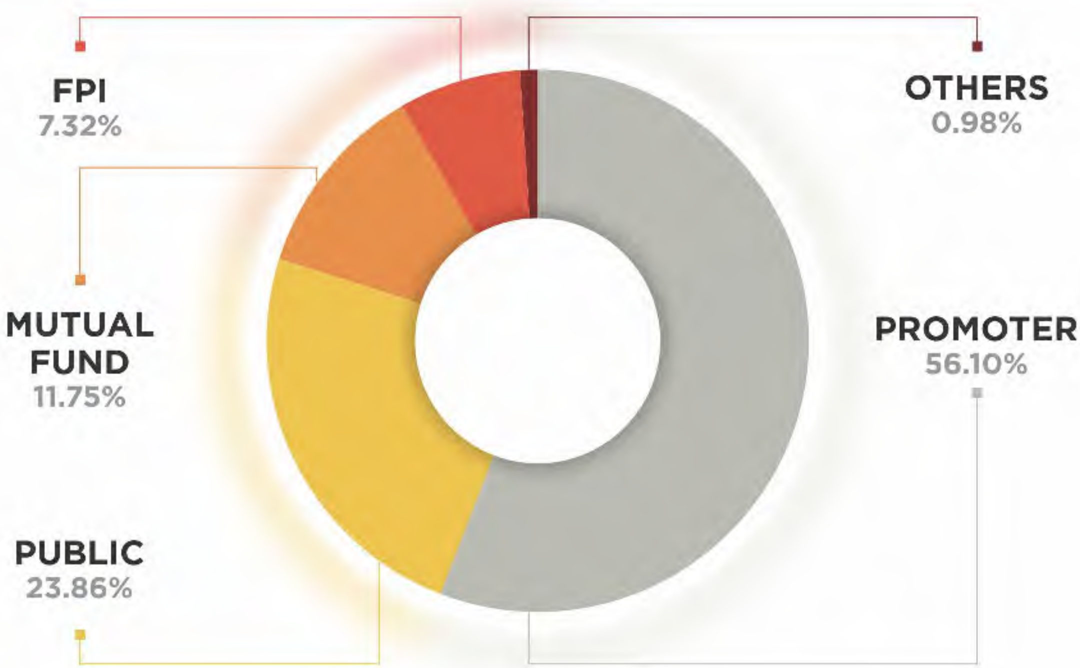
Expand

Undertake targeted strategy to pursue opportunities in high growth areas like neurology, dermatology, women's health and osteoarthritis.

TOP 10 INSTITUTIONAL INVESTORS*
AS ON 31ST MAR 2019

MOTILAL OSWAL MUTUAL FUND	3.97%
ADITYA BIRLA SUN LIFE MUTUAL FUND	3.85%
MATTHEWS INDIA FUND	1.49%
UTI MUTUAL FUND	1.05%
ABU DHABI INVESTMENT AUTHORITY	1.01%
FUNDSMITH EMERGING EQUITIES TRUST PLC	1.00%
MORGAN STANLEY INVESTMENT FUND INDIAN EQUITY FUND	0.99%
GOLDMAN SACHS INDIA LIMITED	0.98%
VANGUARD INVESTMENTS FUNDS	0.93%
NORGES BANK ON ACCOUNT OF THE GOVERNMENT PENSION FUND GLOBAL	0.71%

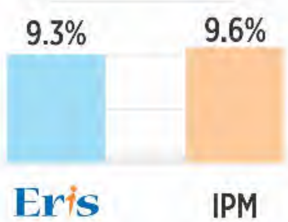
SHAREHOLDING PATTERN*
AS ON 31ST MAR 2019



*Based on grouping assumptions

MARKET REFLECTION REPORT - FY 19

YOY GROWTH RATE FY 19



- IPM registered a growth of 9.6% during FY 19
- Eris growth for FY 19 stands at 9.3%

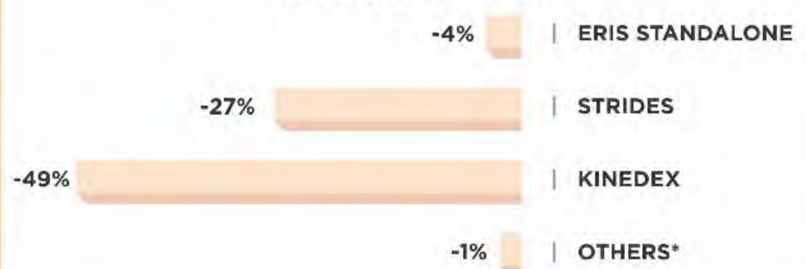
	Eris YOY Growth Rate FY 19	Contribution To Revenue
Brands > INR 5 Cr	17%	81%
Brands < INR 5 Cr	-15%	19%

- While Eris overall growth for FY 19 stands at 9.3%, brands with annual sales greater than INR 5 Cr have registered a growth of 17%
- M Brands with sales less than INR 5 Cr have registered a de-growth of 15%. This has impacted overall growth

ANALYSIS OF DE-GROWTH OF TAIL BRANDS (Less than 5 cr)

- This year we undertook a Tail Brands Optimisation exercise to trim down the tail
- Tail brands from the acquired entities have contributed majorly to the de-growth
- Eris standalone portfolio of brands with sales less than 5 Cr has shown a de-growth of 4%

BRANDS VALUE LESS THAN INR 5 Cr - YOY GROWTH RATE FY 19



- In FY 19, Drug Controller General of India banned combinations of Pioglitazone 7.5 mg. As a result brands using Pioglitazone 7.5 mg were discontinued. For Eris, mother brands Glitaris, Tricyblex and Triglimisave were affected due to regulatory compliance of this ban.

Source: AIOCD MAT Mar'19 | *Others include Aprica & UTH

MARKET REFLECTION REPORT - FY 19

REAL BRANDS - REAL GROWTH

CHRONIC AND SUBCHRONIC

Brand	Sales Value (INR Cr)	Brand YOY Gr	Market YOY Gr
GLIMISAVE M	92	22%	10%
GLIMISAVE MV	60	28%	20%
REMYLIN D	51	16%	19%
TRIGLIMISAVE	41	3%	10%
ERITEL CH	34	21%	28%
TENDIA M	32	42%	51%
TENDIA	28	30%	22%
LNBLOC	28	17%	20%
ERITEL	24	17%	15%
ERITEL LN	23	20%	30%
TAYO 60K	20	16%	14%
OLMIN	19	11%	6%
CREVAST	18	13%	12%
ATORSAVE	18	8%	7%
CYBLEX MV	18	67%	41%
METITAL	16	16%	3%
ERITEL H	15	6%	8%
OLMIN TRIO	14	17%	26%
ERITEL AM	14	14%	19%
LNBETA	14	24%	22%
CALSHINE P	13	11%	14%
CYBLEX M	13	37%	8%
OLMIN CH	13	4%	18%
INZIT	8	61%	75%
GLIMISAVE MAX	8	-32%	10%
REVLIN M	8	10%	6%
ATORSAVE D	8	2%	-10%
CYBLEX	7	46%	15%
RABONIK	7	16%	6%
ERITEL TRIO	7	25%	23%
OLMIN H	7	8%	2%
TAYO	7	-2%	9%
GLIMISAVE	6	5%	9%
METAFORT G	6	-11%	10%
CREVAST F	6	14%	15%
EZEEPAM PLUS	5	6%	8%
ADVOG	5	-3%	3%
LNTRIO	5	39%	46%

ACUTE

Brand	Sales Value (INR Cr)	Brand YOY Gr	Market YOY Gr
RABONIK D	24	10%	10%
RABONIK PLUS	13	2%	3%
VELGUT	10	17%	16%
ALERFIX TOTAL	7	10%	6%
REUNION	6	>100%	31%
MARZON	6	8%	-1%
ALERFIX M	6	16%	11%
MAC RABONIK D	5	-8%	10%

ACQUIRED

Brand	Sales Value (INR Cr)	Brand YOY Gr	Market YOY Gr
RENERVE PLUS	48	7%	6%
RARICAP	22	38%	13%
ROSIFLEX TRIO	19	11%	-4%
SERLIFT	19	29%	22%
DESVAL ER	16	18%	11%
STUGIL	11	19%	20%
SELZIC	10	24%	5%
LEVROXA	8	14%	20%
GINKOCER	8	51%	24%
SPECTRA	7	30%	26%
OBICURE	7	-9%	-9%
RARICAP L	7	16%	13%
ROSIFLEX C	7	-30%	-4%
GINKOCER M	6	37%	1%
RENERVE	6	3%	7%

Source: AIOCD MAT Mar'19

OUR THERAPY AREAS

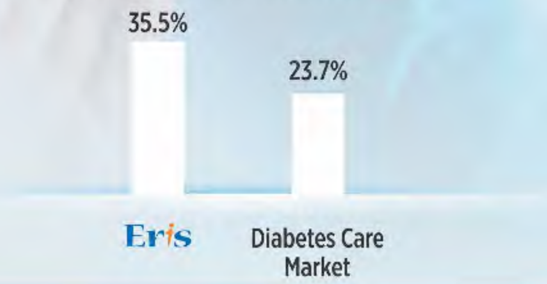
DIABETES CARE

28% of sales

With growing incidence of diabetes in our country which is often colloquially known as the diabetes capital of the world, the Diabetes Care Market has seen a 10 year CAGR of 23.7%, with Eris's diabetes care business growing at a 10 yr CAGR of 35.5%.

Diabetes care is one of our 2 largest therapy areas with 3,366 mn in sales in FY 19 and 5% market share.

10 yr CAGR in Diabetes Care



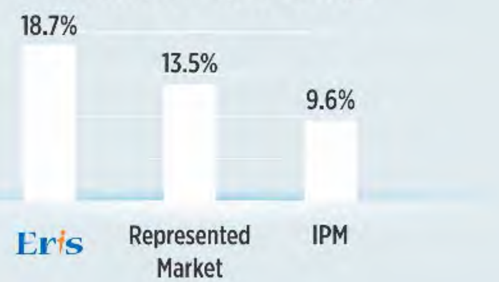
3,366 INR Mn

5% Market Share

3rd Prescription Rank[1] in Diabetologists

5th Rank in Revenue[2]

YOY GROWTH RATE FY 19



Strong mother brands like Glimisave, Tendia and Cyblex ensure that Eris has high rank in Revenue and Prescription

	Market Share	Rank[2]
GlimiSave	5.8 %	6
Tendia	6.6 %	5
Cyblex	7.2 %	6

1. Rx Rank in Represented Market (Rx MAT Feb'19) | Source: SMSRC Feb'19
2. Rank in Represented Market (MAT Mar'19)

OUR THERAPY AREAS

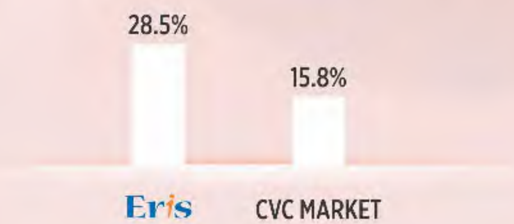
CARDIOVASCULAR CARE (CVC)

27% of sales

With changing lifestyle and better diagnostics available, the industry has seen a CAGR of 15.8% in CVC in the last 10 years, with Eris CVC business growing at a 10 yr CAGR of 28.5%.

With sales of 3,351 mn in FY 19, contributing to 27% of our revenue, CVC is one of our 2 largest therapy areas.

10 yr CAGR in CVC therapy area



3,351 INR Mn

4% Market Share

4th Prescription Rank[1] in Cardiologists

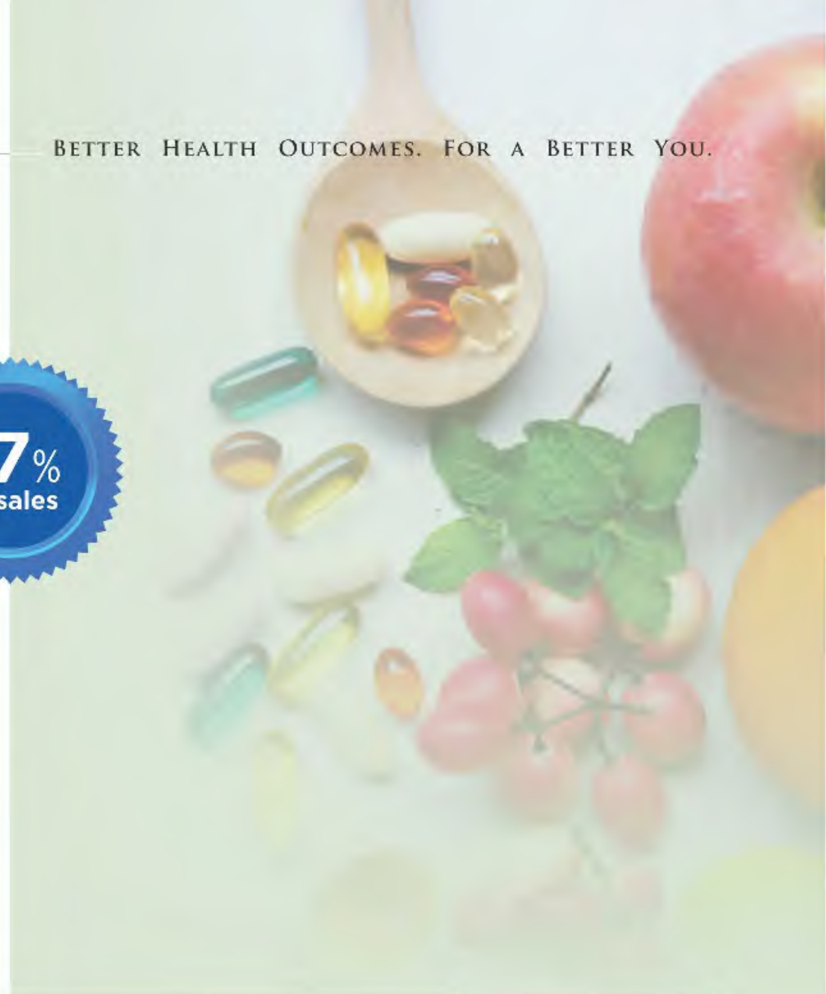
9th Rank in revenue[2]

YOY GROWTH RATE FY 19

Strong mother brands like Eritel, Olmin, LNBloc and more ensure that Eris has high rank in Revenue and Prescription

	Market Share	Rank[2]
Eritel	5.1 %	5
Olmin	7.1 %	4
LNBLOC	11.5 %	2

1. Rx Rank in Represented Market (Rx MAT Feb'19) | Source: SMSRC Feb'19
2. Rank in Represented Market (MAT Mar'19)



OUR THERAPY AREAS

VITAMINS, MINERALS and NUTRIENTS (VMN)

17% of sales

Carrying forward our belief that micro nutrition plays a very important role in building a healthier nation, our VMN segment today constitutes 17% to sales.

2,101 INR Mn

4% Market Share

6th Rank in Revenue[1]

YOY GROWTH RATE FY 19

Strong mother brands like Renerve, Remylin, Tayo and Ginkocer ensure that Eris has high rank in Revenue and Prescription

	Market Share	Rank[1]
ReNerve	4.2 %	4
Remylin	5.7 %	5
Tayo	4.4 %	5
GINKOCER	22.1 %	1

1. Rank in Represented Market (MAT Mar'19)

OUR THERAPY AREAS

CENTRAL NERVOUS SYSTEM (CNS)

8%
of sales

We began our journey in CNS therapy area with the aim to help patients in treating convulsion, neuropathic pain, brain function and memory. Today CNS is our 4th largest therapy area constituting 8% to our sales.

966 INR Mn

4%
Market Share

4th
Prescription Rank[1] in Neurologists

7th
Rank in Revenue[2]

YOY GROWTH RATE FY 19

Strong mother brands like Serlift, Desval, Levroxa and Selzic ensure that Eris has high rank in Revenue and Prescription

	Market Share	Rank[1]
Serlift	16.3 %	3
DESVAL	9.1 %	4
Levroxa	1.2 %	12
SELZIC	4.5 %	6

1. Rx Rank in Represented Market (Rx MAT Feb'19) | Source: SMSRC Feb'19
2. Rank in Represented Market (MAT Mar'19)

OUR THERAPY AREAS

GYNAECOLOGY

4% of sales

Gynaecology deals with the health of the female reproductive system. Proper care and nourishment from the early stages of pregnancy is vital for the health of both mother and her unborn.

Our products help maintain the changing body requirements during pregnancy.

539 INR Mn

3% Market Share

7th Prescription Rank[1] in Gynaecologists

8th Rank in Revenue[2]

YOY GROWTH RATE FY 19

Strong mother brands like Raricap and Metital ensure that Eris has high rank in Revenue and Prescription

	Market Share	Rank[2]
Raricap	4.0 %	5
Metital	56.8 %	1

1. Rx Rank in Represented Market (Rx MAT Feb'19) | Source: SMSRC Feb'19
2. Rank in Represented Market (MAT Mar'19)

OUR IN-LICENSING AGREEMENTS

In-licensing

with a desire to bring new age medical products to the Indian market, Eris has entered into a number of distribution agreements with overseas companies which offer pharmaceutical products based on novel concepts. Based on initial feed-back, these products appear likely to be well received by the specialist and super-specialist practitioners. Noteworthy among these are:

TPIAO

Simply put, TPIAO stimulates the human body to produce more platelets. This would be particularly useful in cancer patients who often face the issue of platelet decline on account of their previous treatment sessions of radiation or chemotherapy and therefore need to wait for a resumption of acceptable platelet count before their treatment could be pursued further. However, the formulation has non-oncological applications as well. Eris has joined hands with Shenyang Sunshine Pharmaceutical Co. Ltd for bringing this advancement in India. TPIAO is approved for use in China (since 2005) and seven other countries. The Indian regulatory approvals are currently being pursued by Eris in India.

SIDERAL

The uniqueness of Sideral as a nutritional class-oral iron supplement lies in the innovative Sucrosomial process that lends high iron bioavailability and excellent gastrointestinal tolerance to the elemental iron comprised in the formulation. Sideral will be found useful for patients facing iron deficiency for reasons covering iron losses (like anaemia, menstruation, dialysis, and bleeding trauma) as well as increased demand supply gap (like pregnancy and lactation, poor intake or malabsorption, effect of medications). Eris has signed an agreement with PharmaNutra S.P.A Italy for distribution of this product in India

Microlife hypertension solutions

Being a pharmaceutical company that realises the importance of accuracy and validation in diagnostics, Eris has partnered with Microlife for bringing to India its clinically validated, guideline confirming, hypertension offerings under the brand 'Circa'. Eris, being cognizant of the fact that erroneous readings may likely mislead the diagnosis and consequentially render the treatment regimen based thereon to be ineffective (and possibly detrimental to the patients' health), has decided to market solutions which distinctly standout on the aspects of validation and accuracy.

Dermatology and skincare solutions from Biopelle

We all desire to appear youthful. While there are several 'off-the-shelf' solutions available for improving appearance for a while, Eris views it from a perspective that a healthy, well-nourished and unblemished skin will look youthful on its own. It has, therefore, joined hands with Biopelle Inc., a likeminded partner, for bringing to India its internationally acclaimed skincare solutions sold under the 'Prescribed Solutions' and 'Retriderm' range.

10 YEAR FINANCIAL HIGHLIGHT

CONSOLIDATED	Ind AS			Ind GAAP							
INR mn	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Operating Results											
Sale of Products	**9,672**	8,271	7,298	6,023	5,472	5,085	3,930	2,739	2,054	955	356
Other Operating Income	**150**	285	197	125	72	4	1	-	-	-	-
Operating Revenue	**9,822**	**8,556**	**7,495**	**6,148**	**5,545**	**5,088**	**3,931**	**2,739**	**2,054**	**955**	**356**
Operating EBITDA	**3,449**	3,220	2,691	1,715	1,215	989	859	585	356	103	34
Operating EBITDA Margin	**35%**	38%	36%	28%	22%	19%	22%	21%	17%	11%	10%
Net Profit	**2,911**	2,941	2,468	1,336	892	704	584	371	215	60	16.73
Net Profit Margin	**30%**	34%	33%	22%	16%	14%	15%	14%	10%	6%	5%
Cash Flow Generation											
OCF	**2,230**	2,346	2,002	1,315	901	896	380	301	249	-13	10
Operating EBITDA to OCF	**65%**	73%	74%	77%	74%	91%	44%	51%	70%	-12%	29%
Assets Employed											
Tangible Assets	**553**	526	557	707	675	711	235	198	164	42	13
Intangible Assets	**6,116**	6,250	1,382	7	7	7	1	1	0.4	-	-
Core Working Capital	**825**	413	662	484	446	298	378	189	94	112	30
Treasury Investments	**3,634**	3,760	3,057	1,997	1,722	913	514	228	77	17	21
Total	**11,128**	**10,949**	**5,656**	**3,195**	**2,850**	**1,927**	**1,128**	**616**	**335**	**170**	**64**
Financed By											
Equity	**11,505**	8,613	5,671	2,992	2,657	1,765	1,061	479	206	48	2
Debt	**1,764**	3,768	6	5	10	5	26	50	104	91	30
ROCE	**39%**	**38%**	**99%**	**171%**	**128%**	**110%**	**139%**	**163%**	**123%**	**82%**	**302%**
ROE	**37%**	**61%**	**94%**	**131%**	**96%**	**83%**	**106%**	**143%**	**166%**	**193%**	**-86%**
Medical Representatives	**2,000**	**1,970**	**1,501**	**1,422**	**1,499**	**1,436**	**1,192**	**944**	**784**	**504**	**390**
Yield per Man per Month (in lacs)	**4.1**	**3.6**	**4.2**	**3.5**	**3.0**	**3.0**	**2.7**	**2.4**	**2.2**	**1.6**	**0.8**

FORMULA:

- **Op. EBITDA Margin** = Operating EBITDA/ Revenue from Operations
- **Net Profit Margin** = Net Profit/ Revenue from Operations
- **Op. EBITDA to OCF** = Operating Cash Flow Generated/ Operating EBITDA
- **ROCE** = Operating EBITDA/Capital Employed (Ex-cash)
- **ROE** = Net Profit attributable to owners/Net worth (Ex-cash)
- **Net worth (Ex- cash)** = (Equity attributable to the owners of the company) – (Treasury Investments + Cash and cash equivalents + other bank balances)
- **Capital Employed (Ex-cash)** = Net worth(ex-cash) + Non controlling interest + Long-term Borrowings + Current maturities of long-term borrowings + Short-term Borrowings + Deferred tax liabilities(net)

NOTES

10 YEAR FINANCIAL HIGHLIGHTS

Impact on working capital due to changes in Indirect Tax incentives:

In the erstwhile scheme, the excise duty net of rebate of 56% was to be paid by cash, and balance amount of duty paid by cash was granted as refund, vis a vis current scheme wherein entire amount of GST is first to be paid and then refund of 29% of Integrated Goods & Services Tax/58% of Central Goods & Services Tax is granted upon processing of quarterly claims by the GST Department. Historically, there has been working capital blockage for an average period of 20 months from the incurrence of tax liability to the receipt of refund amount. We estimate this period to be about 12 months going forward.

The amount of outstanding GST Budgetary Support claims receivable by the Company and forming part of working capital is as under:

INR million	FY 19	FY 18
GST Budgetary Support Receivable	229.66	84.45

Impact on Other Operating Income due to reduction of incentives post GST implementation:

The Company had set up a manufacturing plant in Guwahati, Assam in 2014 considering the various incentives available under the North East Industrial & Investment Promotion Policy, 2007. One of them was the exemption from payment of Excise Duty for a period of 10 years, which was granted in the form of rebate at 56% of excise duty liability upto maximum amount paid by cash and refund of balance amount of excise duty at special rate based on percentage of value addition.

However, the entire indirect tax regime in the country underwent a major reform with the introduction of Goods and Services Tax (GST) w.e.f. 01.07.2017. A scheme of Budgetary Support under GST was notified by the Government granting cash refund to the tune of 29% of Integrated Goods & Services Tax/ 58% of Central Goods & Services Tax paid by cash in lieu of earlier exemption for the balance period of exemption. This has caused a substantial reduction in the amount of incentive and related Other Operating Income.

The impact on Other Operating Income in FY 18 and FY 19 due to reduction of incentives post GST implementation in comparison to earlier years is as under:

INR million	FY 19	FY 18	FY 17	FY 16	FY 15
Value of Supply	6,252.30	5,260.79	4,827.79	3,319.95	2,474.05
Comparable Excise/ GST paid by cash*	265.90	190.44	225.38	137.65	90.27
Incentive received / receivable	154.22	135.81	225.38	137.65	90.27
Impact on Other Operating Income	(111.68)	(54.63)	-	-	-

**Comparable GST paid by cash is arrived at considering 100% of Central Goods and Services Tax / 50% of Integrated Goods and Services tax which is comparable to Excise Duty as in erstwhile regime*

Due to change in incentive scheme for refund of Indirect Tax, we estimate a loss to the tune of 21% of Integrated Goods & Services Tax/42% of Central Goods & Services Tax paid by cash for the balance period of exemption. The Company has filed a Writ Petition in Guwahati High Court in this regard on October 01, 2018.

Capital Investment

The Company has incurred various Capital Investments on business combinations for its business and to augment growth. Such business combinations and acquisitions are done with the primary objective of diversification of existing product portfolio of the Company and expanding its business presence.

Our Capital Investments can be broadly divided into two main categories:

1. Tangible Assets (consisting of Building, Plant & Machinery, Equipments etc.)
    a. There has been a major investment in Tangible Assets in FY 14 when the Company set up a manufacturing unit in Guwahati, Assam
    b. Post FY 14, the investment has been consistent without any substantial variation.
2. Intangible Assets (consisting of Brands acquired and Trademarks etc.)
    a. Major investments on Business transfer agreements with Strides Shasun Limited and Share transfer agreement with Strides Healthcare Pvt Ltd. in FY 18 contribute to the block. Previous acquisitions such as from Amay Pharmaceuticals Pvt Ltd in FY 17, Kinedex Healthcare Pvt Ltd and UTH Healthcare Ltd in FY 18 also form part of the Intangible Assets block.

Depreciation

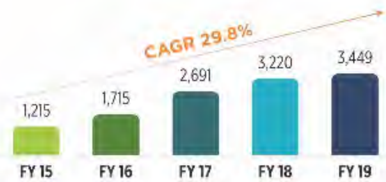
INR million	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Contribution in Depreciation											
Tangible Assets	225	182	207	200	152	47	35	32	13	8	2
Intangible Assets	139	74	30	3	3	1	0	0	0	-	-
Total	364	256	237	204	155	48	35	32	13	8	2

- The contribution of depreciation on intangible assets to the tune of INR 139 millions in FY 19 from 3 million in FY 16 have been the major factor in the increase.
- Depreciation on Tangible assets have remained at substantially consistent levels post the Guwahati plant investment.

KEY PERFORMANCE INDICATORS - ERIS

Revenue From Operation

Operating EBITDA



PAT

EPS

Operating EBITDA Margin

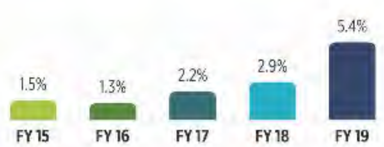
PAT Margin

Operating Cash Flow

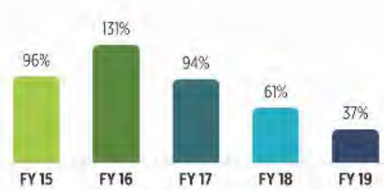
Free Cash Flow

FCF Conversion of Operating Cash Flow

Changes in Working Capital to Revenue

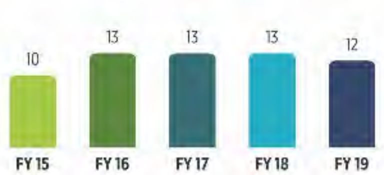


ROE



ROCE

Inventory Turnover Rate



Tangible Fixed Asset Turnover Rate

YPM in INR Lacs

All figures are consolidated and in INR millions

- FY-15 to FY-16 numbers are Restated IND GAAP Numbers and are not comparable.
- **Operating EBITDA** = (Profit before interest, tax, depreciation and amortisation) - Other Income
- **Operating Cash Flow** = Net cash flow from operating activities as per Cash flow statement
- **FCF (FREE CASH FLOW)** = (Operating Cash Flow) – (Purchase of Property, Plant & Equipment as per cash flow statement)
- **ROE (Return on Equity)** = (Profit for the year attributable to owners of the company) / (Net worth ex-cash)
- **ROCE (Return on Capital Employed)** = Operating EBITDA / Capital Employed (ex-cash)
- **Net Worth (ex-cash)** = (Equity attributable to the owners of the company) – (Treasury Investments + Cash and cash equivalents + other bank balances)
- **Capital Employed (ex-cash)** = Net worth(ex-cash) + Non controlling interest + Long-term Borrowings + Current maturities of long-term Borrowings + Short-term Borrowings + Deferred tax liabilities(net)
- **Inventory Turnover Rate** = Revenue from operations / Inventories
- **Tangible Fixed Asset Turnover Rate** = Revenue from operations / (Property, plant & equipment + Capital WIP)
- **Changes in Working Capital to Revenue** = Changes in Working Capital as per Cash Flow statement / Revenue from operations

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CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It gives me immense pleasure in presenting to you the third Annual Report since listing of your company. at the onset let me thank you for your continued belief and support in Eris' vision and values. With that support, your company continues to move ahead on its mission of improving health outcomes in the nation.

FY 19 for your company has been mixed primarily because of two developments:

1. Inventory correction: We believe that the domestic formulation business is going through a revamp of the distribution channel.

   Increasing market shares and deep discounts offered by e-pharmacies and larger retail pharmacy chains are compelling fragmented standalone pharmacies to optimise their inventory management in order to manage the pressure on their margins.

2. Rationalisation: Our focus has always been to create strong and large brands. Towards this aim, this year we have rationalised our tails brands (less than INR 50 million in revenue) across our base business as well as our acquired

Eris

portfolios. While this has led to the tail brands as a bucket de-growing by 17% yoy, it gives us the benefit of a more focused and sharper portfolio of brands. More commentary on this is included in Market Reflections sections of this report.

Business Highlights

1. Eris formed a collaboration with the Indian arm of Medtronic Plc for a diabetes monitoring initiative in India using US FDA approved Guardian Connect device for real-time evaluation of glucose variability in diabetes patients.

2. We also signed an agreement with Microlife for nationwide distribution of Circa 120/80.

3. Eris signed for In-Licensing of 3 products – of which 2 will be ready for commercialisation by Q2 20 and 1 is in regulatory approval phase.

We also started three more verticals in FY 19:

NUTRIVERSE
The objective of this vertical is to work towards replenishing micro and macro nutrients for a large population deprived of the same. This team consists of around 50 BEs currently and will go up to 100 – 120 BEs in FY 20.

ERIS ART
Fertility issues have become very common in India, affecting both females and males. Besides hormones, we are building up a nutrition portfolio for better outcomes in this area.

ALLURE
Aspirational cosmetology is another high growth market that we enter with a tie up with Bio-pelle. With 12 people to start with, we intend to scale up to around 90 to 100 people in FY 20.

I also take this opportunity to thank all the stake holders and partners in our journey towards creating a healthy and happy nation. I wish the best of health to you and your loved ones.

Warm regards,
Amit Bakshi

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The world economic overview of April, 2019 published by the International Monetary Fund is projecting India to grow by 7.3% in 2019 and 7.5% in 2020. This makes it the fastest growing economy ahead of all other Emerging markets and developing economies. However, the macro narrative regarding growth and inflation evolving in the last two to three quarters seems to be synchronizing with a global slowdown.

INDIAN PHARMACEUTICALS MARKET (IPM)

The INR 1,305 billion IPM grew 9.6% yoy in FY 19. This is its 3rd consecutive year of growing at less than 10%.

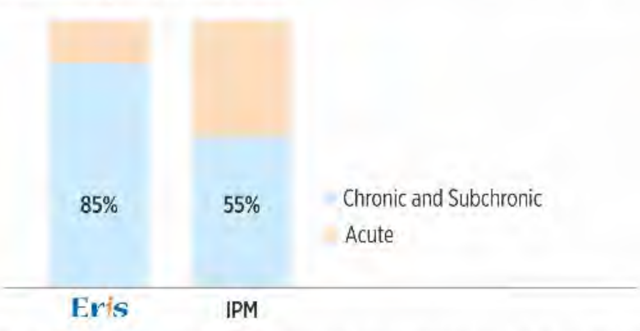
yoy growth rate	CAGR FY 12 to FY 16	FY 17	FY 18	FY 19
IPM	15.2 %	9.7 %	4.7 %	9.6 %

We believe that the domestic formulation business is going through a revamp of the distribution channel. Increasing market shares and deep discounts offered by e-pharmacies and large retail pharmacy chains are compelling fragmented standalone pharmacies to optimise their inventory management in order to manage the pressure on their margins. We also believe that in the coming years there will be some level of consolidation at the stockist level.

However, it is heartening to see that even in the midst of the channel chaos, the prescription growth fundamentally remains robust.

COMPANY OVERVIEW

Eris Lifesciences Ltd is engaged in manufacturing, marketing and distributing branded formulations in the Indian market. It has presence in high growth chronic, subchronic and acute therapeutic areas that require high intervention of specialists and super specialists. The contribution of chronic and sub chronic therapies to revenue is 85%



It has a portfolio of 117 mother brands that are promoted by a team of 2,000 medical representatives across India. The top 15 mother brands contributed 75% to its revenues in FY 19 and enjoy leading market positions in their respective therapeutic areas. The focused strategy has enabled the company to reach Rank 24 (Source: AIOCD MAT Mar 19) in revenue in the IPM. The company's strong therapy area and brand focus is central to the business model.

The most significant impetus to the company's goodwill remains its unique patient care initiatives. These initiatives, across all of its major therapy areas, are created with the vision of enabling the healthcare community improve health outcomes. The immense brand equity that this approach creates for Eris helps our 14 marketing divisions to an unhindered mindspace and superior facetime with super specialists and specialist doctors.

NEW INITIATIVES AND DEVELOPMENTS

This year, the company added numerous new businesses/ divisions:

Eris ART: caters to IVF specialists and gynaecologists

Nutriverse: engages with Endocrinologists, Diabetologists and Consulting Physicians in the field of Medical Nutrition Therapy

Oncosciences: for Cancer therapy

Filix: for promoting Renerve across specialities

Allure: in the field of Cosmetology and Dermatology, will engage with Cosmetologists, Dermatologists and Aesthetic Facial Surgeons

In addition, Eris together with Microlife has brought to India Circa 120/80, the world's most validated blood pressure monitoring machines. This product will be available across 3 price ranges as Exclusio, Premier and Practo.

Also, as part of its growth strategy, the company relentlessly pursues in-licensing opportunities with multinational partners. We intend to launch 2 -3 products every year through in-licensing.

This year Eris also partnered with Medtronic Plc for a diabetes monitoring initiative that brings to India the world's first Smart Continuous Glucose Monitoring System. US FDA approved Guardian™ Connect device performs real-time evaluation of glucose variability in diabetes patients.

REVIEW OF OPERATIONS

Financial Performance

Revenue from Operations:

For the year under review, the Company's Revenue from Operations increased by 15% to INR 9,822 million from INR 8,556 million in FY 18. The Company's acquired businesses contributed significantly to the growth in revenue.

Earnings before interest, taxes, depreciation and amortization (EBITDA):

The Company earned INR 3,449 million of EBITDA in FY 19 as against INR 3,220 million in FY 18, a growth of 7.2%. The decrease in the EBITDA margins to 35.1% of revenues in FY 19 from 37.6% in FY 18 was mainly due to increase in Employee expenses and Other Expenses.

Finance Costs:

The Company incurred finance costs of INR 228.9 million in FY 19 as against INR 105.5 million in FY 18. These mainly pertain to the borrowings related to the strategic acquisition in FY 18.

Tax Expenses:

The tax expenses for FY 19 were INR 263.3 million. The manufacturing facility in Guwahati, Assam enjoys Income Tax exemption till FY 24. The Company incurs income tax expenses under the Minimum Alternate Tax provisions. The Company created deferred tax liability mainly for depreciation differences.

Net Profit:

Net profit for FY 19, at 29.6% of Revenue from Operations, was INR 2,908.9 million.

Debt to Equity:

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

KEY FINANCIAL RATIOS

INR in Millions	Consolidated		
	2019	2018	% change
Current Ratio			
Current Assets	5,818	2,987	
Current Liabilities	3,055	2,254	
	1.9	1.32	44%
Interest Coverage Ratio			
EBIT	3,403	3,228	
Interest	229	106	
	15	31	-51%
Debtors Turnover Ratio			
Net Sales	9,672	8,271	
Debtors	840	666	
	12	12	-7%
Debt to Equity Ratio			
Total Liabilities	3,848	5,741	
Shareholder's Equity	11,505	8,613	
	0.33	0.67	-50%
Inventory Turnover Ratio			
Revenue from Operation	9,822	8,556	
Inventory	827	654	
	12	13	-9%
Operating Profit Margin			
Operating Profit	3,086	2,965	
Revenue from Operations	9,822	8,556	
	31%	35%	-9%
Net Profit Margin			
Net Profit	2,911	2,950	
Revenue from Operations	9,822	8,556	
	30%	34%	-14%

	2019	2018	% change
Return on Net worth			
Net Profit	2,908	2,941	
Equity attributable to owners	7,872	4,853	
	37%	61%	-39%

Explanation:

1. **Current Ratio:** Increase in current ratio is due to increase in current investment and other current liabilities
2. **Interest Coverage Ratio:** The reduction in interest coverage ratio is due to increase in finance cost pertaining to long term borrowing, which has been repaid in the FY 19
3. **Debt to Equity Ratio:** The reduction in debt to equity ratio is due to repayment of long term borrowing in the FY 19
4. **Return on Net Worth:** The reduction is due to changes in Equity attributable to owners

Marketing Divisions

The Company's 14 marketing divisions continue to strengthen its marketing and distribution capabilities through separate marketing strategies.

Division Name	Therapeutic Areas Covered	Super specialist / Specialist covered	Key Brands
Eris	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Neurologists	Glimisave, Eritel
Nikkos	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Consulting Physicians and others	Renerve, Rabonik, Velgut
Adura	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians	Olmin, Crevast, Remylin
Montana	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Raricap, Metital, Calshine P
Inspira	Cardiovascular and Anti-diabetes	Cardiologists, Endocrinologists, Diabetologists, Consulting Physicians, Nephrologists	LN Bloc, Tayo 60K Eritel LN
Victus	Anti-diabetes	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
Eris 2	Mobility related disorders	Orthopedicians	Rosiflex, Mienta
Eterna	Neurology and Psychiatry	Neurologists and Psychiatrists	Serlift, Desval
Altiza	Neurology and Psychiatry	Neurologists and Psychiatrists	Levroxa, Ginkocer

Division Name	Therapeutic Areas Covered	Super specialist / Specialist covered	Key Brands
Eris A.R.T	In-vitro fertilization	IVF specialists, Gynaecologists	Fetinine, Cetnine, Regunine
Nutriverse	Medical Nutrition Therapy	Endocrinologists, Diabetologists, Consulting Physicians	Prototal, Obicure
Onco sciences	Cancer therapy	Oncologists	Zumab, Ariterone, Leuren
Filix	Multi-therapy	Consulting Physicians, General Practitioners, Orthopedics, Neurologists	Renerve
Allure	Cosmetology & Dermatology	Cosmetologist, Dermatologist, Aesthetic Facial Surgeons	Starting Up Face, Retriderm, Urbane Renewal, Body of Knowledge

Manufacturing

The Company has a state-of-the-art manufacturing facility at Guwahati, Assam. For FY 19 and FY 18, products manufactured at the facility contributed to 60.6% and 65.9% of its revenues, respectively. The facility is currently utilised on a single shift basis and is expandable to triple shifts. The facility enjoys fiscal benefits in terms of Income Tax exemption till FY 24 and GST subsidies till FY 25.

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

Our plant capacity utilization is as under

CAPACITY UTILISATION

Output in million units

PRODUCT	FY 18		FY 19	
	OUTPUT	UTILIZATION	OUTPUT	UTILIZATION
TABLETS	811.65	81.16 %	903.48	90.00 %
CAPSULES	67.09	80.82 %	66.24	80.00 %
SACHETS	1.55	8.66 %	1.19	7.00 %

*Commercial production commenced in May 2014.
Capacity utilisation = Output / Installed capacity. Installed capacity is calculated assuming operations on a single shift basis.
The manufacturing plant can operate up to a maximum of three shifts per day

Human Resources

As on March 31st 2019, the Company had a robust and diverse workforce of 3,399 employees, with nearly 85% of them being medical representatives and field managers. They have provided Eris a competitive edge and are the Company's greatest strength.

The Company has further strengthened its culture of high performance by integrating various facets of people development.

Leadership Pipeline Development: To create a leadership pipeline for critical roles in Eris Lifesciences, we have created a leadership & succession framework. More than 50% of various managerial positions were filled internally.

This year also witnessed the complete amalgamation of around 250 employees that joined us with the Strides acquisition of brands.

Learning and Development:

Aagman: Enhancing the on-boarding and joining experience through Aagman – Corporate Induction program. The program is designed to orient employees with the organization and their roles through a structured Joint field induction on their joining and Facilitating an outbound corporate induction program through simulative learning methodology, thus enhancing the learning relevance and retention.

In FY 19, we had more than 400 employees attending Aagman.

Gyanshaala: Gyanshaala is an e-learning program aimed at enabling continuous learning while on job. Through this program we covered 145 employees.

Engagement and Care

Eris Care: With a view of creating a caring environment where any issue/ challenges which are faced by our field employees and ensuring their quick resolution by relevant stakeholders, we have launched ERIS CARE; one-stop platform to address concerns and resolve them in stipulated timelines.

Engagements: Engaging our field employees through various online initiatives like virtual league tournaments, that witnessed a participation of more than 700 employees. Various events and celebrations were held at our offices and plant.

Distribution Network

The Company's strong and efficient distribution network consisting of 2 central warehouses, 23 CFAs/ consignees and over 2,151 stockists enables it to reach out to over 500,000 chemist outlets across the country.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has built a robust Internal Financial Control (IFC) framework which is commensurate with the nature, size and complexity of the business. This framework facilitates the optimum use and protection of resources while ensuring accuracy in recording financial transactions, authorised use of assets and compliance with all statutes and laws. The Company also has a comprehensive Code of Business Conduct which lays down the ethical standards expected from each of its employees and business associates in their everyday actions.

The Company has strong audit framework to ensure & detect compliance to the Company's Policy. The Company monitors and controls all systems and processes and business groups ensuring compliance to financial norms and procedures, building financial control and accountability. The Company also undertakes periodic review of these internal control systems to determine its continued effectiveness, which is critical for ensuring the reliability of financial and operational information and statutory compliances.

The Internal Audit Team ably assists the Company to ensure compliance with the IFC Framework. The internal auditors undertake audit on a periodic basis; identifying control deficiencies, if any, along with any other area meriting improvement, flagging-off significant observations and making recommendations to the operational management for mitigation plan. The observations and mitigation plan are reported to the Audit Committee. The Audit Committee in turn reviews the observations, assesses sufficiency of the proposed actions and monitors its implementation. All actions are adequately followed up by the internal auditors along with presenting its reports to the Audit Committee.

During the year under review, such controls were tested and no material weaknesses were observed both in their design or operation.

RISK AND RISK MITIGATION

The Company manages risks through an Integrated Enterprise Risk Management Framework. Key risks are identified which may impact the strategic objectives of the Company and the same are monitored and mitigated on a timely basis.

Risk Management Committee (RMC), constituted by the Board is responsible for identifying the strategic, operational and financial risks for the Company. RMC based on the severity of the risk, devise mitigation plan to address such risks.

Nature of Risk	Description of Risk and Mitigation
Economic and Political Risk	The industry is impacted by the various macro-economic factors and economic developments which have an adverse effect not only on the industry, but also the Company as a whole. Any change in Government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which the Company operates. These factors could depress economic activities and restrict its access to capital, which could have an adverse effect on its operations. The Risk Committee of the Company proactively monitors all such changes and designs remediation plans to mitigate such risks.
Regulatory Risk	The IPM is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licences and permits could impact our business. The Company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply chain processes enable the Company maintain high quality standards on one hand, while securing conformity with regulatory norms on the other. The Risk Committee of the Company reviews the regulatory changes and identifies the potential new risks and its impact and plans the remediation plan.
Competition Risk	The industry is a highly competitive one, with presence of several major players. As a result of this, products face intense competition in various therapeutic areas. In order to mitigate the risks arising out of competition, the Company has developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. The Company's capabilities are further enhanced with the presence of ten sales heads (division wise)to focus on developing and growing its industry engagement

OUTLOOK

STRENGTHS AND OPPORTUNITIES

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

Rank in prescriptions in specialists:

Cardiologists	3rd
Diabetologists	3rd
Neurologists	3rd
Gastroenterologists	4th
Consulting Physicians	7th

Strong Brands: The Company continues to focus on maintaining the strength of its brand portfolio; the Top 15 brands contribute 75% of its revenue.

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

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

Unutilised Capacity: The manufacturing facility in Guwahati, Assam currently operating at over (85)% capacity utilisation on a single shift basis is capable of being scaled up to triple shift basis.

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

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

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

Favourable Policy Measures: Various initiatives by the Government like the Pharma Vision 2020 (which aims to make India a major hub for end-to-end drug discovery), National Health Policy 2015 (which focuses on increasing public expenditure on healthcare segment), Ayushman Bharat etc, support growth.

Additional Specialist Seats: the government plans to add 5,000 additional seats for specialists at medical colleges thereby increasing number of doctors.

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

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

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

THREATS, RISKS AND CONCERNS

Regulatory Overhang: The Drug Price Control (Amendment) Order limits price increases in schedule drugs mentioned in the National List of Essential Medicines (NLEM). While it has been observed that competitive forces in the market have been more effective in controlling prices, amendments in the list will continue to pose challenges for the industry. As on 31st March 2019, 8.5% of the Company's revenue were from drugs scheduled in the NLEM.

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

GOING AHEAD

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

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

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

SAFE HARBOUR AND CAUTIONARY STATEMENT

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Amit Bakshi
Managing Director

Mr. Himanshu Shah
Wholetime Director

Mr. Inderjeet Singh Negi
Wholetime Director

Mrs. Vijaya Sampath
Independent Director

Mr. Prashant Gupta
Independent Director

Dr. Kirit Shelat
Independent Director

AUDIT COMMITTEE

Mrs. Vijaya Sampath
Chairperson

Mr. Prashant Gupta
Member

Dr. Kirit Shelat
Member

Mr. Himanshu Shah
Member

BANKERS

AXIS Bank Limited
HDFC Bank Limited
IDBI Bank Limited

CHIEF FINANCIAL OFFICER

Mr. Sachin Shah

COMPANY SECRETARY

Mr. Milind Talegaonkar

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP

INTERNAL AUDITORS

M/s. Agrawal Dhand Motwani & Co.

COST AUDITORS

M/s. Kiran J Mehta & Co.

SECRETERIAL AUDITORS

M/s Ravi Kapoor & Associates

REGISTERED OFFICE

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

MANUFACTURING FACILITY

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

REGISTRAR & SHARE TRANSFER AGENT

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

BOARD OF DIRECTORS

Mr. Amit Bakshi

Chairman and Managing Director

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

Mr. Himanshu J. Shah

Executive Director

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

Mr. Inderjeet Singh Negi

Executive Director

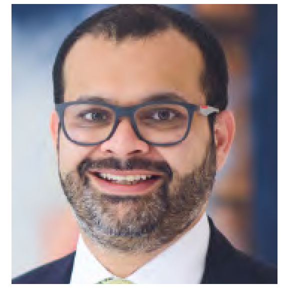
Mr. Inderjeet Singh Negi has been on the Board of our Company since inception serving in capacity of Executive Director. He is responsible for supporting the overall management in line with strategic direction of our company across sales function. He has previously worked with companies in the pharmaceutical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

Ms. Vijaya Sampath

Independent Director

Mrs. Vijaya Sampath, aged 66 years is an Independent Director of our Company. She holds a bachelor's degree in Arts (English literature) from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India. She has also attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA. She was appointed on the Board of our Company on February 3, 2017. Mrs. Vijaya Sampath has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years. At the time of resigning from Bharti Airtel Limited, she held the designation of Group General Counsel and Company Secretary. At present, she holds the designation of a senior partner in corporate law practice of Lakshmikumaran and Sridharan, Attorneys, an Indian law firm. Currently, she is also an independent director on the boards of various listed and unlisted companies in the financial services, power, renewable energy and branded luggage sector. She has more than 35 years of experience in the legal profession as an in-house counsel and lawyer and has significant experience in corporate law, joint ventures, mergers and acquisitions and commercial contracts.

Mr. Prashant Gupta
Independent Director



Mr. Prashant Gupta, aged 40 years is an Independent Director of our Company. He received his Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He was appointed on the Board of our Company on April 30, 2018. Mr. Prashant Gupta is a Partner in the corporate department of Shardul Amarchand Mangaldas. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017.

Dr. Kirit Nanubhai Shelat
Independent Director

Dr. Kirit Nanubhai Shelat, (IAS retired) aged 72 years is an Independent Director of our Company. He holds a bachelor's degree in arts (special) from the University of Gujarat and a Ph.D degree. He was appointed on the Board of our Company on February 3, 2017. Dr. Kirit Nanubhai Shelat has previously worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation. He has 40 years of experience in public administration.

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

The Board of Directors have pleasure in presenting their 3rd Annual Report (Post – IPO) on the business and operations of the Company together with the Audited Financial Statements (standalone and consolidated) for the year ended March 31, 2019.

1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under: (₹. In Million)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	8965.39	7606.01	9821.61	8556.04
Other Income	324.99	282.23	316.94	264.08
Total Revenue	9290.38	7888.24	10138.55	8820.12
Operating EBITDA	3336.59	3158.87	3449.13	3220.13
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3661.58	3441.10	3766.07	3484.21
Less: Depreciation/ Amortisation/ Impairment	315.89	217.92	363.54	256.42
Profit /loss before Finance Costs, Exceptional items and Tax Expense	3345.69	3223.18	3402.53	3227.79
Less: Finance Costs	227.93	104.29	228.95	105.50
Profit /loss before Exceptional items and Tax Expense	3117.76	3118.89	3173.58	3122.29
Add/(less): Exceptional items	0	0	0	0
Profit/(Loss) before taxation	3117.76	3118.89	3173.58	3122.29
Less : Tax Expenses (Current & Deferred)	263.95	182.34	262.11	172.51
Profit /loss for the year	2853.81	2936.55	2911.47	2949.78
Profit after tax before share of profit/(loss) of minority interest	**2853.81**	**2936.55**	**2911.47**	**2949.78**
Share of profit/(loss) attributable to Minority Interest	0	0	3.51	8.73
Profit for the year attributable to the shareholders of the company	**2853.81**	**2936.55**	**2907.96**	**2941.05**
Other Comprehensive Income/Loss	(0.99)	(0.73)	(1.13)	0.66
Total Comprehensive Income/Loss	2852.82	2935.82	2910.34	2950.44
- Owners of the company	2852.82	2935.82	2906.83	2941.71
Add : Balance B/F from the previous year	8537.29	5601.47	8468.57	5526.86
Less: Transfer to Debenture Redemption Reserve, If any	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Interim dividend/Final Dividend	0	0	0	0
Less: Utilised for issuing bonus shares	0	0	0	0
Add: Acquisition of Minority stake	0	0	(40.18)	0
Balance Profit / (Loss) C/F to the next year	**11390.11**	**8537.29**	**11335.22**	**8468.57**

2. STATE OF AFFAIRS:

The gross sales and other incomes for the financial year under review was ₹ 9290.38 million as against ₹ 7888.24 million in the previous year, recording a growth of 17.78 %. The profit before tax was ₹ 3117.76 million for the financial year under review as against ₹ 3118.89 million for the previous financial year, registering decrease of 0.04 %. The profit after tax for the financial year under review was ₹ 2853.81 million as against ₹ 2936.55 million for the previous financial year, registering decrease of 2.82 %.

3. CHANGE IN THE NATURE OF BUSINESS:

The Company continues to operate in one segment i.e. pharmaceuticals.

4. DIVIDEND:

The Board of Directors of the Company have decided to reinvest the profits into the business and for this reason do not recommend the payment of any dividend for the financial year 2018-19 (during the previous year Nil).

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

5. CAPITAL EXPENDITURE:

As on March 31st, 2019, the gross fixed assets (tangible and intangible) stood at ₹ 5518.05 million (previous year ₹ 5329.32 million) and the net fixed assets (tangible and intangible), at ₹ 4838.47 million (previous year ₹ 4897.47 million). Capital expenditure during the year amounted to ₹ 374.15 million (previous year ₹ 242.69 million). Additionally, during the year under review, consideration of ₹ 107.22 million (previous year ₹ 5061.52 million) was paid towards business acquisition / consolidation of holding.

6. AMOUNT TO BE CARRIED TO RESERVES:

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

7. CHANGES IN CAPITAL STRUCTURE:

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

However, the Company has allotted 19783 equity shares to Employees under "Eris Lifesciences Employee Stock Option Plan 2017" and the paid up capital of the Company stood increased accordingly.

8. STATUTORY AUDITORS:

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

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

The Auditor's Report for the financial year ended 31st March, 2019 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

9. COST AUDITORS:

M/s Kiran J Mehta & Co., Cost Accountants have been duly reappointed as the Cost Auditors for the financial year 2019-2020. The cost records as specified by the central government under subsection (1) of section 148 of the Companies Act, 2013, are made and maintained by the Company.

10. SECRETARIAL AUDIT REPORT:

M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad have been duly re-appointed as the Secretarial Auditor of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year 2018-19 appears at "Annexure 2" to this report. The Secretarial Auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

11. INTERNAL FINANCIAL CONTROLS:

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

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

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

13. SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

As on March 31, 2019, the Company has (5) five subsidiaries out of which four (4) are wholly owned subsidiaries. The Board of Directors reviewed the affairs of all the subsidiaries. Neither any Company has become nor ceased to be its subsidiaries, joint ventures or associate companies during the year.

The Company has acquired the remaining shares of Kinedex Healthcare Private Limited, thereby making it a wholly owned subsidiary in April, 2019.

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

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

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

The Audited Financial Statements of Company's subsidiaries for the financial year ended on 31st March, 2019 are available on the web link http://eris.co.in/financial-statement-subsidiaries/ and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in notice of the 13th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same subject to compliance of provisions of the Companies Act, 2013.

15. **CONSOLIDATED FINANCIAL STATEMENTS:**

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

16. **ANNUAL RETURN (MGT-9):**

The extract of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 appears at "Annexure 5" to this Report.

17. **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

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

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

18. **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

19. **CORPORATE GOVERNANCE:**

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

20. **BUSINESS RESPONSIBILITY REPORT:**

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

21. **DIRECTORS & KEY MANAGERIAL PERSONNELS:**

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

During the year under review:

Mr. Prashant Gupta was appointed as an Additional Independent Director of the Company w.e.f. 30th April, 2018 and appointed as a Regular Independent Director at 12th Annual General Meeting held on 29th September, 2018.

Mr. Inderjeet Singh Negi, Whole-time Director of the Company, being longest in office, retired by rotation and was reappointed as a Whole-time Director at the 12th Annual General Meeting held on 29th September, 2018.

Subsequent changes in composition till the date of this Report:

Mr. Amit Bakshi, Managing Director of the Company, being longest in office, retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

Mr. Himanshu Shah, Whole-time Director of the Company has furnished his resignation which is effective from 16th July, 2019.

22. **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review, the Board of Directors of the Company duly met 4 (Four) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings appear in the Report on Corporate Governance which separately appears in this Annual Report.

23. **COMMITTEES OF BOARD:**

The Company has the following 6 (six) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Executive Committee
- Risk Management Committee

The details with respect to the composition, terms of reference, number of meetings held and other disclosure required to be made in the Board's report etc. of these Committees are given in the report on Corporate Governance which forms part of the Annual Report.

24. **EMPLOYEES' STOCK OPTION SCHEME:**

The 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders at their Extra Ordinary General Meeting held on 3rd February, 2017 and subsequently in the Eleventh Annual General Meeting held on 29th September, 2017, the Shareholders ratified the said Plan. The details as required to be disclosed under the Companies Act, 2013 and read with rules thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 [SEBI SBEB, 2014] appear at Annexure 8 and are available on the Company's website at: https://eris.co.in/downloads/

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

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

25. CONTRACTS WITH RELATED PARTIES:

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

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

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

27. PROTECTION OF WOMEN AT WORKPLACE:

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

28. RISK MANAGEMENT:

The Board of Directors of the Company has duly formulated and implemented a risk management plan for enabling the Company to identify elements of risks as contemplated by the provisions of Section 134(3)(n). During the year under review, the Board of Directors have constituted the Risk Management Committee on 29th January, 2019.

29. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns. Further, the Policy has been duly amended to enable employees and directors to report instances of leak of unpublished price sensitive information.

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

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported. The content of Policy is available on the Company's Website at the link: http://eris.co.in/policies.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis;
- They had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating efficiently; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

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

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

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

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a) which took into account factors like 'ability to create value for its shareholders while ensuring legal compliances' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria approved by the Nomination and Remuneration Committee of the Company. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson and Managing Director of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on parameters adopted by the Nomination and Remuneration Committee.

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

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

33. DECLARATION OF INDEPENDENCE:

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

34. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

Following material changes and commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report:

The Company has pre-paid the entire outstanding loan amount ₹ ~175 crore, resulting in completion of repayment of ₹ 400 Crore loan which was availed from Axis Bank Limited, in April, 2019.

The Company has further acquired the remaining shares of Kinedex Healthcare Private Limited, thereby making it a wholly owned subsidiary in April, 2019.

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

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

No material order has been passed by the Regulators / Courts / Tribunals against your company during the year under review.

37. PUBLIC DEPOSITS

The Company has not accepted deposits from public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

38. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or inapplicability of the provisions:

- Reporting of fraud by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- Disclosure pursuant to section 43(1) read with Rule 4(4)of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- Receipt of any commission from the Company or remuneration from any of its subsidiaries by the Managing Director or the Wholetime Directors of the Company.
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financials years.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in utilisation of money raised by public issue.

39. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Annexure 1

Dividend Distribution Policy

INTRODUCTION

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

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

OBJECTIVE

The Policy has been formulated:

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

FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

(i) Financial parameters and internal factors

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

(ii) External factors

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

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

The Company shall not declare or distribute any dividend wherein:

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

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

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

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

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

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

PROCEDURE FOR DIVIDEND PAYOUT

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

DISCLOSURE

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

POLICY REVIEW AND AMENDMENTS

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

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Annexure 2

Form No. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members
Eris Lifesciences Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

i) The Companies Act, 2013 (the Act) and the rules made 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) The 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 to the extent of their applicability to the Company;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.

All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

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

Place: Ahmedabad
Date: 21st May, 2019

For Ravi Kapoor & Associates

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

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

Annexure A

To,
The Members
Eris Lifesciences Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

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

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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

Place: Ahmedabad
Date: 21st May, 2019

For Ravi Kapoor & Associates

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

Annexure 3

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

Conservation of energy:

Steps taken for conservation of energy:

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

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

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

The capital investment on energy conservation equipment:

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

Technology absorption:

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- Expenditure on research and development by the Company was ₹ 41.12 Million during the year under review.

Foreign Exchange Earnings and Outgo details are as follows:

(₹. in million)

Sr. No.	Particulars	2018-19	2017-18
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgo	229.87	27.84

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May, 2019

Annexure 4

Form AOC-1

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

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

Part A Subsidiaries

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

Name of the subsidiary	Eris Therapeutics Private Limited	Aprica Healthcare Private Limited	Kinedex Healthcare Private Limited	UTH Healthcare Limited	Eris Healthcare Private Limited (Previously Known as Strides Healthcare Private Limited)
The date since when subsidiary was Acquired	01.04.2010	12.07.2016	23.11.2016	01.10.2017	01.12.2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A.	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A.	N.A	N.A	N.A
Share capital	0.10	0.10	1.83	71.43	43.33
Reserves and surplus	0.75	38.13	-8.21	-304.25	501.36
Total assets	0.86	191.94	187.55	38.85	544.73
Total Liabilities	0.01	73.71	98.93	21.67	0.04
Investments	0.02	50.44	37.91	0	0
Turnover	0	463.26	398.15	12.40	1.74
Profit before taxation	-0.01	90.78	18.55	-14.06	-8.40
Provision for taxation	0	24.77	5.07	-29.98	4.02
Profit after taxation	-0.01	66.01	13.48	15.92	-12.42
Proposed Dividend	0	0	0	0	0
Extent of shareholding (in percentage)	100%	100%	82.19%	100%	100%

Part B Associates and Joint Ventures

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

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

For Eris Lifesciences Limited

Amit Bakshi
Chairperson & Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No. A-26493

Ahmedabad 21st May, 2019

Annexure 5

Form MGT-9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	**L24232GJ2007PLC049867**
2	Registration Date	**25TH JANUARY, 2007**
3	Name of the Company	**ERIS LIFESCIENCES LIMITED**
4	Category/Sub-category of the Company	**PUBLIC COMPANY LIMITED BY SHARES NON- GOVERNMENT COMPANY**
5	Address of the Registered office & contact details	**8TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-3045 1000**
6	Email address	**complianceofficer@erislifesciences.com**
7	Name of the Police Station having jurisdiction where the registered office is situated	**ANAND NAGAR POLICE STATION**
8	Address for correspondence, if different from address of registered office:	**7TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD – 380015 (T): 079-3045 1000**
9	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	**YES** SN / Stock Exchange Name / **Code** 1. / BSE Limited / **540596** 2. / National Stock Exchange of India Limited / **ERIS**
10	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**LINK INTIME INDIA PRIVATE LIMITED C – 101, 247 PARK, L.B.S.MARG, VI KHROLI (WEST), MUMBAI – 400 083. (T): 91 22 49186000**

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)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% of total turnover of the Company
1	PHARMACEUTICAL	2100	100%

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

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	**ERIS THERAPEUTICS PRIVATE LIMITED** 21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054 [Note1]	U24230GJ2009PTC057670	Subsidiary	100%	2(87)
2	**APRICA HEALTHCARE PRIVATE LIMITED** 19, Navalnagar, Nr. Hanuman Mandir, Rajkot - 360004	U24290GJ2016PTC092903	Subsidiary	100%	2(87)
3	**KINEDEX HEALTHCARE PRIVATE LIMITED** 28, Shiv Shakti Nagar, Near Indo-Bhart School, Nirman Nagar, Jaipur- 302019	U51397RJ2002PTC017820	Subsidiary	82.19% [Note2]	2(87)
4	**ERIS HEALTHCARE PRIVATE LIMITED** (Previously Known as Strides Healthcare Private Limited) Prestige Sterling Square, 2nd Floor Unit F104 A&B, F105 & F106 No. 315 Madras Bank Road Off Bangalore – 560001	U24211KA2013PTC069731	Subsidiary	100%	2(87)
5	**UTH HEALTHCARE LIMITED** Office No.: 805, 806, Clover Plaza, NIBM Road, Kondhawa, Pune - 411048	U24232PN2011PLC138758	Subsidiary	100%	2(87)

Note[1] : The Company has changed its Registered office w.e.f. 1st May, 2019 from 21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054 to 6th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad 380015
Note[2]: Kinedex Healthcare Private Limited became a Wholly owned subsidiary of the Company w.e.f. 06.04.2019.

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

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	7,69,04,500	-	7,69,04,500	55.93	7,71,46,807	-	7,71,46,807	56.10	0.17
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other Non Public & Non Promoter	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :	7,69,04,500	-	7,69,04,500	55.93	7,71,46,807	-	7,71,46,807	56.10	0.17
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Promoter Shareholding (A)=(A)(1)+ (A)(2)	7,69,04,500	-	7,69,04,500	55.93	7,71,46,807	-	7,71,46,807	56.10	0.17

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,41,44,529	-	1,41,44,529	10.29	1,52,01,804	-	1,52,01,804	11.05	0.76
b) Banks / FI	3,210	-	3210	0.00 #	5,833	-	5,833	0.00#	0.00#
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,00,383	-	1,00,383	0.07	-	-	-	-	(0.07)
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others									
(Foreign Portfolio Investors)	1,18,09,715	-	1,18,09,715	8.59	1,11,90,535	-	1,11,90,535	8.14	(0.45)
(Alternate Investment Funds)	6,25,216	-	6,25,216	0.45	8,13,595	-	8,13,595	0.59	0.14
Sub-total (B)(1)	2,66,83,053	-	2,66,83,053	19.41	2,72,11,767	-	2,72,11,767	19.79	0.38
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18,14,252	5	18,14,257	1.32	14,75,997	9	14,76,006	1.07	(0.25)
(i) Individual Shareholders Holding nominal share capital in excess of Rs. 1lakh	3,17,20,500	-	3,17,20,500	23.07	3,13,37,984	-	3,13,37,984	22.79	(0.28)
c) Others (Specify)	-	-	-	-	-	-	-	-	-
HUF	76,602	-	76,602	0.06	60,402	-	60,402	0.04	(0.02)
Non Resident Indian	79,379	-	79,379	0.06	1,84,683	-	1,84,683	0.13	0.07
Director or Director's Relative	2,820	-	2,820	0.00 #	2,220	-	2,220	0.00#	0.00#
Clearing Members	79,092	-	79,092	0.06	21,409	-	21,409	0.02	(0.04)
Bodies Corporate	1,39,797	-	1,39,797	0.10	77,307	-	77,307	0.06	(0.04)
Trusts	-	-	-	-	198	-	198	0.00#	0.00#
NBFCs registered with RBI	-	-	-	-	1,000	-	1,000	0.00#	0.00#
Sub-total (B)(2)	3,39,12,442	5	3,39,12,447	24.66	3,31,61,200	9	3,31,61,209	24.11	(0.55)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6,05,95,495	5	6,05,95,500	44.07	6,03,72,967	9	6,03,72,976	43.90	(0.17)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13,74,99,995	5	13,75,00,000	100	13,75,19,774	9	13,75,19,783	100	-

II. Shareholding of Promoters

Sr. No.		Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of Total shares of Company	% of shares pledged/ encumbered to total shares	
1	Mr. Amit Indubhushan Bakshi	5,42,71,500	39.47	-	5,45,13,423	39.64	-	0.17
2	Mr. Himanshu Jayantbhai Shah	62,84,500	4.57	-	62,84,500	4.57	-	-
3	Mr. Inderjeet Singh Negi	59,39,833	4.32	-	59,39,833	4.32	-	-
4	Mr. Rajendrakumar Rambhai Patel	59,39,834	4.32	-	59,39,834	4.32	-	-
5	Mr. Kaushal Kamleshkumar Shah	44,68,833	3.25	-	44,69,217	3.25#	-	0#

III. Change in Promoter's Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**MR. AMIT BAKSHI**				
	At the beginning of the year	54271500	39.47	54271500	39.47
	Shareholding increase by purchase of shares on 12.11.2018	57250	0.04	54328750	39.51
	Shareholding increase by purchase of shares on 13.11.2018	341	0#	54329091	39.51
	Shareholding increase by purchase of shares on 14.11.2018	468	0#	54329559	39.51
	Shareholding increase by purchase of shares on 15.11.2018	4000	0#	54333559	39.51
	Shareholding increase by purchase of shares on 19.11.2018	1682	0#	54335241	39.51
	Shareholding increase by purchase of shares on 20.11.2018	13055	0.01	54348296	39.52
	Shareholding increase by purchase of shares on 21.11.2018	65500	0.05	54413796	39.57
	Shareholding increase by purchase of shares on 28.11.2018	11700	0.01	54425496	39.58
	Shareholding increase by purchase of shares on 29.11.2018	4700	0#	54430196	39.58
	Shareholding increase by purchase of shares on 30.11.2018	711	0#	54430907	39.58
	Shareholding increase by purchase of shares on 05.12.2018	1183	0#	54432090	39.58
	Shareholding increase by purchase of shares on 01.02.2019	81333	0.06	54513423	39.64
	At the end of the year	54513423	39.64	54513423	39.64
2.	**MR. HIMANSHU SHAH**				
	At the beginning of the year	62,84,500	4.57	62,84,500	4.57
	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):	-	-	-	-
	At the end of the year	6284500	4.57	6284500	4.57

3.	**MR. INDERJEET SINGH NEGI**				
	At the beginning of the year	5939833	4.32	5939833	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.32	5939833	4.32
4.	**MR. RAJENDRA PATEL**				
	At the beginning of the year	5939834	4.32	5939834	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939834	4.32	5939834	4.32
5.	**MR. KAUSHAL K. SHAH**				
	At the beginning of the year	4468833	3.25	4468833	3.25
	Shareholding increase by purchase of shares on 17.09.2018	384	0.00#	44,69,217	3.25
	At the end of the year	44,69,217	3.25	44,69,217	3.25

IV. Shareholding Pattern of top ten Shareholders:

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	**BHIKHALAL CHIMANLAL SHAH**				
	At the beginning of the year	11054000	8.04	11054000	8.04
	Transaction (Increase by purchase and Decrease by sale) during the year	377136	0.27	10676864	7.76
	At the end of the year	10676864	7.76	10676864	7.76
2.	**RAKESH SHAH**				
	At the beginning of the year	15854000	11.53	15854000	11.53
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	15854000	11.53	15854000	11.53
3.	**HETAL RASIKLAL SHAH**				
	At the beginning of the year	4812500	3.5	4812500	3.5
	Transaction (Increase by purchase and Decrease by sale) during the year	5380	0#	4807120	3.5
	At the end of the year	4807120	3.5	4807120	3.5
4.	**ADITYA BIRLA SUN LIFE MUTUAL FUND**				
	At the beginning of the year	4497521	3.27	4497521	3.27
	Transaction (Increase by purchase and Decrease by sale) during the year	795832	0.58	5293353	3.85
	At the end of the year	5293353	3.85	5293353	3.85

5.	**MOTILAL OSWAL MUTUAL FUND**				
	At the beginning of the year	4319709	3.14	4319709	3.14
	Transaction (Increase by purchase and Decrease by sale) during the year	1140786	0.83	5460495	3.97
	At the end of the year	5460495	3.97	5460495	3.97
6.	**SBI MUTUAL FUNDS**				
	At the beginning of the year	1931559	1.4	1931559	1.4
	Transaction (Increase by purchase and Decrease by sale) during the year	969744	0.71	961815	0.7
	At the end of the year	961815	0.7	961815	0.7
7.	**GOLDMAN SACHS INDIA LIMITED**				
	At the beginning of the year	1887035	1.37	1887035	1.37
	Transaction (Increase by purchase and Decrease by sale) during the year	566431	0.41	1320604	0.96
	At the end of the year	1320604	0.96	1320604	0.96
8.	**MATTHEWS INDIA FUND**				
	At the beginning of the year	1400176	1.02	1400176	1.02
	Transaction (Increase by purchase and Decrease by sale) during the year	550000	0.4	1950176	1.42
	At the end of the year	1950176	1.42	1950176	1.42
9.	**ABU DHABI INVESTMENT AUTHORITY**				
	At the beginning of the year	1389290	1.01	1389290	1.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	1389290	1.01	1389290	1.01
10.	**NORGES BANK ON ACCOUNT OF THE GOVERNMENT PENSION FUND GLOBAL**				
	At the beginning of the year	1034678	0.75	1034678	0.75
	Transaction (Increase by purchase and Decrease by sale) during the year	61588	0.04	973090	0.71
	At the end of the year	973090	0.71	973090	0.71
11.	**FUNDSMITH EMERGING EQUITIES TRUST PLC**				
	At the beginning of the year	935527	0.68	935527	0.68
	Transaction (Increase by purchase and Decrease by sale) during the year	438965	0.32	1374492	1
	At the end of the year	1374492	1	1374492	1
12.	**UTI – Equity Fund**				
	At the beginning of the year	575644	0.42	575644	0.42
	Transaction (Increase by purchase and Decrease by sale) during the year	730436	0.53	1306080	0.95
	At the end of the year	1306080	0.95	1306080	0.95

V. Shareholding of Directors and Key Managerial Personnel.

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**MR. AMIT BAKSHI**				
	At the beginning of the year	54271500	39.47	54271500	39.47
	Shareholding increase by purchase of shares on 12.11.2018	57250	0.04	54328750	39.51
	Shareholding increase by purchase of shares on 13.11.2018	341	0#	54329091	39.51
	Shareholding increase by purchase of shares on 14.11.2018	468	0#	54329559	39.51
	Shareholding increase by purchase of shares on 15.11.2018	4000	0#	54333559	39.51
	Shareholding increase by purchase of shares on 19.11.2018	1682	0#	54335241	39.51
	Shareholding increase by purchase of shares on 20.11.2018	13055	0.01	54348296	39.52
	Shareholding increase by purchase of shares on 21.11.2018	65500	0.05	54413796	39.57
	Shareholding increase by purchase of shares on 28.11.2018	11700	0.01	54425496	39.58
	Shareholding increase by purchase of shares on 29.11.2018	4700	0#	54430196	39.58
	Shareholding increase by purchase of shares on 30.11.2018	711	0#	54430907	39.58
	Shareholding increase by purchase of shares on 05.12.2018	1183	0#	54432090	39.58
	Shareholding increase by purchase of shares on 01.02.2019	81333	0.06	54513423	39.64
	At the end of the year	54513423	39.64	54513423	39.64
2	**MR. HIMANSHU SHAH**				
	At the beginning of the year	62,84,500	4.57	62,84,500	4.57
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	6284500	4.57	6284500	4.57
3	**MR. INDERJEET SINGH NEGI**				
	At the beginning of the year	5939833	4.32	5939833	4.32
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.32	5939833	4.32
4	**MR. KIRIT NANUBHAI SHELAT**				
	At the beginning of the year	600	0.00 #	600	0.00 #
	Transaction (Increase by purchase and Decrease by sale) during the year	600	0.00 #	-	-
	At the end of the year	-	-	-	-
5	**MRS. VIJAYA SAMPATH**				
	At the beginning of the year	2220	0.00 #	2220	0.00 #
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	2220	0.00 #	2220	0.00 #

6	**MR. PRASHANT GUPTA**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7	**MR. SACHIN SHAH**				
	At the beginning of the year	912	0.00 #	912	0.00 #
	Increase in share holding due to ESOP allotment on 21/04/2018	3325	0.00#	4237	0.00#
	Increase in share holding due to on market share purchase on 12/11/2018	10,785	0.00#	15022	0.01
	At the end of the year	15022	0.01	15022	0.01
8	**MR. MILIND TALEGAONKAR**				
	At the beginning of the year	-	-	-	-
	Increase in share holding due to ESOP allotment on 21/04/2018	1330	0.00 #	1330	0.00 #
	At the end of the year	1330	0.00 #	1330	0.00 #

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

(₹. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,750	-	-	3,750
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,750**	**-**	**-**	**3,750**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	2,000			2,000
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1,750	-	-	1,750
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.60	-	-	12.60
Total (i+ii+iii)	**1,762.60**	**-**	**-**	**1,762.60**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹. in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole-time Directors		Total Amount
1.	Gross salary	AMIT BAKSHI	INDERJEET SINGH NEGI	HIMANSHU SHAH	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.14	12.99	10.99	73.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**49.14**	**12.99**	**10.99**	**73.12**
	Ceiling as per the Act				**294.96**

B. REMUNERATION TO OTHER DIRECTORS:

(₹. in Million)

Sr. No.	Particulars of Remuneration	Name of Other Directors			Total Amount
1.	Independent Directors	Mr. Kirit Shelat	Mrs. Vijaya Sampath	Mr. Prashant Gupta	
	Fee for attending board committee meetings	0.93	0.72	0.88	2.53
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**0.93**	**0.72**	**0.88**	**2.53**
2.	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	**0.93**	**0.72**	**0.88**	**2.53**
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				**NA**

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

(₹. in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.61	9.95	12.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.31	0.77	1.08
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	6651 shares	16628 shares	23279 shares
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	**-**	**2.92**	**10.72**	**13.64**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Due to rounding off.

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Annexure 6

ANNUAL REPORT ON CSR ACTIVITIES

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

BRIEF OF THE COMPANY'S CSR POLICY:

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

The Company's focus areas under CSR are:

- Preventive Medical Screening
- Education
- Environment
- Rural & Agricultural Development

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

THE COMPOSITION OF THE CSR COMMITTEE:

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

The composition of the CSR Committee of the Company as on 31.03.2019 was:

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

* Appointed as member of the Committee w.e.f. 25.05.2018.

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

- ₹ 6981.81 Million

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

- ₹ 2327.27 Million

PRESCRIBED CSR EXPENDITURE :

- ₹ 46.55 Million (2% of Average Net Profit)

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year: ₹ 46.55 Million
- Total amount spent during the financial year: ₹ 34.70 Million
- Amount unspent: ₹ 11.85 Million

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

S.No	CSR project or activity identified	Sector in which the Project is covered.	Projects or Programs 1. Local Area or Other 2. Specify the State and district where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1	Preventive Medical Screening at public places	Schedule VII (i) i.e. Preventive Healthcare	Gujarat (Ahmedabad) and Maharashtra (Mumbai)	15.55 million	12.18 Million	19.47 Million	Both, Implementing Agency namely Eris Foundation
2	Screening activities to alleviate the ailments of senior citizens	Schedule VII (i) i.e. Preventive Healthcare	All over India	26 Million	19.27 Million		Direct
3	Other Healthcare Activities	Schedule VII (i) i.e. Preventive Healthcare	Gujarat (Ahmedabad)	3 Million	2.28 Million		Direct
4	Education of Underprivileged	Schedule VII(ii)	Gujarat (Ahmedabad)	1 million	0.47 Million		Direct
5	Animal Welfare	Schedule VII (iv)	Gujarat (Ahmedabad)	1 million	0.50 Million		Direct

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

THE REASONS FOR UNSPENT AMOUNT:

Gaining insights from the programs implemented over last few years, the company could realise that the CSR plan implementation success depended, to a large extent, on the monitoring expertise of its personnel. The renewed focus on the projects involving 'screening of population for possible ailments which do not usually manifest in visible symptoms' ("Focus Direction"), was a result thereof. The scale-up exercise of the previously identified activities falling in the purview of Focus Direction was carried out during the year under review. However, it was realised, sometime after the first half year, that there is a need to augment the identified activities which hitherto included lifestyle related diseases. Therefore, capabilities were decided to be developed in respect of screening activities which could alleviate the sufferings of senior citizens and help them lead a normal life. The course correction was made and that could ensure the accomplishment of spending against CSR budget to a significant extent (~75%). The Company has decided to further broad-base the activities to be carried out in the Focus Direction and is actively searching for opportunities in this regard for improving the momentum in CSR spending gained over last few years. The outcome of this calibration in the CSR implementation planning would manifest itself in the Annual Report on CSR Activities of the next financial year.

A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

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

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Inderjeet Singh Negi
DIN: 01255388
Chairperson, CSR Committee

Annexure 7

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

As on 31st March, 2019, the Board of Directors (Board) comprised of 6 (six) directors out of which 3 (three) being promoter executive directors and 3 (three) non-executive independent directors. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2019, have been made by the Directors.

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

BOARD MEETINGS

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year ended on 31st March, 2019 the Board met 4 (four) times on 25.05.2018, 09.08.2018, 03.11.2018, 29.01.2019.

COMPOSITION AND CATEGORY OF DIRECTORS

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

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorships^	No. of Committees in which Chairman/member #	
					Chairperson	Member
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	4	Yes	1	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	4	Yes	2	0	1
Mr. Himanshu Jayantbhai Shah (DIN: 01301025)	Promoter, Executive and Whole-time Director	4	Yes	1	0	2
Mr. Kirit Nanubhai Shelat (DIN: 00190619)	Non-Executive and Independent Director	4	Yes	2	1	2
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	3	No	10	2	6
Mr. Prashant Gupta (DIN:08122641)	Non-Executive and Independent Director	4	No	0	0	2

^ The above list of 'other directorships' is based on declaration received from the respective Directors and does not include directorship in this Company.
The Committee (Audit and Stakeholders' Relationship Committee only) Memberships and Chairmanship in Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

DIRECTORSHIP IN LISTED COMPANIES OTHER THAN ERIS LIFESCIENCES LIMITED

Name of Directors	Category & Designation	Name of Listed Company
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	N.A	N.A
Mr. Inderjeet Singh Negi (DIN: 01255388)	N.A	N.A
Mr. Himanshu Jayantbhai Shah (DIN: 01301025)	N.A	N.A
Mr. Kirit Nanubhai Shelat (DIN: 00190619)	Non-Executive and Independent Director	Deep Industries Limited
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	Safari Industries (India) Limited Suzlon Energy Limited Varroc Engineering Limited Intellect Arena Design Limited Ingersoll Rand (India) Limited Nabha Power Limited
Mr. Prashant Gupta (DIN:08122641)	N.A	N.A

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Information is also provided to the Board of Directors as and when required to make informed and timely decisions for the Company.

None of the Directors are related to each other in any way.

As on 31st March, 2019, the details of Equity Shares held by Non-Executive Directors are as under:

Name of Director	No. of Equity Shares held
Dr. Kirit Nanubhai Shelat	0
Mrs. Vijaya Sampath	2220
Mr. Prashant Gupta	0

The familiarisation programmes imparted to independent directors is available on http://eris.co.in/policies/

The Board, in their meeting, assessed the veracity of the declaration given by the Independent Directors and confirmed that the Independent Directors comply with the provisions regarding independence specified in the SEBI LODR regulations and are independent from the Management of the Company.

During the year under review no independent director resigned before the expiry of his/her tenure.

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

3. AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2019, comprising of 4 (four) members out of which 1 (one) being executive director and 3 (three) non-executive independent directors.

During the year under review, the Audit Committee duly met 4 (Four) times on 25.05.2018, 09.08.2018, 03.11.2018 and 29.01.2019. The gap between any two successive Audit Committee meetings did not exceed one hundred and twenty days. The composition and attendance of the members is disclosed below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson, Non-Executive Independent Director	3
2	Dr. Kirit Shelat #	Member, Non-Executive Independent Director	4
3	Mr. Prashant Gupta*	Member, Non-Executive Independent Director	4
4	Mr. Himanshu Shah	Member, Executive Director	4

* Appointed as Member w.e.f. 25.05.2018.
Appointed as chairperson w.e.f. 09.08.2018 and ceased to be Chairperson w.e.f. 03.11.2018.
All recommendations made by the Audit Committee during the year under review have been accepted by the Board of Directors.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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

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

    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;

    b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2019, comprising of 4 (four) members out of which 2 (two) being executive directors and 2 (two) non-executive directors. Chairperson of this Committee is non-executive director.

The Composition as on 31st March, 2019 of the Stakeholders Relationship Committee along with changes during the year are as follows:

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

@ Appointed as a Member w.e.f. 25.05.2018.

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

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

No. of Complaints Received	No. of Complaint not Solved to the satisfaction of shareholders	No. of Complaints Pending
3	0	0

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

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

5. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) and Regulation 19 of the Listing Regulations as on March 31, 2019, comprising of 4 (Four) members out of which 3 (three) being non-executive independent directors and 1 (one) being Chairman and Managing Director of the Company.

The Composition as on 31st March, 2019 of the Nomination and Remuneration Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Kirit Nanubhai Shelat @	Chairperson	3
2	Mr. Vijaya Sampath #	Member	3
3	Mr. Prashant Gupta*	Member	3
4	Mr. Amit Indubhushan Bakshi	Member (Chairperson of the Company)	3

* Added as Member w.e.f. 25.05.2018

@ Appointed as Chairperson w.e.f. 25.05.2018

Cease to be chairperson w.e.f. 25.05.2018

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Nomination and Remuneration Committee duly met 3 (Three) times on 25.05.2018, 09.08.2018 and 29.01.2019.

The Nomination and Remuneration Committee, in its meeting held on 29th January, 2019, has adopted the following parameters to evaluate the performance of Non-Executive Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements, business performance,
- Overall contribution to the enhancement of brand image of the Company,
- performance of the directors,
- fulfilment of the independence criteria as specified in applicable regulation of SEBI LODR Regulations, 2015 and their independence from the management

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

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

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

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

6. CSR COMMITTEE

As on 31st March, 2019 the CSR Committee comprises of 4 (four) members out of which 2 (two) are executive directors and 2 (two) are non-executive Independent Director of the Company. The committee carries out functions enumerated in the Act. During the year, the Company has conducted only One Meeting on 25.05.2018.

The Composition as on 31st March, 2019 of the CSR Committee along with changes during the year are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-Independent	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi – CHAIRPERSON	Executive	Non-Independent	1
2	Mr. Kirit Shelat - Member	Non-Executive	Independent	1
3	Mr. Himanshu Shah – Member	Executive	Non-Independent	1
4	Mr. Prashant Gupta – Member*	Non-Executive	Independent	1

* Added as Member w.e.f. 25.05.2018.

The Company has spent ₹ 34.70 Million on CSR activities during the said financial year.

The terms of reference of the CSR Committee, interalia, includes the following:

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

7. EXECUTIVE COMMITTEE MEETING

As on 31st March, 2019 the Executive Committee comprises of 3 (three) members, all being executive directors. During the year, the Company has conducted Eight Meetings on 21.04.2018, 30.04.2018, 15.06.2018, 16.08.2018, 06.11.2018, 20.11.2018, 18.01.2019 and 18.02.2019.

The Composition as on 31st March, 2019 of the Executive Committee are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Amit Indubhushan Bakshi CHAIRPERSON	Executive	Non-Independent	3
2	Mr. Himanshu Shah – Member	Executive	Non-Independent	8
3	Mr. Inderjeet Singh Negi – Member	Executive	Non-Independent	8

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

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

8. RISK MANAGEMENT COMMITTEE:

The Board of Directors in their meeting held on 29th January, 2019 have constituted the Risk Management Committee pursuant to the provisions of SEBI Regulations. The composition of the Committee as on 31st March, 2019 is as follows:

Sr. No.	Name of the Director (and designation in relation to member-ship of the committee)	Executive / Non-executive	Independent / Non-Independent
1	Inderjeet Singh Negi – CHAIRPERSON	Executive	Non-Independent
2	Himanshu Shah - Member	Executive	Non-Independent
3	Sachin Shah – Member	CFO	-

During the year under review the Company has not conducted any Risk management Committee meeting.

Terms of Reference for the Risk Management Committee:

The Risk Management Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, for the following:

- Framing of Risk Management Plan and / or Policy;
- Overseeing implementation / Monitoring of Risk Management Plan and / or Policy;
- Validating the process of Risk Management;
- Validating the procedure for Risk Minimization;
- Periodically reviewing and evaluating the Risk Management Plan and / or Policy and practices with respect to risk assessment and risk management processes;
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Review of development and implementation of a risk management policy / plan including identification therein of element of risk;
- Annual performance evaluation of the Committee;
- Cyber Security risk management and mitigation;
- 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.

9. INDEPENDENT DIRECTORS MEETING:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, separate meeting of Independent Directors was held on 15.03.2019 without the participation of Non-Independent Directors and members of the management. The Independent Directors discussed on various aspects, viz. performance of non-independent directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. REMUNERATION OF THE DIRECTORS

a. Transactions with the non-executive directors: - The Company does not have material pecuniary relationship or transactions with its non-executive directors. Company has paid sitting fees to non-executive directors for attending the meetings of the Board / Committees / sub-committees.

b. Criteria for making payments to Non-Executive Directors are available on the Company's website: http://eris.co.in/policies/

c. Disclosures with respect to remuneration:

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

1. Details of fixed component and performance linked incentives, along with the performance criteria:

(Amount in ₹)

Sr. No	Particulars	Mr. Amit Bakshi Managing Director	Mr. Himanshu Shah Whole-time Director	Mr. Inderjeet Singh Negi Whole-time Director
1.	Basic Salary	1,75,00,000	38,49,996	45,50,004
2.	Fixed components	1,16,36,656	71,42,808	84,42,792
3.	Variable components	2,00,00,000	0	0
	Total	**4,91,36,656**	**1,09,92,804**	**1,29,92,796**

Non-Executive Directors:

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

Name of Director	Amount of sitting fees paid
Mrs. Vijaya Sampath	7,25,000
Dr. Kirit Shelat	9,25,000
Mr. Prashant Gupta	8,75,000

Performance criteria includes the growth, consolidation, Position of the Company in Indian Pharmaceutical Market (IPM), Compliance Record, comparison with the peer group as assessed/ adjudged along with other criteria as decided by the Board / Committee time to time.

2. There are no separate service agreements executed by the Company and its Directors. However, the Company has executed following agreements:

   - Managing Director Employment Agreement and its amendment thereof with Mr. Amit Bakshi,
   - Employment Agreement and its amendment thereof with Mr. Himanshu Shah and Mr. Inderjeet Singh Negi.

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

   Apart from the above agreements and letters of appointments, there are no service agreements/severance fees executed / paid by the Company to the Directors. For all the above mentioned agreements notice period is/ would be 120 days. Non Executive Director may resign from his/her position at any time after serving a reasonable written notice to the Board

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

11. GENERAL BODY MEETINGS:

The last three Annual General Meetings (AGM) were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1.	2015-16	Tuesday, 25th October, 2016	1.00 P.M.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054
2.	2016-17	Friday, 29th September, 2017	11:00 A.M.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
3.	2017-18	Saturday, 29th September, 2018	11:00 A.M.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

Special Resolution passed in last three AGM:

In 11th AGM held on 29th September, 2017 following special resolutions were passed:

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

In 12th AGM held on 29th September, 2018 following special resolutions were passed:

- To approval of the change in the 'Object Clause' of the Memorandum of Association of the Company;
- To authorise the Board of Director to sell, lease or dispose of the undertaking of the company.

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

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

12. MEANS OF COMMUNICATION:

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

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

Information on website of the Company: The Company is in compliance of Regulation 46 of the Listing Regulations. On the website of the Company (www.eris.co.in), a separate section under 'Investors' tab has been created, where Company disseminates information and various announcements made by the Company are available.

Presentations to institutional investors / analysts: The transcript of the conference calls for Results, presentations made to institutional investors and financial analysts are intimated to the Stock Exchanges and are put on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION:

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Friday Date: 27th September, 2019 Time: 11:00 a.m. Venue : Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
(ii)	Financial Year	1st April, 2018 to 31st March, 2019
(iii)	Date of Book Closure	20th September, 2019
(iv)	Dividend Payment Date	Not Applicable
(v)	ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi)	Registered Office (as on 31st March 2019)	8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad – 380015
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083
(vii)	Investor Correspondence	7th Floor, Commerce House-IV, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad – 380015
(ix)	Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
(x)	Any Website where it displays official releases	http://www.eris.co.in
(xi)	Any presentation made to the institutional investor and analyst	Displayed on website of the Company.
(xii)	Is half yearly report sent to the shareholders	No
(xiii)	Whether Management Discussion and Analysis is a part of this report	The said report is part of Annual Report.
(xiv)	Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent. The work of electronic transfer of shares is done through the depositories.
(xv)	Auditors for the FY 2018-19 and Proposed Auditors for the FY 2019 – 2020	M/s Deloitte Haskins & Sells LLP
(xvi)	Compliance Officer	Mr. Milind Talegaonkar
(xvii)	Company Secretary	Mr. Milind Talegaonkar
(xviii)	Whether securities are suspended from trading	No

Listing on Stock Exchange(s):

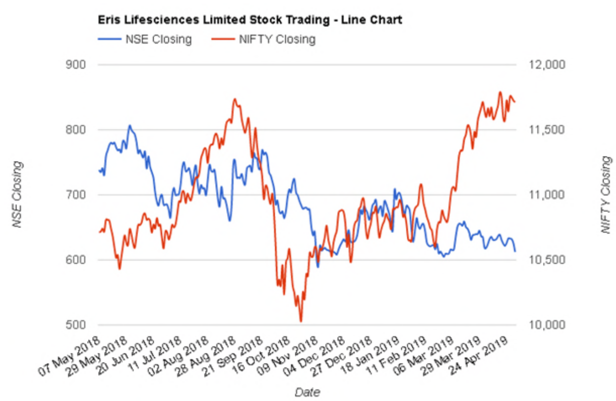
Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	ERIS

Notes: Annual Listing fees for the Financial Year 2018 -19 has been duly paid to the stock exchanges.

Market price data of the Company:

	BSE Limited		National Stock Exchange of India Limited	
Month	Month's High Price	Month's low Price	Month's High Price	Month's low Price
Apr-18	817.65	763.1	820	748.9
May-18	809	711.55	812	711.1
Jun-18	807	665	809.5	660.5
Jul-18	760	661.05	760.4	660.15
Aug-18	798.8	656.5	786	653.5
Sep-18	779.95	660	780.2	683.65
Oct-18	743.5	657.2	744.4	657
Nov-18	695.9	571.5	689.75	572.5
Dec-18	690	613.05	689	615
Jan-19	745.05	614.7	746	615.5
Feb-19	683.9	593	681.5	595
Mar-19	661.95	605	660	596.35

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



14. FINANCIAL CALENDER:

Report Period	:	From 1st April 2019 to 31st March 2020
First Quarter Result	:	Second Week of August, 2019 (tentative)
Second Quarter Result	:	Second Week of November,2019 (tentative)
Third Quarter Result	:	Second Week of February, 2020 (tentative)
Fourth Quarter Result	:	Last Week of May, 2020 (tentative)

15. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

Distribution schedule: (AS ON 31-03-2019):

Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	29506	98.46	1116684	0.81
501 – 1000	219	0.73	161733	0.12
1001 – 2000	76	0.25	105927	0.08
2001 – 3000	18	0.06	46778	0.03
3001 – 4000	19	0.06	67747	0.05
4001 – 5000	8	0.03	37706	0.03
5001 – 10000	16	0.05	118288	0.09
Above 10001	105	0.35	135864920	98.80
Grand Total	**29967**	**100.00**	**137519783**	**100**

Shareholding Pattern:
CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019:

Sr. No.	Category	No. of Shares Held	% of Holding
1	**Promoter & Promoter Group**		
	Indian	77146807	56.10
	Foreign	0	0
2	**Public**		
	Institutions	27211767	19.79
	Central Government/ State Government(s)/ President of India	0	0
	Non-Institutions	33161209	24.11
3	**Non Promoter - Non Public**		
	Custodian/DR Holder	0	0
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0
	Total (1+2+3)	**137519783**	**100**

16. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the shares except 9 Equity shares of the Company have been dematerialised by investors as on 31st March, 2019. All shares of the Company except Lock-in shares are liquid and actively traded in normal volume on BSE Limited and National Stock Exchange of India Limited.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

18. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The Company has obtained necessary authorisations for covering the foreign exchange exposure. The decision to avail hedging is taken on case to case basis.

19. CREDIT RATING:

Crisil Limited has given "CRISIL AA-/Stable" rating to the Company for the Rupee Term Loan given by Axis Bank Limited to the Company worth ₹ 400Cr.

20. OTHER DISCLOSURES:

a. Materially significant related party transactions:

   There were no materially significant related party transactions during the year under review that may have potential conflict with the interests of the Company at large.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: NIL

c. Vigil Mechanism (Whistle Blower Policy)

   In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - http://www.eris.co.in/policies.

d. Compliance with mandatory requirements and adoption of non-mandatory requirements:

   The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. However, at present the Company has not adopted the non-mandatory requirements of Regulation 27 read with Part E of schedule II of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 except Reporting of Internal Auditor to the Audit Committee.

e. The Company has in place the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company- http://www.eris.co.in/policies.

f. The Company has in place the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company - http://www.eris.co.in/policies.

g. Disclosure of accounting treatment different from accounting standards: None

h. The Company has not raised funds through preferential allotment or qualified institutions placement.

i. The Board of Directors accepted all the recommendations given by any committee of the Board during the financial year under review.

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

   Number of Complaints outstanding at the beginning of the financial year: Nil

   Number of complaints filed during the financial year: Nil

   Number of complaints disposed of during the financial year: Nil

   Number of complaints pending as on end of the financial year: Nil

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

21. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:

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

22. DETAILS OF NON-COMPLIANCE

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

23. DISCLOSURE OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENT:

The Company has complied with the corporate governance requirement as specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Regulations.

24. MANAGING DIRECTOR /CFO CERTIFICATION:

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

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

To,
The Board of Directors.
Eris Lifesciences Limited

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

A. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter / year ended 31st March, 2019 and that to the best of their knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   (1) There has not been any significant changes in internal control over financial reporting during the year;

   (2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) There has not been any instances of significant fraud of which we 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: Ahmedabad	**Amit Bakshi**	**Sachin Shah**
Date: 21.05.2019	Chairman & Managing Director	Chief Financial Officer
	DIN: 01250925	

25. CODE OF CONDUCT:

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

The Code has been uploaded on the website of the Company.

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

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2018 – 2019.

I, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2018 – 2019.

Place: Ahmedabad
Date: 21.05.2019

Amit Bakshi
Chairperson & Managing Director
DIN: 01250925

27. COMPLIANCE CERTIFICATE OF THE AUDITORS

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

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
ERIS LIFESCIENCES LIMITED

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

I, Samita Arora, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of the Listing Regulations.

MANAGEMENT'S RESPONSIBILITY:

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

MY RESPONSIBILITY:

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

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

OPINION:

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2019 to the extent applicable to the Company.

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

Samita Arora
Company Secretary in Practice

ACS: 18564
COP: 13545
Place: Ahmedabad
Date: 21.05.2019

Annexure 8

ERIS LIFESCIENCES LIMITED

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

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

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION PLAN, 2017 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 DATED JUNE 16, 2015 AS ON MARCH 31, 2019:

A. **Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time**
Members may refer to the audited financial statements prepared as per IND AS for the year 2018-2019.

B. **Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:**
Diluted EPS for the year ended March 31, 2019 is ₹ 20.74 calculated in accordance with Ind-AS 33 (Earnings per Share)

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

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

4	Exercise Price	The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company / Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was determined as ₹ 451.04.
	Pricing Formula	Discount to fair market value of the Equity Shares as on the date of grant.
5	Maximum term of option granted	The options would vest over a maximum period of 5 years from the date of grant of Options.
6	Sources of Shares	Primary
7	Variation in terms of options	Nil
8	Method used to account for ESOPs	The Company shall use any recognised method for valuation of the options.
9	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
10	Option movement during the year as on March 31, 2019	
	a. Number of options outstanding at the beginning of the period	3,68,318
	b. Number of options granted during the year	Nil
	c. Number of options forfeited/ lapsed during the year	11,640
	d. Number of option vested during the year	~73,664
	e. Number of options exercised during the year	19,783
	f. Number of shares arising as a result of exercise of options	19,783
	g. Money realised by exercise of options (INR), if scheme is implemented directly by the company	~89,22,924/-
	h. Loan repaid by the trust during the year from exercise price received	NA
	i. Number of options outstanding at the end of the year	3,36,895
	j. Number of options exercisable at the end of the year	52,219
11	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise prices: ₹ 451.04 Weighted average fair values: ₹ 268.77
12	Employee- wise details of options granted during the year to:	
	i. Senior Managerial Personnel and / or Key Managerial Personnel	Nil
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

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

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

Sr. No	Particular	2018-19
i.	weighted average risk free interest rate	6.91%
ii.	weighted average expected option life (in Years)	5.50
iii.	weighted average expected volatility	20.56%
iv.	weighted average expected dividend yield	1.00%
v.	weighted average share price	601.38
vi.	weighted average exercise price (rounded to nearest decimal)	451.04

b. **The method used and the assumptions made to incorporate the effects of expected early exercise:**
Black Scholes Option Pricing Model. The assumptions are as stated in the above table.

c. **How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:**
The expected volatility has been calculated based on the nearest comparable peers prices, as the historical data of the Company is not available considering the unlisted status of your Company as at grant date of stock options.

d. **Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition:**
Yes, the features are mentioned below, viz:

a. weighted average risk free interest rate

b. weighted average expected volatility

c. weighted average share price

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

- During the year 2016-17, the ESOP scheme 2017 was approved but no grants were made.
- On April 12, 2017 all options under the said scheme i.e. 391,599 options were granted prior to the IPO.
- During the year 2017-18, 23,281 options became unexercisable and were recredited to options reserved due to various reasons.
- During the year 2018-19, 11,640 options became unexercisable/Lapsed.

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Annexure 9

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto. (FY 2019)

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

a.	Name(s) of the related party and nature of relationship:	Not Applicable
b.	b Nature of contracts/arrangements/transactions:	Not Applicable
c.	Duration of the contracts/arrangements/transactions:	Not Applicable
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
e.	Justification for entering into such contracts or arrangements or transactions:	Not Applicable
f.	Date(s) of approval by the Board, if any:	Not Applicable
g.	Amount paid as advances, if any:	Not Applicable
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not Applicable

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

1.		
a.	Name(s) of the related party and nature of relationship:	Mr. Saurabh Shah (Brother of Mr. Himanshu Jayantbhai Shah, Whole Time Director of the Company)
b.	Nature of contracts/arrangements/transactions:	Employment agreement
c.	Duration of the contracts/arrangements/transactions:	Appointed w.e.f 1st September, 2016
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Regular employment; in the ordinary course of business of the Company. Requisite approval of General Meeting obtained for a monthly remuneration of ₹ 0.3 million. Subsequent yearly increase, not exceeding 20% to be made by the Board or any of its designated Committee.
e.	Date(s) of approval by the Board, if any:	09.08.2018[Note1]
f.	Amount paid as advances, if any:	NIL
2.		
a.	Name(s) of the related party and nature of relationship:	Aprica Healthcare Private Limited (wholly owned subsidiary)
b.	Nature of contracts/arrangements/transactions:	Agreement of drug manufacturing for the subsidiary at the manufacturing facility of the Company.
c.	Duration of the contracts/arrangements/transactions:	One year from the effective date (i.e. 01.12.2018) of entering into the agreement
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Manufacture and supply of the Drug(s) agreement by Eris for sale by Aprica, in the ordinary course of business of the Company
e.	Date(s) of approval by the Board, if any:	29.01.2019
f.	Amount paid as advances, if any:	NIL
3.		
a.	Name(s) of the related party and nature of relationship:	Subsidiaries of the Company [Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited, UTH Healthcare Limited, Eris Healthcare Private Limited (earlier Strides Healthcare Private Limited)].

	b.	Nature of contracts/arrangements/transactions:	Intra Group licensing of Trade marks
	c.	Duration of the contracts/arrangements/transactions:	Continuing
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Monthly Net Sales — % of Monthly Net Sales as royalty Upto ₹ 9.00 Crores — 1% ₹ 9 Crores to Rs. 12.00 Crores — 3% Above ₹ 12 Crores — 5%
	e.	Date(s) of approval by the Board, if any:	5th January, 2018 by Board's Committee and 12th February 2018 by Audit Committee
	f.	Amount paid as advances, if any:	NIL
4.			
	a.	Name(s) of the related party and nature of relationship:	Aprica Healthcare Private Limited (wholly owned subsidiary)
	b.	Nature of contracts/arrangements/transactions:	Assignment of Trade mark to the subsidiary
	c.	Duration of the contracts/arrangements/transactions:	Continuing
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Trade mark license agreement, in the ordinary course of business of the Company at a consideration of ₹ 10, 000/- for the trademark
	e.	Date(s) of approval by the Board, if any:	25th May, 2018.
	f.	Amount paid as advances, if any:	NIL
5.			
	a.	Name(s) of the related party and nature of relationship:	Kinedex Healthcare Private Limited
	b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale and purchase of stock in trade
	c.	Duration of the contracts/arrangements/transactions:	Continuing
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale: 3.53 Million Purchase: 0.03 Million
	e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable
	f.	Amount paid as advances, if any:	NIL
6.			
	a.	Name(s) of the related party and nature of relationship:	UTH Healthcare Limited (wholly owned subsidiary)
	b.	Nature of contracts/arrangements/transactions:	Transaction regarding sale and purchase of stock in trade
	c.	Duration of the contracts/arrangements/transactions:	Continuing
	d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale: 0.24 Million Purchase: 8.02 Million
	e.	Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable
	f.	Amount paid as advances, if any:	NIL

Note1 : Appointment of Mr. Saurabh Shah was approved by the members of the Company through an ordinary resolution in the Annual General Meeting held on 29th September, 2017.

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

Annexure - 10

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

Preamble

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

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

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

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

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

B. **Components of Remuneration:**

   The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

   a. **Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

   b. **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

   c. **Share based payments:** The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.

   d. **Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electricity and telephone bills etc.

   e. **Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

   f. **Retirement benefits:** The Company shall provide retirement benefits applicable in accordance with law.

   g. **Sitting Fee and Commission:** The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.

   h. **Loan/ advances to the Employees:** The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.

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

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

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

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

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May, 2019

Annexure 11

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

Sr. No.	Name and Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2018-19	% increase/(decrease) in remuneration in the FY 2018-19 *
1.	Mr. Amit Indubhushan Bakshi Managing Director	177.17	Nil
2.	Mr. Inderjeet Singh Negi Whole time Director	46.85	32
3.	Mr. Himanshu Jayantbhai Shah Whole time Director	39.64	12
4.	Mr. Kirit Nanubhai Shelat Independent Director	3.34	20.83
5.	Mrs. Vijaya Sampath Independent Director	2.61	42.31
6.	Mr. Prashant Gupta Independent Director	3.15	NA
7.	Sachin Shah CFO	35.88	Nil
8.	Milind Talegaonkar Company Secretary	9.40	42

* Includes sitting fees paid to Non-Executive Directors.

2. The percentage increase in the median remuneration of employees in the financial year: 18.49 %

3. The number of permanent employees on the rolls of company: ~2,066

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The percentile increase in the remuneration of employees other than those constituting managerial remuneration has been 15.44% which is higher than the increase in managerial remuneration 5.87%. The increase in the remuneration of field staff is made as per their sales performance as per a documented increment structure uniformly applied to the field staff. The managerial function is concerned with more critical issues which influence and determine the survival, continued growth, and the business direction for the company. The managerial talent is scarce and hence its retention is even more important. Managerial personnel form executive management and remain accountable to all the stakeholders of the company for business performance as well as corporate governance and therefore need to demonstrate balance of judgement and mature decision making in the backdrop fast changing and increasingly complex industry landscape. These reasons justify the higher increase in the managerial remuneration.

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

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

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

Name of Employee	Designation	Remuneration received	Qualifications	experience	Date of commenc-ment of employment	Age	Last employment	Percentage of equity shares held by the employee
Amit Bakshi	Managing Director	4,91,36,652	Indian School Certificate examination	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.	January, 2007	45	Intas Pharmaceu-ticals Limited	39.64
Inderjeet Singh Negi	Wholetime Director	1,29,92,796	Bachelor's degree in science	He has more than 13 years of experience in the pharmaceutical industry.	January, 2007	48	Intas Phar-maceuticals Limited	4.32
Sachin Shah	CFO	1,11,30,789	Chartered accountant	He has more than 10 years experience in Investment Banking and pharmaceutical industry.	January, 2013	40	Avendus Capital Pri-vate Limited	0*
Himanshu Shah	Wholetime Director	1,09,92,804	Bachelor's degree in sci-ence, Diploma in pharmacy, Diploma in management	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry.	January, 2007	43	Intas Phar-maceuticals Limited	4.57
Alok Mahajan	Vice President	98,64,360	PGDM Mar-keting	He has previously worked in marketing field for more than 19 years.	June. 2018	44	Ruchi Soya	0*
Vijay S. Joshi	President	95,18,464	BSC	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 30 years exper ence in the pharmaceutical industry.	May, 2010	67	USV Group	0*
Kaushal Shah	HEAD - Mfg. & Distribution	73,55,736	Bachelor's degree in commerce, Post graduate diploma in management	He has more than 10 years experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector.	January, 2007	40	Kanchan pharma pvt ltd	3.25
Dr. Viraj Ramesh Suvarna	Vice President	64,78,272	MD, MSc, MBBS, MCPS	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 19 years experience in the pharmaceutical industry.	September, 2018	52	Boehringer Ingelheim	0
Sabyasachi Sharma	Assistant Vice President	63,32,044	BSC, MBA	He has more than 15 years experience in pharmaceutical sector.	September, 2008	40	ICICI Group	0*

Rajendra Patel	HEAD - Procurements	58,88,184	Bachelor's degree in science, Diploma in pharmacy	He has previously worked with companies in the pharmaceutical sector and has more than 10 years experience in the pharmaceutical industry.	January, 2007	42	Intas Pharmaceuticals Limited	4.32

* Due to rounding off

- Employees mentioned above are neither relatives of any directors or managers of the Company.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.

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

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

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

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

For Eris Lifesciences Limited

Amit Bakshi
DIN: 01250925
Chairperson & Managing Director
Ahmedabad, 21st May 2019

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
CIN of the Company	L24232GJ2007PLC049867
Name of the company	ERIS LIFESCIENCES LIMITED
Registered Address	8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015 IN
Website	eris.co.in
Email id	complianceofficer@erislifesciences.com
Financial Year Reporting	Financial Year 2018-19
Sector(s) that the Company is engaged in (Industrial activity code wise)	Pharmaceuticals NIC Code- 2100
List three Key Products/ services that the Company manufactures/ provides (as in balance sheet)	Three key therapeutic areas in which the company operates are Anti-diabetics, Cardiac, nutritional supplements.
Total Number of locations where business activity is undertaken by the Company –International or national	Our sales depots are widely located within the country. Up till now we have consciously chosen to focus on doing business at national level. No. of location: 24
Markets served by the Company (Local/ State/ national/ international)	National

SECTION B : FINANCIAL DETAILS OF THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Paid-up Capital	₹ 13,75,19,783/- As on 31st March, 2019
Total Turnover	Please refer to the financials section
Total profit after tax	Please refer to the financials section
Total spending on CSR	Refer CSR Report
List of activities in with CSR has been spent	Preventive medical screening at public places; screening activities to alleviate the ailments of senior citizens; animal welfare, education

SECTION C : OTHER DETAILS

DISCLOSURE	INFORMATION/ REFERENCE
Subsidiaries of the Company	The Company has five subsidiaries as on 31st March, 2019: 1. Eris Therapeutics Private Limited 2. Aprica Healthcare Private Limited 3. Kinedex Healthcare Private Limited 4. UTH Healthcare Limited 5. Eris Healthcare Private Limited (previously known as 'Strides Healthcare Private Limited')
Participation of subsidiaries in the Business Responsibility Initiatives	The Company impresses upon its subsidiaries to follow policies and practices to the extent applicable to it.
Participation of other entities (with which the Company does business) in the Business Responsibility Initiatives	Importance of doing business in a responsible and legally compliant manner is emphasized while dealing with all business partners.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION
PART-1

(a) **Details of Director/Directors responsible for BR:**

DIN	Name	Designation
01255388	Inderjeet Singh Negi	Wholetime Director
01250925	Amit Indubhushan Bakshi	Managing Director
01301025	Himanshu Jayantbhai Shah	Wholetime Director
00190619	Kirit Nanubhai Shelat	Independent Director
00641110	Vijaya Sampath	Independent Director
08122641	Prashant Gupta	Independent Director

(b) **Details of BR Head:**

Name: Inderjeet Singh Negi
DIN: 01255388
Designation: Wholetime Director
Telephone number: 079 3045 1000
E-mail id: Complianceofficer@erislifesciences.com

PART-2

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

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders? Note1	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? Note2	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Policies are formulated at functional level and recommended to Board or its applicable committee for information and/or approval as the case may be. Signed copies thereof are issued on an 'as needed' basis by the MD or other KMPs.								
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online? Note3	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formally communicated to all relevant internal and external stakeholders? Note4	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

Principal Wise Policy index:

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Conduct Policy for Directors, Senior Management Personnel, Eris Code of Conduct Policy, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Anti Bribery Policy, Policy And Procedure For Inquiry In Case Of Leak Or Suspected Leak Of Unpublished Price Sensitive Information	Eris Code of Conduct Policy	Code of Conduct Policy for Directors, Senior Management Personnel, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Eris Code of Conduct Policy, Internal Policies of HR (Loan Policy, Maternity Leave Policy, etc.)	CSR Policy	Whistle Blower Policy, Prevention of Sexual Harassment Policy, CSR Policy	CSR Policy	Anti Bribery Policy	CSR Policy	Eris Code of Conduct Policy

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

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

PART-3 Governance related to BR

(a) **Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**

The Board of Directors, its Committees, and KMP's assess the BR implications of every company action on a continuing basis.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.eris.co.in

SECTION E : PRINCIPAL WISE PERFORMANCE

PRINCIPLE 1	
Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	No, it extends to all subsidiaries.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

PRINCIPLE 2	
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	All the products and processes of the company are designed with due sensitivity to social and environmental concerns and risks.
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The stated parameters in our case cannot be quantified with certainty.
Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably?	The company accords preference to local procurements. The rate of replenishment of resources are always borne in mind while sourcing all inputs.
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Procurement of services from local providers belonging to the communities surrounding our places of work is always encouraged. Similarly the provider pool is kept wide and new / emerging providers are accorded preference. This preferential treatment in itself generates assurance about continuing business opportunities and encourages entrepreneurship at small/ medium level.
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%).	This aspect is regulated by applicable Bio-medical waste management.

PRINCIPLE 3	
Please indicate the Total number of employees	~3399
Please indicate the Total number of employees hired on temporary/contractual/casual basis	~130
Please indicate the Number of permanent women employees	~80
Please indicate the Number of permanent employees with disabilities	0
Do you have an employee association that is recognized by management.	No
What percentage of your permanent employees is members of this recognized employee association?	0
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	0
What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a) Permanent Employees	~11.15
(b) Permanent Women Employees	~3.75
(c) Casual/Temporary/Contractual Employees	NA
(d) Employees with Disabilities	NA

PRINCIPLE 4	
Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The north-eastern states have by far remained desolate and unconnected from the developments in the rest of the country. The choice of setting up a manufacturing plant in Guwahati was guided, to a large extent, by the desire to bring about improvement in the socio-economic condition of the region.

PRINCIPLE 5	
Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The policies of company are applicable to the group.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

PRINCIPLE 6	
Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The said policies extend to the whole group.
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	Company endeavors to remain compliant with the letter and spirit of all environmental laws.
Does the company identify and assess potential environmental risks?	Yes
Does the company have any project related to Clean Development Mechanism?	Not applicable for the year under review.
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.	The operations of the Company being not very energy intensive, the point is not applicable to the company for the year under review.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

PRINCIPLE 7	
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes,Gujarat Chamber of Commerce & Industry Indian Drug Manufacturers' Association
Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Not yet.

PRINCIPLE 8	
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The choice of location of the company's manufacturing unit in the north eastern state was based to a large extent on this principle.
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	A mix of both.
Have you done any impact assessment of your initiative?	Increase in employment opportunities
What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer CSR Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Please refer CSR Report.

PRINCIPLE 9	
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	N.A. Claims / information in respect of pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
Did your company carry out any consumer survey/ consumer satisfaction trends?	There are specilised agencies which perform this activity. Your company avails their services

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of
ERIS LIFESCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ERIS LIFESCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Carrying value of investments in subsidiaries**	**Principal audit procedures performed:**
	Refer to note 3 to the Standalone Financial Statements. Investments in subsidiaries of Rs. 1,909.51 million are accounted for at cost less impairment in the Standalone Balance Sheet at 31 March 2019. Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss. Management judgement is required in the area of impairment testing, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate, which is complex and involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions.	Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's assumption whether any indicators of impairment existed by comparing the net assets of the subsidiaries at 31 March 2019 with the Company's investment carrying values. For those investments where the net assets were lower than the carrying values, management prepared a discounted cash flow model. We have tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal value and the selection of discount rates management has applied. We performed our own independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We assessed the terminal growth rate and discount rate applied compared with third party information, past performance, and relevant risk factors.

2.	Carrying values of acquired intangibles assets	Principal audit procedures performed:
	Refer to note 2(b) to the Standalone Financial Statements. At 31 March 2019, the Company had Rs. 4,300.14 million of acquired intangibles. Intangibles are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including profit growth, terminal growth rate and discount rate that are dependent on expected future market and economic conditions. Changes in the key assumptions underpinning these calculations have a significant impact on the headroom available in the impairment calculations.	Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's assumption whether any indicators of impairment existed. For those intangibles where indicators of impairment existed, management prepared a discounted cash flow model. We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal values and the selection of discount rates. We agreed the underlying cash flow projections to management approved budgets and forecasts and assessed how these projections are compiled. We performed our own independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We assessed the terminal growth rate and discount rate applied compared with third party information, past performance, and relevant risk factors. We performed our own risk assessment by considering historical performance and management's forecasting accuracy by applying any current year budget shortfalls to future forecasts to highlight the CGUs with either lower headroom or which are more sensitive to changes in key assumptions. We focused our attention on those businesses where headroom has decreased. We checked for any additional impairment triggers through discussions with management, review of management accounts and board minutes and examining performance of recent acquisitions to identify under-performing businesses.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. How ever, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the stand alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : May 21, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

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

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

We have audited the internal financial controls over financial reporting of Eris Lifesciences Limited ("the Company") as of 31 March 2019 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : May 21, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

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

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the title deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmation directly received by us from lender.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The loans are repayable on demand and payment of interest has been stipulated and interest payments have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations give to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for Provident Fund per the details below:

(c)

Name of Statute	Nature of Dues	Amount (Rs. in million)	Period to which the Amount Relates	Due Date	Date of subsequent payment
Employees Provident Fund and Miscellaneous Provision Act, 1952	Provident Fund	0.32	Upto August 2018	15th of the subsequent month (Due upto September 15,2019)	May 2019

(d) There were no dues of Income-tax, Goods and Service Tax and Custom Duty as at 31 March 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : May 21, 2019

STANDALONE BALANCE SHEET

as at March 31, 2019

(₹. In Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS :			
(1) Non current assets			
(a) Property, Plant and Equipment	2(a)	538.33	504.85
(b) Capital Work in progress	2(a)	7.48	-
(c) Goodwill	2(b)	166.60	166.60
(d) Other Intangible assets	2(b)	4,133.54	4,226.02
(e) Intangible assets under development	2(b)	19.82	-
(f) Financial assets			
Investments	3	2,743.63	4,518.37
Other financial asset	5	76.18	101.27
(g) Income tax assets (net)	4(d)	67.13	68.24
(h) Deferred tax assets (net)	4(f)	1,377.76	952.51
(i) Other non-current assets	6	75.51	-
Total Non current assets		**9,205.98**	**10,537.86**
(2) Current assets			
(a) Inventories	7	747.03	575.20
(b) Financial assets			
Investments	3	3,061.05	937.59
Trade receivables	8	758.98	604.96
Cash and cash equivalents	9(a)	64.64	88.08
Other bank balances	9(b)	0.07	0.06
Loans	10	20.38	403.71
Other financial asset	5	112.61	75.27
(c) Other current assets	6	733.04	477.02
Total Current assets		**5,497.80**	**3,161.89**
TOTAL- ASSETS		**14,703.78**	**13,699.75**
II. EQUITY AND LIABILITIES :			
(1) Equity			
(a) Share capital	11	137.52	137.50
(b) Other Equity	12	11,422.55	8,544.29
Total Equity		**11,560.07**	**8,681.79**

(₹. In Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(2) Non Current Liabilities			
(a) Financial Liabilities			
Long term Borrowings	13	-	2,736.88
Other financial liabilities	14	18.32	17.74
(b) Long-term provisions	15	164.73	150.16
(c) Other non-current liabilities	16	54.21	11.06
Total Non Current Liabilities		**237.26**	**2,915.84**
(3) Current liabilities			
(a) Financial Liabilities			
Trade payables	17		
A) Due to Micro and Small Enterprises		9.61	-
B) Due to other than Micro and Small Enterprises		739.67	790.30
Other financial liabilities	14	1,760.39	1,030.26
(b) Short-term provisions	15	192.22	160.11
(c) Other current liabilities	16	190.03	95.88
(d) Income tax liabilities (net)	4(e)	14.53	25.57
Total Current Liabilities		**2,906.45**	**2,102.12**
Total Liabilities		**3,143.71**	**5,017.96**
TOTAL- EQUITY AND LIABILITIES		**14,703.78**	**13,699.75**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date : May 21, 2019

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date : May 21, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
REVENUE:			
Revenue from operations	18		
Sale of products		8,811.28	7,323.36
Other operating income		154.11	282.65
Other income	19	324.99	282.23
Total Revenue (I)		**9,290.38**	**7,888.24**
EXPENSES:			
(a) Cost of materials consumed	20	581.88	470.79
(b) Purchases of stock-in-trade		875.61	648.90
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(133.99)	(35.43)
(d) Employee benefits expense	22	1,667.66	1,308.45
(e) Other expenses	23	2,637.64	2,054.43
Total (II)		**5,628.80**	**4,447.14**
Profit before interest, tax, depreciation and amortisation (I - II)		**3,661.58**	**3,441.10**
Finance costs	24	227.93	104.29
Depreciation and amortisation expense	2	315.89	217.92
Profit before tax		**3,117.76**	**3,118.89**
Tax expenses :	4		
(a) Current tax		688.67	679.46
(b) Deferred tax		(424.72)	(497.12)
Total tax expense		**263.95**	**182.34**
Profit for the year		**2,853.81**	**2,936.55**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1.52)	(1.12)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.53	0.39
		(0.99)	**(0.73)**
Total Comprehensive Income for the year		**2,852.82**	**2,935.82**

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Earnings per equity share of face value ₹ 1 each			
Basic (₹)		20.75	21.36
Diluted (₹)	25	20.74	21.36

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
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Sachin Shah
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Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date : May 21, 2019

Place: Ahmedabad
Date : May 21, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity Share Capital	(₹. In Million)
Particulars (refer note-11)	**Amount**
As at April 01, 2017	**137.50**
Change in Equity Share Capital	-
As at March 31, 2018	**137.50**
Change in Equity Share Capital (Pursuant to exercise of employees stock options)	0.02
As at March 31, 2019	**137.52**

B. Other Equity — Amount (₹. In Million)

Particulars (refer note-12)	Retained Earnings	General Reserve	Security Premium	Share based payment reserve	Total Other Equity
As at April 01, 2017	**5,601.47**	**7.00**	**-**	**-**	**5,608.47**
Add: Profit for the year	2,936.55	-	-	-	2,936.55
Add: Other comprehensive Income for the year	(0.73)	-	-	-	(0.73)
As at March 31, 2018	**8,537.29**	**7.00**	**-**	**-**	**8,544.29**
Add: Profit for the year	2,853.81	-	-	-	2,853.82
Add: Other comprehensive Income for the quarter	(0.99)	-	-	-	(0.99)
Add: Pursuant to exercise of employees stock option	-	-	13.49	-	13.49
Add: Share based payments to employees of the company	-	-	-	16.52	16.52
Less: Exercise of employees stock options	-	-	-	(4.57)	(4.57)
As at March 31, 2019	**11,390.11**	**7.00**	**13.49**	**11.95**	**11,422.55**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

Place: Ahmedabad
Date: May 21, 2019

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	**3,117.76**	**3,118.89**
Adjustments for :		
Depreciation and amortisation expense	315.89	217.92
Loss on fixed assets sold/written off	2.34	0.08
Finance costs	227.93	104.29
Dividend income	(0.12)	(5.90)
Claims receivable	(10.04)	-
Interest income	(21.56)	(35.15)
Provision for doubtful debt	2.20	-
Receipt of Capital Subsidy	(19.06)	-
Net gain on sale of investments	(17.11)	(36.84)
Net gain on investments carried at fair value through profit or loss	(251.26)	(203.96)
Business combinations and acquisition expense	-	35.89
Share based payment expense	16.52	-
Operating profit before working capital changes	**3,363.49**	**3,195.22**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(156.22)	(131.95)
Inventories	(171.83)	(15.98)
Other asset	(244.05)	(364.86)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	70.31	357.05
Cash generated from operations	**2,861.70**	**3,039.48**
Net income tax paid	(698.60)	(676.73)
Net cash flow from operating activities (A)	**2,163.10**	**2,362.75**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including other intangible assets)	(374.15)	(242.69)
Proceeds from sale of fixed assets	10.78	0.39
Receipt of capital subsidy	76.49	-
Consideration paid towards business acquisitions	(107.22)	(5,061.52)
Investments in mutual funds	(345.42)	(1,074.69)
Proceeds from redemption of investments in mutual funds	782.30	694.08
Investments in Bonds of subsidiaries	(425.00)	-
Loan to Subsidiaries	395.92	(243.77)
Loan to Other	(12.59)	(1.86)

(₹. In Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank balances not considered as cash and cash equivalents-Placed	-	0.49
Dividend income	0.12	5.90
Interest income	19.60	32.30
Business combinations and acquisition expense	-	(35.89)
Net cash used in investing activities (B)	**20.83**	**(5,927.26)**
C. Cash flow from financing activities		
Proceeds of borrowings	-	3,984.00
Repayment of borrowings	(2,000.00)	(250.00)
Finance costs	(216.29)	(101.41)
Shares issued on exercise of employees stock options	8.92	-
Net cash flow used in financing activities (C)	**(2,207.37)**	**3,632.59**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(23.44)**	**68.08**
Cash and cash equivalents at the beginning of the year	**88.08**	**20.00**
Cash and cash equivalents at end of the year {Refer note-9(a)}	**64.64**	**88.08**

Notes:
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS-7 "Statement of Cash Flow".

Cash and Cash Equivalents {Refer note-9(a)}		
Cash on hand	0.19	0.22
Balance with banks		
In Current Account	18.74	87.86
Cheque in hand	45.71	-
Cash and Cash Equivalents as per Cash flow statement	**64.64**	**88.08**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: May 21, 2019

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

Corporate Information:

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

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

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

(B) Historical Cost Convention

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

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

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

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

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

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

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

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of estimates:

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

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

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

1.3 Revenue recognition:

a. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of discounts, applicable taxes and returns . The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities, as described below.

b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

c. Other income:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.4 Property, Plant and Equipment:

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

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

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

1.5 Intangible Assets:

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

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

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

The estimated useful lives of intangibles are as mentioned below:

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

1.6 Business combinations and Goodwill

1.6.1 Business combinations

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

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

1.6.2 Goodwill

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

1.7. Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction costs that are attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

ii. Equity investments – The company measures equity investments other than investments in subsidiaries at FVTPL in accordance with the requirements of IND AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per IND AS 27.

De-recognition of financial assets

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.8 Impairment of assets:

Financial Asset

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

Non-Financial Asset

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

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

1.9 Inventories:

a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST and CENVAT credit availed], labor and relevant appropriate overheads.

c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.10 Cash and cash equivalents:

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

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

1.11 Borrowings:

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

1.12 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the profit or loss attributable to the owners of the company by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.13 Employee Benefits:

(A) Defined contribution plan:

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

(B) Defined benefit obligations plan:

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

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

(C) Short-term employee benefits

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

1.14 Taxes on Income:

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

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

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

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

1.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

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

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

Contingent Assets

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

1.16 Leases:

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

1.17 Foreign currency transactions and translation:

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

1.18 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset

1.19 Perpetual bond:

The company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

1.20 Share-based payment transactions:

Employees Stock Options Plans (ESOP): Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Recent Pronouncements for Indian Accounting Standards (Ind AS) New Standard / Amendments issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 – Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed a assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 2: Property, Plant and Equipment and Intangible Assets
(a) Property, Plant and Equipment:

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electrical Installation	Total
Gross carrying amount:								
As at April 01, 2017 (At deemed cost)	**31.03**	**190.14**	**190.54**	**54.54**	**245.90**	**23.69**	**3.11**	**738.95**
Additions during the Year	-	-	5.54	14.13	119.10	0.66	-	139.43
Deductions during the year	-	-	-	0.76	-	0.04	-	0.80
As at March 31, 2018	**31.03**	**190.14**	**196.08**	**67.91**	**365.00**	**24.31**	**3.11**	**877.58**
Additions during the Year	-	-	4.92	56.22	158.24	45.29	0.24	264.91
Deductions during the Year	-	-	-	1.33	76.84	3.11	-	81.28
As at March 31, 2019	**31.03**	**190.14**	**201.00**	**122.80**	**446.40**	**66.49**	**3.35**	**1,061.21**
Accumulated depreciation:								
As at April 01, 2017	**-**	**17.24**	**33.96**	**17.05**	**126.18**	**6.25**	**0.77**	**201.45**
Depreciation for the Year	-	15.64	28.90	13.52	108.27	4.69	0.61	171.63
Deductions during the year	-	-	-	0.34	-	0.01	-	0.35
As at March 31, 2018	**-**	**32.88**	**62.86**	**30.23**	**234.45**	**10.93**	**1.38**	**372.73**
Depreciation for the Year	-	19.71	34.37	19.30	132.28	12.20	0.45	218.31
Deductions during the Year	-	-	-	0.81	65.41	1.94	-	68.16
As at March 31, 2019	**-**	**52.59**	**97.23**	**48.72**	**301.32**	**21.19**	**1.83**	**522.88**
Net carrying amount								
As at March 31, 2018	**31.03**	**157.26**	**133.22**	**37.68**	**130.55**	**13.38**	**1.73**	**504.85**
As at March 31, 2019	**31.03**	**137.55**	**103.77**	**74.08**	**145.08**	**45.30**	**1.52**	**538.33**
Capital work in progress								
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**6.74**	**0.74**	**-**	**-**	**-**	**-**	**7.48**

Note:

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at April 01, 2017 (At deemed cost)	**-**	**329.86**	**50.00**	**13.23**	**393.09**
Additions during the Year	-	101.25	-	1.02	102.27
Acquisition through business combinations (refer note 27)	166.60	3,789.79	-	-	3,789.79
Deductions during the year	-	0.01	-	-	0.01
As at March 31, 2018	**166.60**	**4,220.89**	**50.00**	**14.25**	**4,285.14**
Additions during the Year	-	0.01	-	5.09	5.10
Deductions during the year	-	-	-	-	-
As at March 31, 2019	**166.60**	**4,220.90**	**50.00**	**19.34**	**4,290.24**
Accumulated Amortisation:					
As at April 01, 2017	**-**	**4.37**	**6.44**	**2.02**	**12.83**
Amortisation for the Year	-	33.71	10.00	2.58	46.29
As at March 31, 2018	**-**	**38.08**	**16.44**	**4.60**	**59.12**
Amortisation for the Year	-	84.55	10.00	3.03	97.58
As at March 31, 2019	**-**	**122.63**	**26.44**	**7.63**	**156.70**
Net carrying amount					
As at March 31, 2018	**166.60**	**4,182.81**	**33.56**	**9.65**	**4,226.02**
As at March 31, 2019	**166.60**	**4,098.27**	**23.56**	**11.71**	**4,133.54**
Intangible assets under development					
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**-**	**-**	**19.82**	**19.82**

Note:

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 3: Investments

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At cost				
In equity instruments of subsidiaries (unquoted) (fully paid up)				
Equity shares of ₹ 10 each held in Eris Therapeutics Private Limited	10,000	1.06	10,000	1.06
Less: Impairment in value of investments		(1.06)		(1.06)
Equity shares of ₹ 10 each held in Aprica Healthcare Private Limited	10,000	0.10	10,000	0.10
Equity shares of ₹ 10 each held in Kinedex Healthcare Private Limited	1,49,997	880.91	1,37,758	773.69
Equity shares of ₹ 10 each held in UTH Healthcare Limited	71,42,857	128.50	71,42,857	128.50
Equity shares of ₹ 10 each held in Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)	43,33,331	900.00	43,33,331	900.00
In Unsecured Perpetual Securities of subsidiaries (Refer note 3.2 below)				
Perpetual securities of 10 each held in Aprica Healthcare Private Limited	80,00,000	80.00	-	-
Perpetual securities of 10 each held in Kinedex Healthcare Private Limited	95,00,000	95.00	-	-
Perpetual securities of 10 each held in UTH Healthcare Limited	2,50,00,000	250.00	-	-
(II) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
Franklin India Credit Risk Fund-Direct-Growth	1,75,37,091	361.19	1,75,37,091	330.45
Franklin India Credit Risk Fund-Growth	-	-	1,64,51,486	296.84
Franklin India Income Opportunity Fund-Direct-Growth	-	-	4,08,91,891	879.97
Franklin India Short Term Income Plan	-	-	1,33,907	511.94
HDFC Corporate Debt Opportunity Fund	-	-	1,81,93,890	262.19
Kotak Medium Term Fund-Growth(Regular Plan)	-	-	2,78,96,191	402.62
Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond	1,000	1.10	1,000	1.09
Indian Railway Finance Corporation Bond	1,000	1.09	1,000	1.11
Housing and Urban Development Corporation Bond	1,000	1.09	1,000	1.09

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Investment in Equity Instruments				
Quoted	14,745	16.03	14,745	14.28
Unquoted	3,81,588	28.62	3,81,588	14.50
Total (I)+(II)+(III)		**2,743.63**		**4,518.37**
Aggregate carrying value of quoted investments		19.31		17.57
Aggregate market value of quoted investments		19.31		17.57
Aggregate carrying value of unquoted investments		389.81		2,698.51
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
BSL FTP-Series JX-Growth	-	-	60,00,000	84.36
Aditya Birla Sun Life short term opportunities fund -Growth-Direct	23,52,597	75.43	23,52,597	69.92
Franklin India Credit Risk Fund-Growth	1,64,51,486	322.10	-	-
Franklin India Income Opportunity Fund-Direct-Growth	4,08,91,891	958.37	-	-
Franklin India Short Term Income Plan-Direct Growth	1,33,907	560.86	-	-
Kotak Medium Term Fund-Growth(Regular Plan)	2,78,96,191	426.36	-	-
Sundaram Money Fund Direct Plan Bonus (Bonus Units)	12,89,414	18.19	12,89,414	16.91
SBI Liquid Fund Direct Growth	51,331	150.33	-	-
Kotak Liquid Direct Plan Growth	-	-	92,001	324.02
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	30,743	140.25	-	-
ICICI Prudential Liquid Fund -Direct Plan-Growth	6,78,785	187.63	11,04,297	283.95
Axis Liquid fund -Direct Growth	1,06,839	221.53	82,191	158.43
Total		**3,061.05**		**937.59**

3.1 Details of pledged securities:

Include ₹ 725.75 million (31-03-2018 - ₹ 1,231.27 million) marked under lien against overdraft facilities availed by the company (Refer note 13 for details of Charge/pledge on above assets.).

3.2 Details of perpetual securities:

The company has invested in unsecured subordinated perpetual securities issued by Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited and UTH Healthcare Private Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 4 : Income Taxes

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	688.67	679.46
Deferred tax:		
Deferred tax (benefit) for current year	(424.72)	(497.12)
	263.95	**182.34**
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains on defined benefit plans	0.53	0.39
	0.53	**0.39**
(c) Reconciliation of tax expense :		
Profit before income taxes	3,117.76	3,118.89
Enacted tax rate in India	34.944%	34.608%
Expected income tax expenses	1,089.47	1,079.39
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	27.19	24.42
Effect of income exempt from taxation	(0.89)	(3.02)
Tax incentives	(760.20)	(864.04)
Adjustment of current tax of prior period	1.51	-
Others (net)	(92.60)	(54.02)
Adjusted income tax expense	**264.48**	**182.73**

(d) Income Tax Assets :

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	68.24	68.23
Less: Prior period adjustment	1.51	-
Add: Tax paid in advance, net of provisions during the year	0.40	0.01
Closing Balance	**67.13**	**68.24**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	25.57	22.85
Add: Current tax payable for the year	687.16	679.44
Less: Taxes paid	698.20	676.72
Closing Balance	**14.53**	**25.57**

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(f) Deferred tax relates to:		
Deferred tax assets		
Property, plant and equipments	94.08	69.85
Minimum Alternate Tax credit entitlement	1,817.98	1,109.86
Employee benefits	42.17	29.73
Other	8.55	8.53
	1,962.78	**1,217.97**
Deferred tax liabilities		
Intangible assets	503.47	209.87
Fair Valuation of Investment	81.55	55.59
	585.02	**265.46**
Total	**1,377.76**	**952.51**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/ (Liabilities) relates to							
At April 01, 2017	**50.69**	**452.11**	**20.58**	**(29.14)**	**(48.24)**	**9.00**	**455.00**
Charged/(Credited)							
- To Profit or Loss	(19.16)	(657.75)	(8.76)	180.73	7.35	0.47	(677.85)
- To other comprehensive Income	-	-	(0.39)	-	-	-	(0.39)
At March 31, 2018	**69.85**	**1,109.86**	**29.73**	**(209.87)**	**(55.59)**	**8.53**	**952.51**
Charged/(Credited)							
- To Profit or Loss	(24.23)	(708.12)	(11.91)	293.60	25.96	(0.02)	(424.72)
- To other comprehensive Income	-	-	(0.53)		-	-	(0.53)
At March 31, 2019	**94.08**	**1,817.98**	**42.17**	**(503.47)**	**(81.55)**	**8.55**	**1,377.76**

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security deposits	17.36	41.26
Receivable on sale of Investment in subsidiary	9.78	14.16
Other receivables	49.04	45.85
	76.18	**101.27**
Current		
Insurance claim receivable	0.75	0.78
Interest accrued	0.14	0.40
Security deposits	29.20	35.00
Receivable on sale of Investment in subsidiary	6.00	12.00
Other receivables	76.52	27.09
	112.61	**75.27**
Total	**188.79**	**176.54**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Other non-current assets		
Capital Advances	75.51	-
	75.51	**-**
Other current assets		
Prepaid expenses	69.15	35.64
Balances with government authorities		
GST /Cenvat credit receivable	380.27	321.86
Others	6.47	1.11
Advances to supplier	271.80	108.48
Advances to employees	5.35	9.93
	733.04	**477.02**
Total	**808.55**	**477.02**

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material and Packing Material {including goods-in-transit ₹ 25.17 (31-03-2018 - ₹ 32.15)}	217.48	181.05
Work-in-progress	19.71	13.46
Finished goods	179.52	149.80
Stock-in-trade {including goods-in-transit ₹ 24.66 (31-03-2018- ₹ 14.46)}	326.75	228.73
Stores, spares & consumables	3.57	2.16
Total	**747.03**	**575.20**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Considered good	-	-
Unsecured Considered good	758.98	604.96
Trade Receivables which have significant increase in Credit Risk	2.20	-
Trade Receivables-credit impaired	-	-
	761.18	**604.96**
Less: Allowance for doubtful debt (expected credit loss)	2.20	-
Total	**758.98**	**604.96**

Movements in allowance for doubtful trade receivables

Opening Balance	**-**	**-**
Add : Provision during the year	2.20	-
Less : Utilisation during the year	-	-
Closing Balance	**2.20**	**-**

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents		
Cash on hand	0.19	0.22
Balances with banks in current accounts	18.74	87.86
Cheque in hand	45.71	-
	64.64	**88.08**
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department	0.07	0.06
Total	**64.71**	**88.14**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loans Receivables considered good - Secured		
Loans Receivables considered good - Unsecured	-	-
To related parties (subsidiaries)	-	395.92
To others	20.38	7.79
Loans Receivables which have significant increase in Credit Risk	3.28	-
Loans Receivables - credit impaired	-	-
	23.66	**403.71**
Less: Allowance for doubtful loan	(3.28)	-
Total	**20.38**	**403.71**

Note 11: Share Capital

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹ 1 each	300.00	300.00
Total	**300.00**	**300.00**
Issued, Subscribed and Fully Paid-up :		
13,75,19,783 (Previous year 13,75,00,000) Equity Shares of ₹ 1 each fully paid up	137.52	137.50
Total	**137.52**	**137.50**

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

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at April 01, 2017	13,75,00,000	137.50
Issued during the year :	**-**	**-**
Shares outstanding at March 31, 2018	13,75,00,000	137.50
Shares issued on exercise of employees stock options:	19,783	0.02
Shares outstanding at March 31, 2019	13,75,19,783	137.52

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Equity shares					
Bonus shares issued during the year	-	-	13,61,25,000	-	-

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,45,13,423	39.64	5,42,71,500	39.47
2. Rakeshbhai Bhikhabhai Shah	1,58,54,000	11.53	1,58,54,000	11.53
3. Bhikhalal Chimanlal Shah	1,06,76,864	7.76	1,10,54,000	8.04

11.4 Terms / Rights attached to the equity shares:

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

11.5 Share options granted under the Company's employee share option plan:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

Note 12 Other Equity

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	11,390.11	8,537.29
General Reserve	7.00	7.00
Securities premium	13.49	-
Share based payment reserve	11.95	-
Total	**11,422.55**	**8,544.29**

Nature and purpose of reserves:

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

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Securities premium: The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Share based payment reserve: The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Note 13: Borrowings

(₹. In Million)

Particulars	Maturity	Terms of repayment	As at March 31, 2019	As at March 31, 2018
Non-Current				
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	1,759.15	3,760.77
			1,759.15	**3,760.77**
Amount of current maturities of long term debt disclosed under the head Other Financial Liabilities (refer Note-14)			(1,759.15)	(1,023.89)
Total			**-**	**2,736.88**

Term Loans from bank referred above to the extent of :

1. Term Loan of ₹ 1,759.15 million (previous year ₹ 3760.77 million) are secured by way of :

(i) Exclusive charge on the entire current assets of the company, both present and future.

(ii) Exclusive charge on entire immovable property of the Company at Guwahati being the land and building.

(iii) Exclusive charge on movable fixed assets of Guwahati Plant of the company, both present and future.

(iv) Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.

(v) Term loan from bank was fully repaid on April 04, 2019.

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Trade deposits	18.32	17.74
	18.32	**17.74**
Current		
Current maturities of long-term debt (refer Note-13)	1,759.15	1,023.89
Book overdraft*	0.38	3.29
Payable towards purchase of fixed assets	0.86	3.08
	1,760.39	**1,030.26**
Total	**1,778.71**	**1,048.00**

* Mutual funds are marked as lien against OD Limit (Refer note 3).

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	49.25	43.41
Provision for sales returns (Refer note below)	115.48	106.75
	164.73	**150.16**
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	18.45	18.68
Gratuity	41.02	23.80
Provision for sales returns (Refer note below)	132.75	117.63
	192.22	**160.11**
Total	**356.95**	**310.27**

Provision for sales returns :

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Opening Provision	**224.38**	**318.41**
Add : Provision during the year	181.69	165.45
Less : Utilisation during the year	157.84	259.48
Closing Provision	**248.23**	**224.38**
Long Term	115.48	106.75
Short Term	132.75	117.63
Total	**248.23**	**224.38**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred Lease rent payment	11.09	11.06
Deferred Capital Subsidy Non current*	43.12	-
	54.21	**11.06**
Current		
Statutory liabilities	165.43	86.86
Advances from customers	10.29	9.02
Deferred Capital Subsidy Current*	14.31	-
	190.03	**95.88**
Total	**244.24**	**106.94**

*Capital subsidy represents Central Capital Investment Subsidy received during the year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to micro and small enterprises (refer note- 36)	9.61	-
Due to others	739.67	790.30
Total	**749.28**	**790.30**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Sale of products (Refer note 38)	8,811.28	7,323.36
Other operating income		
GST / Excise duty refund	145.21	275.68
Others	8.90	6.97
	154.11	**282.65**
Total	**8,965.39**	**7,606.01**

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest income	21.56	35.15
Dividend income	0.12	5.90
Net gain on sale of investments	17.11	36.84
Net gain on investments carried at fair value through profit or loss	251.26	203.96
Claims receivable (Refer note 19.1)	10.04	-
Deferred Capital Subsidy (Refer note 19.2)	19.06	-
Miscellaneous income	5.84	0.38
Total	**324.99**	**282.23**

19.1 Claims receivable

During the year, an arbitration award has been awarded in favour of the Company directing the supplier to pay a sum of ₹ 10.04 million to the Company. Since the award has been awarded in favour of the Company, the same has been accounted for in the books of account. Till date, the supplier has not challenged this award of arbitration.

19.2 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 20: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Raw materials and packing materials		
Opening stock	181.05	114.83
Add: Purchases during the year	618.31	537.01
Less: Closing stock	(217.48)	(181.05)
Total	**581.88**	**470.79**

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

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Inventories at the beginning of the year		
Stock-in-trade	228.73	87.84
Finished goods	149.80	255.77
Work-in-progress	13.46	12.95
	391.99	**356.56**
Inventories at the end of the year		
Stock-in-trade	326.75	228.73
Finished goods	179.52	149.80
Work-in-progress	19.71	13.46
	525.98	**391.99**
Net (Increase) / decrease in stocks	**(133.99)**	**(35.43)**

Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries, wages and bonus	1,473.26	1,199.20
Contribution to provident and other funds	89.27	73.94
Share based payments to employees	16.52	-
Staff welfare expenses	88.61	35.31
Total	**1,667.66**	**1,308.45**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 23: Other expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Power and fuel	33.39	30.35
Consumption of stores and spares (Indigenous)	14.46	21.60
Labour and security	14.47	12.93
Testing charges	7.73	6.16
Excise duties	-	75.09
Rent	172.51	67.28
Research & Development Expense	41.12	7.74
Freight and forwarding	141.79	77.37
Commission	141.33	123.88
Advertising, publicity and awareness	350.24	345.05
Repairs and maintenance	34.03	20.90
Selling and distribution	618.14	407.29
Travelling and conveyance	694.95	518.08
Communication	10.54	14.69
Legal and professional	252.71	271.76
Rates and taxes	54.89	24.66
Insurance	6.53	6.37
Payments to auditors (Refer note below)	3.71	4.41
Royalty Expense	3.12	1.24
Corporate social responsibility expenditure (Refer note 32)	16.83	7.29
Loss on fixed assets sold/written off	3.22	0.08
Donations	2.10	1.32
Bank charges	1.09	0.47
Provision for doubtful debt	2.20	-
Miscellaneous	16.54	8.42
Total	**2,637.64**	**2,054.43**

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Statutory Audit fee	2.50	2.10
Reimbursement of expenses	0.09	0.06
Certification fees and other services	1.12	2.25
Grand Total	**3.71**	**4.41**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest on borrowings	215.31	98.63
Interest on financial liabilities at amortised cost	12.62	5.66
Total	**227.93**	**104.29**

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net profit after tax for the year (₹ in million)	2,853.81	2,936.55
Weighted average number of equity shares outstanding for basic earning per share	13,75,00,000	13,75,00,000
Add : Dilutive share -share options outstanding	1,23,374	-
Weighted average number of equity shares outstanding for diluted earning per share	13,76,23,374	13,75,00,000
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	20.75	21.36
Diluted earnings per share (in ₹)	20.74	21.36

Note 26:

In the previous year during May 2017, pursuant to a tie-up agreement amongst our Company, Pharmanza, Aeran Lab (India) Private Limited and others, the company entered into deed of assignment to acquire rights and title to the Brands Union, Reunion and Bon-Union for an aggregate consideration of ₹ 100 million, management does not expect any cash outflow from this matter.

Note 27: BUSINESS COMBINATIONS AND ACQUISITIONS

(i) The Company on November 06, 2018 has further acquired 6.71% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 107.21 million. The Company has acquired remaining 17.81% shareholding subsequently on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

(ii) In the previous year the Company on November 30, 2017 acquired Indian domestic formulation business of Strides Shasun Limited for ₹ 5,000 million.

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

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

a) Business Transfer Agreement with Strides Shasun Limited for ₹ 4,100 million.

b) Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding for ₹ 900 million.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

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

a) **Business Transfer Agreement with Strides Shasun Limited**

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

* Difference between business transfer Agreement ₹ 4,100 million and purchase consideration ₹ 4,033.02 million is on account of Working capital adjustment.

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

Goodwill arising on the acquisition is deductible for tax purposes.

b) **Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding.**
Acquisition costs charged to Profit and Loss
Acquisition costs of ₹ 35.89 million were charged to statement of profit and loss under the head Other Expenses.

(iii) In the previous year the Company on October 01, 2017 has acquired 100% shareholding of UTH Healthcare Limited for a consideration of ₹ 128.50 million.
UTH Healthcare Limited was deriving its revenue primarily from the product group covering vitamins, minerals, and nutrients. The acquisition has improved the offerings of Eris group in the nutraceuticals segment.

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 50.62 million (Previous Year ₹ 40.49 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹ 8.79 million (Previous year ₹ 6.72 million) for ESIC contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 13.15 million (Previous Year ₹ 9.56 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at March 31, 2019:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	**80.33**	**59.81**
Current Service Cost	15.54	12.08
Transfer in/(out) obligation	0.68	-
Past Service Cost	-	4.16
On Account of acquisition	-	6.46
Interest Cost	5.13	3.59
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(2.51)	(1.70)
- Due to experience adjustments	5.26	2.49
Benefits paid	(8.67)	(6.56)
Obligations at the end of the year	**95.76**	**80.33**
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	**56.53**	**42.14**
Interest Income	3.96	2.81
Return on plan assets excluding interest income	1.23	(0.33)
Employer Contributions	1.53	18.47
Benefits paid	(8.50)	(6.56)
Fair Value of plan assets at the end of the year	**54.75**	**56.53**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	**95.76**	**80.33**
Less : Fair value of plan assets	(54.75)	(56.53)
Funded status (deficit)	41.01	23.80
Net liability recognised in the financial statement	**41.01**	**23.80**
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	15.54	16.23
Interest Cost	1.17	0.79
Expense charged to the statement of profit and loss	**16.71**	**17.02**
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	(1.23)	0.33
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(2.51)	(1.70)
- Due to experience adjustments	5.26	2.49
Expense charged to other comprehensive income	**1.52**	**1.12**
Assumptions:		
Discount rate	7.10%	7.30%
Estimated rate of return on plan assets	7.10%	7.30%
Annual increase in salary costs	6.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years

Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	93.99	78.85
Decrease of 0.5% in discount rate	97.64	81.87
Increase of 0.5% in salary escalation rate	97.38	81.68
Decrease of 0.5% in salary escalation rate	94.15	79.03

Expected future Cash outflows towards the plan are as follows :		
Year 1	24.93	20.02
Year 2	18.89	16.78
Year 3	14.88	13.28
Year 4	11.08	9.75
Year 5	9.59	8.33
Year 6 to 10	24.11	20.68

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Investment details of plan assets:

Particulars	As at March 31, 2019	As at March 31, 2018
	%	%
Insurer managed funds with Life Insurance Corporation of India	87%	91%
Bank Balance with Eris lifesciences limited employees group gratuity trust	13%	9%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by company for gratuity during financial year ending March 31, 2020 is ₹ 41.02 million (previous year ₹ 15.54 million).

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

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

(₹. In Million)

	As at March 31,2019		As at March 31, 2018	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:				
Amortised cost:				
Trade receivables	758.98	758.98	604.96	604.96
Cash and cash equivalents	64.64	64.64	88.08	88.08
Other bank balances	0.07	0.07	0.06	0.06
Loans	20.38	20.38	403.71	403.71
Other Financial Asset	188.79	188.79	176.54	176.54
Fair value through profit or loss:				
Investment in mutual funds	3,422.24	3,422.24	3,621.60	3,621.60
Investment in tax free bonds	3.28	3.28	3.29	3.29
Investment in equity instruments (other than investment in subsidiaries)	44.65	44.65	28.78	28.78
Total	**4,503.03**	**4,503.03**	**4,927.02**	**4,927.02**
Financial Liabilities:				
Amortised cost:				
Borrowings	-	-	2,736.88	2,736.88
Trade payables	749.28	749.28	790.30	790.30
Other financial liabilities	1,778.71	1,778.71	1,048.00	1,048.00
Total	**2,527.99**	**2,527.99**	**4,575.18**	**4,575.18**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(ii) Fair value hierarchy:

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

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

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

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

(₹. In Million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,422.24	-	-	3,422.24
Equity instruments	16.03	28.62	-	44.65
Tax free bonds	3.28	-	-	3.28
Total	**3,441.55**	**28.62**	**-**	**3,470.17**
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	**3,441.55**	**28.62**	**-**	**3,470.17**

(₹. In Million)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,621.60	-	-	3,621.60
Equity instruments	14.28	14.50	-	28.78
Tax free bonds	3.29	-	-	3.29
Total	**3,639.17**	**14.50**	**-**	**3,653.67**
Financial Liabilities :	**-**	**-**	**-**	**-**
Net Assets/(Liabilities)	**3,639.17**	**14.50**	**-**	**3,653.67**

Determination of fair values:

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

Investment in mutual funds :

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

Equity investments :

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(iii) Financial risk management :

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

(a) Market risk :

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

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

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 3,425.52 million and ₹ 3,624.89 million as at March 31, 2019 and March 31, 2018 respectively.

The Company borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to ₹ 1746.55 million and ₹ 3736.88 million as at March 31, 2019 and March 31, 2018 respectively.

For the year ended March 31, 2019, every 50 basis increase in interest rates would decrease the company profit by approximate ₹ 14.08 million (Previous year :₹ 6.58 million). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

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

Credit Risk Management

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

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4503.03 million and ₹ 4927.02 million as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

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

(₹. In Million)

As at March 31, 2019	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,762.60	-	-
Trade payables	749.28	-	-
Other financial liabilities	1.24	-	18.32
	2,513.12	**-**	**18.32**
As at March 31, 2018			
Borrowings	1,023.89	2,000.00	750.00
Trade payables	790.30	-	-
Other financial liabilities	6.37	-	17.74
	1,820.56	**2,000.00**	**767.74**

(iv) Capital management

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 30: Related Party Disclosures

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

Sr. No.	Nature of Relationship	Name of the entity
1	**Subsidiaries**	
	From April 01, 2010	Eris Therapeutics Private Limited
	From July 12, 2016	Aprica Healthcare Private Limited
	From November 23, 2016	Kinedex Healthcare Private Limited
	From October 01, 2017	UTH Healthcare Limited
	From December 01, 2017	Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)
2	**Key Managerial Personnel**	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Independent Director (upto 6th October 2017)	Mr. Rajiv Gulati
	Independent Director (upto 1st February 2018)	Mr. Shardul Shroff
	Nominee Director (upto 26th May 2017)	Mr. Sanjiv Kaul
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
3	**Close family member of Key Management Personnel**	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
4	**Other Related parties**	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Control By Director in entity	Horizon Blue Ventures LLP

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

B) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Transaction with Subsidiaries**		
	Aprica Healthcare Private Limited		
	Net Loans and Advances Received Back	64.14	9.40
	Investment in Perpetual bond	80.00	-
	Royalty Income	4.58	4.01
	Interest Income	2.08	6.27
	Reimbursement of expense incurred	0.03	-
	Kinedex Healthcare Private Limited		
	Purchases of Stock-in-trade	0.03	1.95
	Sales of Stock-in-trade	3.53	1.86
	Net Loans and Advances Received Back	92.56	-
	Investment in Perpetual bond	95.00	-
	Royalty Income	0.29	0.33
	Interest Income	2.93	9.23
	Reimbursement of expense incurred	1.66	-
	UTH Healthcare Limited		
	Purchases of Stock-in-trade	8.02	23.49
	Sales of Stock-in-trade	0.24	0.44
	Investment in Perpetual bond	250.00	-
	Net Loans and Advances Given	-	229.70
	Net Loans and Advances Received Back	239.22	-
	Royalty expense	1.38	0.52
	Interest Income	6.96	10.34
	Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)		
	Royalty expense	1.74	0.72
2	**Key Management Personnel compensation**		
	Remuneration	85.67	69.06
	Sitting fees	2.53	1.70
	Stock Options exercised	1.08	-
3	**Close family member of Key Management Personnel compensation**		
	Salary expense	3.86	3.42
4	**Other Related parties**		
	Contribution to Post-employment benefit plan	17.22	23.80

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

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

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	**Aprica Healthcare Private Limited**		
	Loans and advances Given	-	64.14
	Perpetual bond	80.00	-
	Trade Receivable	-	4.09
	Advance from Customer	3.96	-
2	**Kinedex Healthcare Private Limited**		
	Loans and advances Given	-	92.56
	Perpetual bond	95.00	-
	Trade payable	0.90	2.19
	Trade Receivable	-	2.46
3	**UTH Healthcare Limited**		
	Loans and advances Given	-	239.22
	Perpetual bond	250.00	-
	Trade Receivable	-	0.44
	Trade payable	0.01	26.76
4	**Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)**		
	Other current asset	-	1.14
	Trade Payable	1.78	-

Note 31: Loans to group Companies

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

(₹. In Million)

Name of the Subsidiary	Amount outstanding as at		Maximum balance during the year	
	March 31, 2019	March 31, 2018	2018-19	2017-18
Aprica Healthcare Private Limited	-	64.14	87.64	105.00
Kinedex Healthcare Private Limited	-	92.56	123.56	116.49
UTH Healthcare Limited	-	239.22	251.94	239.31

Notes

a) The loanees did not hold any shares in the Share capital of the Company.

b) All loans given are for the purposes of the business.

c) During the year loan was received back from subsidiaries and investment in unsecured perpetual bond of subsidiaries was done.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 32: Corporate Social Responsibility (CSR) expenditure

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
(a) Gross amount required to be spent by the company as per section 135 of the act	46.55	32.74
(b) Gross amount spent by the company during the year (other than construction/acquisition of asset)	34.70	7.29

Expenditure relating to CSR included in capital advance is ₹ 17.87 million during current year.

Note 33: Contingent Liability

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	146.82	137.93
Penalty under section 271(1)(c) of Income Tax Act for Assessment year 2014-15	-	3.30
Others	6.10	-

Note:

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

Note 34: Leases

The Company has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 172.51 million (Previous year ₹ 67.28 million). The Company has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	160.75	93.94
Later than one year and not later than 5 years	107.68	114.19
Later than five years	14.49	24.15

Note 35: ESOP

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 34,921 options have lapsed till March 31, 2019.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the above table. The employee compensation cost as per fair value method for the financial year 2018-19 is ₹ 16.53 million.

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	3,68,318	451.04	-	-
Granted during the year	-	-	3,91,599	451.04
Vested during the year	73,664	451.04	-	-
Exercised during the year	19,783	451.04	-	-
Lapsed during the year	11,640	451.04	23,281	451.04
Options outstanding at the end of the year	3,36,895	451.04	3,68,318	451.04
Options available for grant	23,281	-	23,281	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.04
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 36: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars		March 31, 2019	March 31, 2018
a.	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due remaining unpaid	9.61	-
	Interest amount due remaining unpaid	0.08	-
b.	The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	-	-

* payments are done within agreed terms i.e. 60 days but as per MSME Act payment beyond 45 days are disclosed.

Note 37: Segment reporting

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

Note 38: Revenue from operations

Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS-18, "Revenue", GST is not included in revenue from operations In view of the aforesaid, revenue from operations for the year ended on March 31, 2019 are not comparable with the previous period.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Company.

Note 39: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year.

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place : Ahmedabad
Date : May 21, 2019

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To The Members of
ERIS LIFESCIENCES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ERIS LIFESCIENCES LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the Other Matters section below,is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Carrying values of goodwill and acquired intangibles assets** Refer to note 2(b) to the consolidated financial statements. At 31 March 2019, the Group's carrying value of goodwill and acquired intangible assets is Rs. 935.87 million and Rs. 6116.26 million respectively. In accordance with Ind AS, goodwill needs to be tested for impairment at every reporting period. Recoverability of the carrying value of goodwill is predicated upon appropriate attribution of goodwill to a cash generating unit or group of cash generating units (CGU) and determination of recoverable amount of the underlying CGUs. In accordance with Ind AS, intangibles are tested for impairment if impairment indicators exist. Recoverability of the carrying values of goodwill and acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant judgements and estimates including profit growth, terminal growth rate and discount rate. Changes in the key assumptions underpinning these calculations have a significant impact on the headroom available in the impairment calculations.	• Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's basis for allocation of goodwill to CGUs, assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. • Our substantive testing procedures included evaluation of appropriateness of management's basis for allocation of goodwill to CGUs, assumption whether any indicators of impairment of intangibles existed and determination of recoverable amounts to measure the impairment provision that needs to be accounted for. • We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal values and the selection of discount rates. We agreed the underlying cash flow projections to management approved budgets and forecasts and assessed how these projections are compiled We performed our own risk assessment by considering historical performance and management's forecasting accuracy by applying any current year budget shortfalls to future forecasts to highlight the CGUs with either lower headroom or which are more sensitive to changes in key assumptions. We focused our attention on those businesses where headroom has decreased.

		• We performed our own independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We challenged the significant assumptions, specifically relating to revenue and profit growth in light of the individual CGU's past performance to assess whether the forecasts are achievable. • We checked for any additional impairment triggers for intangible assets through discussions with management, review of management accounts and board minutes and examining performance of recent acquisitions to identify under-performing businesses.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of five subsidiaries whose financial statements / financial information, reflect total assets of Rs. 963.94 million as at 31st March, 2019, total revenues of Rs. 879.48 million and net cash outflows amounting to Rs. 7.64 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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.

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 the reports of the other auditors on the separate financial statements / financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : 21 May, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS (retain as applicable) financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Eris Lifesciences Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of the Company’s subsidiaries which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 (five) subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Gaurav J. Shah
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : 21 May, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(₹. In Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS :			
(1) Non current assets			
(a) Property, Plant and Equipment	2(a)	553.23	526.12
(b) Capital Work in progress	2(a)	7.48	-
(c) Goodwill	2(b)	935.87	934.74
(d) Other Intangible assets	2(b)	6,116.26	6,250.06
(e) Intangible assets under development	2(b)	19.82	-
(f) Financial assets			
Investments	3	409.12	2,716.10
Other financial asset	5	76.87	101.91
(g) Income tax assets (net)	4(d)	76.73	79.18
(h) Deferred tax assets (net)	4(f)	1,447.94	1,005.67
(i) Other non-current assets	6	75.51	-
Total Non current assets		**9,718.83**	**11,613.78**
(2) Current assets			
(a) Inventories	7	826.53	654.48
(b) Financial assets			
Investments	3	3,149.42	937.59
Trade receivables	8	839.76	666.42
Cash and cash equivalents	9(a)	75.00	106.08
Other bank balances	9(b)	0.07	0.30
Loans	10	21.25	11.84
Other financial asset	5	129.47	83.04
(c) Income tax assets (net)	4(d)	1.26	-
(d) Other current assets	6	775.03	527.32
Total Current assets		**5,817.79**	**2,987.07**
TOTAL - ASSETS		**15,536.62**	**14,600.85**
II. EQUITY AND LIABILITIES :			
(1) Equity			
(a) Share capital	11	137.52	137.50
(b) Other Equity	12	11,367.66	8,475.57
Equity attributable to the owners of the company		11,505.18	8,613.07

(₹. In Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Non-controlling Interest		183.11	246.65
Total Equity		**11,688.29**	**8,859.72**
(2) Non Current Liabilities			
(a) Financial Liabilities			
Long term Borrowings	13	2.93	2,741.95
Other financial liabilities	14	23.51	22.59
(b) Long-term provisions	15	193.86	187.13
(c) Other non-current liabilities	16	55.71	12.16
(d) Deferred tax liabilities (net)	4(f)	516.95	522.70
Total Non Current Liabilities		**792.96**	**3,486.53**
(3) Current liabilities			
(a) Financial Liabilities			
Trade payables	17		
A) Due to Micro and Small Enterprises		9.61	-
B) Due to other than Micro and Small Enterprises		831.64	907.74
Other financial liabilities	14	1,763.84	1,034.36
(b) Short-term provisions	15	210.29	170.71
(c) Other current liabilities	16	221.88	116.22
(d) Income tax liabilities (net)	4(e)	18.11	25.57
Total Current Liabilities		**3,055.37**	**2,254.60**
Total Liabilities		**3,848.33**	**5,741.13**
TOTAL - EQUITY AND LIABILITIES		**15,536.62**	**14,600.85**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: May 21, 2019

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
REVENUE:			
Revenue from operations	18		
Sale of products		9,672.02	8,271.04
Other operating income		149.59	285.00
Other income	19	316.94	264.08
Total Revenue (I)		**10,138.55**	**8,820.12**
EXPENSES:			
(a) Cost of materials consumed	20	581.88	470.79
(b) Purchases of stock-in-trade		1,089.32	898.36
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(134.22)	(28.53)
(d) Employee benefits expense	22	1,906.59	1,573.22
(e) Other expenses	23	2,928.91	2,422.07
Total (II)		**6,372.48**	**5,335.91**
Profit before interest, tax, depreciation and amortisation (I - II)		**3,766.07**	**3,484.21**
Finance costs	24	228.95	105.50
Depreciation and amortisation expense	2	363.54	256.42
Profit before tax		**3,173.58**	**3,122.29**
Tax expenses :	4		
(a) Current tax		710.71	687.93
(b) Deferred tax		(448.60)	(515.42)
Total tax expense		**262.11**	**172.51**
Profit for the year		**2,911.47**	**2,949.78**
Attributable to :			
- Owners of the company		2,907.96	2,941.05
- Non controlling interest		3.51	8.73
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(1.71)	0.78

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		0.58	(0.12)
		(1.13)	**0.66**
Total Comprehensive Income for the year		**2,910.34**	**2,950.44**
Attributable to :			
- Owners of the company		2,906.83	2,941.71
- Non controlling interest		3.51	8.73
Earnings per equity share of face value ₹ 1 each			
Basic (₹)		21.15	21.39
Diluted (₹)	25	21.13	21.39

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: May 21, 2019

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity Share Capital	(₹. In Million)
Particulars (refer note-11)	**Amount**
As at April 1, 2017	**137.50**
Change in Equity Share Capital	-
As at March 31, 2018	**137.50**
Change in Equity Share Capital (Pursuant to exercise of employees stock options)	0.02
As at March 31, 2019	**137.52**

B. Other Equity Amount (₹. In Million)

Particulars (refer note-12)	Retained Earnings	General Reserve	Security Premium	Share based payment reserve	Total Other Equity
As at April 1, 2017	**5,526.86**	**7.00**	**-**	**-**	**5,533.86**
Add: Profit for the year	2,941.05	-			2,941.05
Add: Other comprehensive Income for the year	0.66	-			0.66
As at March 31, 2018	**8,468.57**	**7.00**	**-**		**8,475.57**
Add: Profit for the year	2,907.96	-	-	-	2,907.96
Add: Pursuant to exercise of employees stock options	-	-	13.49	-	13.49
Add: Other comprehensive Income for the year	(1.13)	-	-	-	(1.13)
Add: share based payments to employees of the Parent company	-	-	-	16.52	16.52
Less: Exercise of employees stock options	-	-	-	(4.57)	(4.57)
Less: Acquisition of Minority stake {Refer note 27 (iii)}	(40.18)	-	-	-	(40.18)
As at March 31, 2019	**11,335.22**	**7.00**	**13.49**	**11.95**	**11,367.66**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Gaurav J. Shah
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

Place: Ahmedabad
Date: May 21, 2019

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	**3,173.58**	**3,122.29**
Adjustments for :		
Depreciation and amortisation expense	363.54	256.42
Loss on fixed assets sold/written off	3.14	0.08
Finance costs	228.95	105.50
Dividend income	(0.12)	(5.90)
Claims receivable	(10.04)	-
Interest income	(10.96)	(9.96)
Net gain on sale of investments	(17.49)	(36.84)
Net gain on investments carried at fair value through profit or loss	(251.91)	(203.96)
Business combinations and acquisition expense	-	35.89
Provision for doubtful debt	2.44	-
Receipt Of Capital Subsidy	(19.06)	-
Share based payment expense	16.52	-
Operating profit before working capital changes	**3,478.59**	**3,263.52**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(175.54)	(91.59)
Inventories	(172.05)	4.16
Other asset	(239.88)	(404.19)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	55.09	270.08
Cash generated from operations	**2,946.21**	**3,041.98**
Net income tax paid	(716.25)	(695.63)
Net cash flow from operating activities (A)	**2,229.96**	**2,346.35**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets)	(380.02)	(250.96)
Proceeds from sale of fixed assets	10.90	0.40
Consideration paid towards business acquisitions	(107.22)	(5,243.69)
Receipt of capital subsidy	76.49	-
Purchase of Investments in mutual funds	(447.67)	(1,074.69)
Proceeds from redemption of investments in mutual funds	797.30	694.08
Loan to Other	(9.41)	(3.71)
Bank balances not considered as cash and cash equivalents-Placed	-	0.48

(₹. In Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	0.12	5.90
Interest income	9.00	7.11
Business combinations and acquisition expense	-	(35.89)
Net cash used in investing activities (B)	**(50.51)**	**(5,900.97)**
C. Cash flow from financing activities		
Proceeds of borrowings	-	3,984.74
Repayment of borrowings	(2,002.14)	(250.00)
Finance costs	(217.31)	(102.62)
Shares issued on exercise of employees stock options	8.92	-
Net cash flow used in financing activities (C)	**(2,210.53)**	**3,632.12**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(31.08)**	**77.50**
Cash and cash equivalents at the beginning of the year	**106.08**	**23.43**
Cash and cash equivalents acquired pursuant to acquisition		5.15
Cash and cash equivalents at end of the year {Refer note- 9(a)}	**75.00**	**106.08**

Notes:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard(Ind AS-7) - "Statement of Cash Flow."

(ii) Cash and Cash Equivalents {Refer note-9(a)}

Cash on hand	0.57	0.61
Balance with banks		
In Current Account	28.72	105.47
Cheque in hand	45.71	-
Cash and Cash Equivalents as per Cash flow statement	**75.00**	**106.08**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Gaurav J. Shah
Partner

Place: Ahmedabad
Date: May 21, 2019

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place: Ahmedabad
Date: May 21, 2019

Corporate Information:

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

Note 1 : Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

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

(B) Historical Cost Convention

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

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

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

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

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

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

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

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

1.2 Basis of consolidation:

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.3 Use of estimates:

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

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

- Sales returns (refer note 1.4)
- Useful lives of property, plant and equipment (refer note 1.5)
- Useful lives of intangible assets (refer note 1.6)
- Impairment of asset (refer note 1.9)
- Valuation of inventories (refer note 1.10)
- Employee benefits (refer note 1.14)
- Valuation of deferred tax assets (refer note 1.15)
- Provisions & contingent liabilities (refer note 1.16)

1.4 Revenue recognition:

a. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of discounts, applicable taxes and returns . The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group activities, as described below.

b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

c. Other income:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.5 Property, Plant and Equipment:

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

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

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

1.6 Intangible Assets:

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

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

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

The estimated useful lives of intangibles are as mentioned below:

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

1.7 Business combinations and Goodwill

1.7.1 Business combinations

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

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

1.7.2 Goodwill

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

1.8 Financial Instruments

Financial assets

Initial recognition and measurement

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

Subsequent measurement

i. Debt instruments at amortised cost–A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

ii. Equity investments–The Group measures its equity instruments other than investment in subsidiaries at fair value through profit and loss (FVTPL) in accordance with the requirements of Ind AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per Ind AS 27.

De-recognition of financial assets

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.9 Impairment of assets:

Financial Asset

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

Non-Financial Asset

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

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

1.10 Inventories:

a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST and CENVAT credit availed], labour and relevant appropriate overheads.

c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.11 Cash and cash equivalents:

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

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

1.12 Borrowings:

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

1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.14 Employee Benefits:

(A) Defined contribution plan:

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

(B) Defined benefit obligations plan:

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

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

(C) Short-term employee benefits

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

1.15 Taxes on Income:

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

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

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

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

1.16 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

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

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

Contingent Assets

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

1.17 Leases:

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

1.18 Foreign currency transactions and translation:

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

1.19 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

1.20 Share-based payment transactions:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Parent company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation & amortisation

The Group has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the period. The Group measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Perpetual bond:

The Parent company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Parent Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

1.23 Recent Pronouncements for Indian Accounting Standards (Ind AS) New Standard / Amendments issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards Amendment Rules, 2019 & Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new & amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Group will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 – Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short term leases and leases for low-value items, under a single on balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Group does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Group is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 2: Property, Plant and Equipment and Intangible Assets
(a) Property, Plant and Equipment :

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electrical Installation	Total
Gross carrying amount:								
As at April 01, 2017 (At deemed cost)	**31.03**	**194.14**	**190.54**	**64.47**	**257.45**	**23.91**	**3.11**	**764.65**
Additions during the Year	-	-	5.54	14.13	122.15	6.69	-	148.51
Deductions during the year	-	-	-	0.78	-	0.04	-	0.82
Acquisition through business combination	-	-	-	3.65	-	-	-	3.65
As at March 31, 2018	**31.03**	**194.14**	**196.08**	**81.47**	**379.60**	**30.56**	**3.11**	**915.99**
Additions during the Year	-	-	4.92	56.22	159.11	45.29	0.24	265.78
Deductions during the year	-	-	-	1.33	79.90	3.32	-	84.55
As at March 31, 2019	**31.03**	**194.14**	**201.00**	**136.36**	**458.81**	**72.53**	**3.35**	**1,097.22**
Accumulated depreciation:								
As at April 01, 2017	**-**	**17.35**	**33.96**	**19.50**	**130.00**	**6.30**	**0.77**	**207.88**
Depreciation for the Year	-	15.88	28.90	16.68	114.05	5.82	0.61	181.94
Deductions during the year	-	-	-	0.34	-	0.01	-	0.35
Acquisition through business combination				0.40				0.40
As at March 31, 2018	**-**	**33.23**	**62.86**	**36.24**	**244.05**	**12.11**	**1.38**	**389.87**
Depreciation for the Year	-	19.92	34.37	21.22	135.18	13.49	0.45	224.63
Deductions during the Year	-	-	-	0.85	67.60	2.06	-	70.51
As at March 31, 2019	**-**	**53.15**	**97.23**	**56.61**	**311.63**	**23.54**	**1.83**	**543.99**
Net carrying amount								
As at March 31, 2018	**31.03**	**160.91**	**133.22**	**45.23**	**135.55**	**18.45**	**1.73**	**526.12**
As at March 31, 2019	**31.03**	**140.99**	**103.77**	**79.75**	**147.18**	**48.99**	**1.52**	**553.23**
Capital work in progress								
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**6.74**	**0.74**	**-**	**-**	**-**	**-**	**7.48**

Note:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at April 01, 2017 (At deemed cost)	**378.11**	**1,338.24**	**50.00**	**13.25**	**1,401.49**
Additions during the year	-	101.26	-	1.01	102.27
Acquisition through business combinations (refer note 27)	556.63	4,840.70	-	-	4,840.70
Deductions during the year	-	0.01	-	-	0.01
As at March 31, 2018	**934.74**	**6,280.19**	**50.00**	**14.26**	**6,344.45**
Additions during the year	1.13	0.01	-	5.09	5.10
Deductions during the year	-	-	-	-	-
As at March 31, 2019	**935.87**	**6,280.20**	**50.00**	**19.35**	**6,349.55**
Accumulated depreciation:	**-**				
As at April 01, 2017	**-**	**11.44**	**6.44**	**2.02**	**19.90**
Amortisation for the year	-	61.91	10.00	2.57	74.48
Deductions during the year	-	-	-	-	-
As at March 31, 2018	**-**	**73.35**	**16.44**	**4.59**	**94.38**
Amortisation for the year	-	125.88	10.00	3.03	138.91
Deductions during the year	-	-	-	-	-
As at March 31, 2019	**-**	**199.23**	**26.44**	**7.62**	**233.29**
Net carrying amount					
As at March 31, 2018	**934.74**	**6,206.84**	**33.56**	**9.67**	**6,250.07**
As at March 31, 2019	**935.87**	**6,080.97**	**23.56**	**11.73**	**6,116.26**
Intangible assets under development					
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**-**	**-**	**19.82**	**19.82**

Note:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 3: Investments

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted)(Refer note 3.1 below)				
Franklin India Credit Risk Fund-Direct-Growth	1,75,37,091	361.19	1,75,37,091	330.45
Franklin India Credit Risk Fund-Growth	-	-	1,64,51,486	296.84
Franklin India Income Opportunity Fund	-	-	4,08,91,891	879.97
Franklin India Short Term Income Plan	-	-	1,33,907	511.94
HDFC Corporate Debt Opportunity Fund	-	-	1,81,93,890	262.19
Kotak Medium Term Fund	-	-	2,78,96,191	402.62
Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond	1,000	1.10	1,000	1.09
Indian Railway Finance Corporation Bond	1,000	1.09	1,000	1.11
Housing and Urban Development Corporation Bond	1,000	1.09	1,000	1.09
Investment in Equity Instruments				
Quoted	14,745	16.03	14,745	14.28
Unquoted	3,81,588	28.62	3,81,588	14.50
(II) At amortised cost				
Investment in NSC (unquoted)	-	-	-	0.02
Total (I)+(II)		**409.12**		**2,716.10**
Aggregate carrying value of quoted investments		19.31		17.57
Aggregate market value of quoted investments		19.31		17.57
Aggregate carrying value of unquoted investments		389.81		2,698.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual funds (unquoted)(Refer note 3.1 below)				
BSL FTP-Series JX-Growth	-	-	60,00,000	84.36
Aditya Birla Sun Life short term opportunities fund -Growth-Direct	23,52,597	75.43	23,52,597	69.92
Franklin India Credit Risk Fund-Growth	1,64,51,486	322.10	-	-
Franklin India Income Opportunity Fund-Direct-Growth	4,08,91,891	958.37	-	-
Franklin India Short Term Income Plan-Direct Growth	1,33,907	560.86	-	-
Kotak Medium Term Fund-Growth(Regular Plan)	2,78,96,191	426.36	-	-
Sundaram Money Fund Direct Plan Bonus (Bonus Units)	12,89,414	18.19	12,89,414	16.91
SBI Liquid Fund Direct Growth	51,331	150.33	-	-
Kotak Liquid Direct Plan Growth	-	-	92,001	324.02
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	30,743	140.25	-	-
ICICI Prudential Liquid Fund -Direct Plan-Growth	6,78,785	187.63	11,04,297	283.95
Axis Liquid fund -Direct Growth	1,49,449	309.88	82,191	158.43
(II) At amortised cost				
Investment in NSC (unquoted)	-	0.02	-	-
Total		**3,149.42**		**937.59**

3.1 Details of pledged securities:

Include ₹ 725.75 million (31-03-2018 - ₹ 1,231.27 million) marked under lien against overdraft facilities availed by the Parent company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 4 : Income Taxes

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	710.71	687.93
Deferred tax:		
Deferred tax (benefit) / expense for current year	(448.60)	(515.42)
	262.11	**172.51**
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	0.58	(0.12)
	0.58	**(0.12)**
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	3,173.58	3,122.29
Enacted tax rate in India	34.944%	34.608%
Expected income tax expenses	1,108.98	1,080.57
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	27.32	26.45
Effect of income exempt from taxation	(0.89)	(3.02)
Tax incentives	(760.20)	(864.04)
Deferred tax recognised in profit and loss account at effective rate	(26.33)	-
Effect of income tax balance due to change in income tax rate	6.58	-
Adjustment of current tax of prior period	1.10	-
Others (net)	(93.87)	(67.57)
Adjusted income tax expense	**262.69**	**172.39**
Group's weighted average tax rate	**8.28%**	**5.52%**

(d) Income Tax Assets :

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	79.18	71.79
Less: Prior period adjustment	1.36	-
Add: Tax paid in advance, net of provisions during the year	0.17	7.39
Closing Balance	**77.99**	**79.18**
Classified as:		
Non Current	76.73	79.18
Current	1.26	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	25.57	22.85
Add: Current tax payable for the year	709.64	687.91
Less: Taxes paid	717.10	685.19
Closing Balance	**18.11**	**25.57**

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(f) Deferred tax relates to:		
Deferred tax assets		
Property, plant and equipment	95.53	71.75
Minimum Alternate Tax credit entitlement	1,832.04	1,118.31
Carry forward tax losses and accumulated depreciation	58.44	47.05
Employee benefits	45.67	32.41
Other	9.05	9.03
	2,040.73	**1,278.55**
Deferred tax liabilities		
Intangible Assets	1,028.05	739.99
Fair Valuation of Investment	81.69	55.59
	1,109.74	**795.58**
Total	**930.99**	**482.97**

The deferred tax liabilities / assets are off-set, where the Group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

(₹. In Million)

Deferred tax assets	1,447.94	1,005.67
Deferred tax liabilities	516.95	522.70
Net Deferred Tax	**930.99**	**482.97**

The Group is virtually certain that future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Carry Forward Losses and accumulated depreciation	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to:								
At April 01, 2017	**51.75**	**452.11**	**39.66**	**23.31**	**(375.68)**	**(48.24)**	**9.48**	**152.39**
Charged/(Credited)								
- To Profit or Loss	(20.00)	(666.20)	(7.39)	(9.22)	179.59	7.35	0.45	(515.42)
- To other comprehensive Income	-	-	-	0.12	-	-	-	0.12
Acquisition/disposal	-	-		-	(184.72)	-		(184.72)
At March 31, 2018	**71.75**	**1,118.31**	**47.05**	**32.41**	**(739.99)**	**(55.59)**	**9.03**	**482.97**
Charged/(Credited)								
- To Profit or Loss	(23.78)	(713.73)	(11.39)	(13.84)	288.06	26.10	(0.02)	(448.60)
- To other comprehensive Income	-	-	-	0.58	-	-	-	0.58
At March 31, 2019	**95.53**	**1,832.04**	**58.44**	**45.67**	**(1,028.05)**	**(81.69)**	**9.05**	**930.99**

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security deposits	18.05	41.90
Receivable on sale of Investment in subsidiary	9.78	14.16
Other receivables	49.04	45.85
	76.87	**101.91**
Current		
Insurance claim receivable	0.75	0.78
Interest accrued	0.14	0.40
Security deposits	29.58	39.17
Receivable on sale of Investment in subsidiary	21.51	12.00
Other receivables	77.49	30.69
	129.47	**83.04**
Total	**206.34**	**184.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Capital Advances	75.51	-
	75.51	**-**
Current		
Prepaid expenses	69.83	37.01
Balances with government authorities		
GST / Cenvat credit receivable	405.85	361.75
Others	6.47	1.11
Advance to supplier	285.03	116.34
Advances to employees	7.85	11.11
	775.03	**527.32**
Total	**850.54**	**527.32**

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material and Packing Material {including goods-in-transit ₹ 25.17 (31-03-2018- ₹ 32.15)}	217.48	181.05
Work-in-progress	19.71	13.46
Finished goods	179.52	149.80
Stock-in-trade {including goods-in-transit ₹ 25.34 (31-03-2018- ₹ 16.75)}	406.26	308.01
Stores, spares & consumables	3.56	2.16
Total	**826.53**	**654.48**

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Considered good	-	-
Unsecured Considered good	839.76	666.42
Considered doubtful	2.20	-
Trade Receivables-credit impaired	-	-
	841.96	**666.42**
Less: Allowance for doubtful debt (expected credit loss)	2.20	-
Total	**839.76**	**666.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Movements in allowance for doubtful trade receivables

Opening Balance	**-**	**-**
Add : Provision during the year	2.20	-
Less : Utilisation during the year	-	-
Closing Balance	**2.20**	**-**

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents		
Cash on hand	0.57	0.61
Balances with banks in current accounts	28.72	105.47
Cheque in hand	45.71	-
	75.00	**106.08**
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department	0.07	0.30
Total	**75.07**	**106.38**

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	21.25	11.84
Loans Receivables which have significant increase in Credit Risk	3.28	-
Loans Receivables - credit impaired	-	-
	24.53	**11.84**
Less: Allowance for doubtful loan	(3.28)	-
Total	**21.25**	**11.84**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹ 1 each	300.00	300.00
Total	**300.00**	**300.00**
Issued, Subscribed and Fully Paid-up :		
13,75,19,783 (Previous year 13,75,00,000) Equity Shares of ₹ 1 each, fully paid up	137.52	137.50
Total	**137.52**	**137.50**

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

Equity Shares	No. of equity shares	(₹. In Million)
Shares outstanding at April 01, 2017	13,75,00,000	137.50
Issued during the year	-	-
Shares outstanding at March 31, 2018	13,75,00,000	137.50
Shares issued on exercise of Employee Stock Options	19,783	0.02
Shares outstanding at March 31, 2019	13,75,19,783	137.52

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Equity shares					
Bonus shares issued during the year	-	-	13,61,25,000	-	-

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,45,13,423	39.64	5,42,71,500	39.47
2. Rakeshbhai Bhikhabhai Shah	1,58,54,000	11.53	1,58,54,000	11.53
3. Bhikhalal Chimanlal Shah	1,06,76,864	7.76	1,10,54,000	8.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

11.4 Terms / Rights attached to the equity shares:

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

11.5 Share options granted under the Parent Company's employee share option plan:

The Parent Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

Note 12: Other Equity

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	11,335.22	8,468.57
General Reserve	7.00	7.00
Securities Premium	13.49	-
Share based payment reserve	11.95	-
Total	**11,367.66**	**8,475.57**

Nature and purpose of reserves:

Retained Earnings:

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

General reserve:

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

Securities premium:

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Share based payment reserve:

The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 13 Borrowings

(₹. In Million)

Particulars	Maturity	Terms of repayment	As at March 31, 2019	As at March 31, 2018
Non-Current				
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	1,759.15	3,763.11
Secured Loan from bank (Refer note 2 below)	Feb 2021 to Nov 2021		5.08	4.88
			1,764.23	**3,767.99**
Amount of current maturities of long term debt disclosed under the head "Other Financial Liabilities" (refer Note-14)			(1,761.30)	(1,026.04)
Total			**2.93**	**2,741.95**

Term Loans from bank referred above to the extent of :

1. Term Loan of ₹ 1,759.15 (previous year ₹ 3760.77) are secured by way of :
   (i) Exclusive charge on the entire current assets of the Parent company, both present and future.
   (ii) Exclusive charge on entire immovable property of the Parent Company at Guwahati being the land and building.
   (iii) Exclusive charge on movable fixed assets of Guwahati Plant of the company, both present and future.
   (iv) Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.
   (v) Term loan from bank was fully repaid on April 04, 2019.
2. Secured Loan from bank are secured against vehicle.

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Trade deposits	23.51	22.59
	23.51	**22.59**
Current		
Trade deposits	1.30	1.95
Current maturities of long-term debt (refer Note-13)	1,761.30	1,026.04
Book overdraft*	0.38	3.29
Payable towards purchase of fixed assets	0.86	3.08
	1,763.84	**1,034.36**
Total	**1,787.35**	**1,056.95**

* Mutual funds are marked as lien against OD Limit (Refer note 3).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	49.25	50.05
Gratuity	2.11	2.88
Provision for sales returns (Refer note below)	142.50	134.20
	193.86	**187.13**
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	21.74	19.41
Gratuity	49.04	24.26
Provision for sales returns (Refer note below)	139.51	127.04
	210.29	**170.71**
Total	**404.15**	**357.84**

Provision for sales returns:

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Provision	**261.24**	**357.45**
Add : Provision during the year	199.71	185.12
Less : Utilisation during the year	178.94	281.33
Closing Provision	**282.01**	**261.24**
Long Term	142.50	134.20
Short Term	139.51	127.04
Total	**282.01**	**261.24**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred Lease rent payment	12.59	12.16
Deferred Capital Subsidy Non current*	43.12	-
	55.71	**12.16**
Current		
Statutory liabilities	181.41	95.25
Advances from customers	26.16	20.97
Deferred Capital Subsidy Current*	14.31	-
	221.88	**116.22**
Total	**277.59**	**128.38**

*Capital subsidy represents Central Capital Investment Subsidy received during the year under the North East Industrial & Investment Promotion Policy (NEIIPP)

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to micro and small enterprises (refer note-34)	9.61	-
Due to others	831.64	907.74
Total	**841.25**	**907.74**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Sale of products (Refer note 38)	9,672.02	8,271.04
Other operating income		
GST / Excise duty refund	145.21	278.94
Share of profit from partnership firm	-	-
Others	4.38	6.06
	149.59	**285.00**
Total	**9,821.61**	**8,556.04**

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest income	10.96	9.96
Dividend income	0.12	5.90
Net gain on sale of investments	17.49	36.84
Net gain on investments carried at fair value through profit or loss	251.91	203.96
Claims receivable (Refer note 19.1)	10.04	-
Deferred Capital Subsidy (Refer note 19.2)	19.06	-
Miscellaneous income	7.36	7.42
Total	**316.94**	**264.08**

Note 19.1 Claims receivable

During the year, an arbitration award has been awarded in favour of the Parent Company directing the supplier to pay a sum of ₹ 10.04 million to the Parent Company. Since the award has been awarded in favour of the Parent Company, the same has been accounted for in the books of account. Till date, the supplier has not challenged this award of arbitration.

Note 19.2 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the year under the North East Industrial & Investment Promotion Policy (NEIIPP)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 20: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Raw materials and packing materials		
Opening stock	181.05	114.83
Add: Purchases during the year	618.31	537.01
Less: Closing stock	(217.48)	(181.05)
Total	**581.88**	**470.79**

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

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Inventories at the beginning of the year		
Stock-in-trade	308.01	174.02
Finished goods	149.80	255.77
Work-in-progress	13.46	12.95
	471.27	**442.74**
Inventories at the end of the year		
Stock-in-trade	406.26	308.01
Finished goods	179.52	149.80
Work-in-progress	19.71	13.46
	605.49	**471.27**
Net (Increase) / decrease in stocks	**(134.22)**	**(28.53)**

Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries, wages and bonus	1,693.15	1,444.31
Contribution to provident and other funds	103.33	89.32
Share based payments to employees	16.52	-
Staff welfare expenses	93.59	39.59
Total	**1,906.59**	**1,573.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 23: Other Expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Power and fuel	34.52	31.69
Consumption of stores and spares (Indigenous)	14.46	21.60
Labour and security	14.47	12.93
Testing charges	8.07	6.67
Excise duties	-	75.09
Rent	179.36	80.85
Research & Development Expense	41.12	7.74
Freight and forwarding	149.89	87.64
Commission	163.01	151.75
Advertising, publicity and awareness	367.01	373.37
Repairs and maintenance	39.18	29.84
Selling and distribution	668.33	463.95
Travelling and conveyance	824.46	692.27
Communication	11.33	16.60
Legal and professional	295.35	306.05
Rates and taxes	63.13	30.55
Insurance	7.32	8.05
Payments to auditors (Refer note below)	3.71	4.41
Loss on fixed assets sold/written off	3.22	0.08
Corporate social responsibility expenditure	16.83	7.29
Donations	2.50	1.40
Bank charges	1.65	1.03
Provision for doubtful debt	2.20	-
Miscellaneous	17.79	11.22
Total	**2,928.91**	**2,422.07**

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Statutory Audit fee	2.50	2.10
Reimbursement of expenses	0.09	0.06
Certification fees and other services	1.12	2.25
Grand Total	**3.71**	**4.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest on borrowings	216.33	99.84
Interest on financial liabilities at amortised cost	12.62	5.66
Total	**228.95**	**105.50**

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net profit after tax for the year (₹ in million)	2,907.96	2,941.05
Weighted average number of equity shares outstanding for basic earning per share	13,75,00,000	13,75,00,000
Add : Dilutive share -share options outstanding	1,23,374	-
Weighted average number of equity shares outstanding for diluted earning per share	13,76,23,374	13,75,00,000
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	21.15	21.39
Diluted earnings per share (in ₹)	21.13	21.39

Note 26:

In the previous year during the May 2017, Pursuant to a tie-up agreement among Parent Company, Pharmanza, Aeran Lab (India) Private Limited and others, the Parent Company entered into deed of assignment to acquire rights and title to the Brands Union, Reunion and Bon-Union for an aggregate consideration of ₹ 100 million, management does not expect any cash outflow from this matter.

Note 27: BUSINESS COMBINATIONS AND ACQUISITIONS

(i) In the previous year, the Parent Company on November 30, 2017 acquired Indian domestic formulation business of Strides Shasun Limited for ₹ 5000 million.

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

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

a) Business Transfer Agreement with Strides Shasun Limited for ₹ 4,100 million.

b) Share Purchase Agreement with Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited) to acquire 100% shareholding for ₹ 900 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

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

a) Business Transfer Agreement with Strides Shasun Limited

Particulars	(₹. In Million)
Assets	
Value of Identified Intangible Assets- Brands	3,786.00
Inventories	87.21
Trade Receivables	59.99
Other Asset	29.86
Total Assets	**3,963.06**
Liabilities	
Trade Payable	90.18
Other Liabilities	6.46
Total Liabilities	**96.64**
Net Assets	**3,866.42**
Less: Purchase consideration *	4,033.02
Goodwill (refer note 27 (iv) below)	**166.60**

*Difference between business transfer agreement ₹ 4,100 million and purchase consideration ₹ 4,033.02 million is on account of Working capital adjustment.

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

Particulars	(₹. In Million)
Assets	
Value of Identified Intangible Assets- Brands	715.90
Other Asset	3.03
Cash and cash equivalents	0.56
Total Assets	**719.49**
Liabilities	
Trade Payable	0.07
Other Liabilities	2.34
Total Liabilities	**2.41**
Net Assets	**717.08**
Less: Purchase consideration	900.00
Goodwill (refer note 27 (iv) below)	**182.92**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Revenue and profit contributed to the group for the period November 30, 2017 to March 31, 2018 are as follows:

Particulars	(₹. In Million)
Revenue	0.72
Profit/(Loss) before tax	(2.81)

Acquisition costs charged to Profit and Loss

Acquisition costs of ₹ 35.89 million were charged to statement of profit and loss under the head Other Expenses for the year ended March 31, 2018.

(ii) In the previous year, The Parent Company on October 01, 2017 has acquired 100% shareholding of UTH Healthcare Limited for a consideration of ₹ 128.50 million.

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

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

Particulars	(₹. In Million)
Assets	
Value of Identified Intangible Assets- Brands	335.00
Property Plant and Equipment	3.25
Inventories	13.24
Trade Receivables	26.25
Other Asset	2.23
Cash and cash equivalents	4.61
Total Assets	**384.58**
Liabilities	
Borrowings	182.16
Trade Payable	55.60
Other Liabilities	40.74
Total Liabilities	**278.50**
Net Assets	**106.08**
Less: Purchase consideration	128.50
Goodwill (refer note 27 (iv) below)	**22.42**

b) Revenue and profit contributed to the group for the period October 01, 2017 to March 31, 2018 are as follows:

Particulars	(₹. In Million)
Revenue	68.47
Profit/(Loss) before tax	(19.81)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(iii) The Parent Company on November 06, 2018 has further acquired 6.71% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 107.21 million. The Parent Company has acquired remaining 17.81% shareholding subsequently on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

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

None of the goodwill arising on these acquisitions is deductible for tax purposes except ₹ 166.60 million recognised on business Transfer agreement with Strides Shasun Limited.

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

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Group makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 59.38 million (Previous Year ₹ 49.47 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme. The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹ 10.16 million (Previous year ₹ 7.92 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 13.15 million (Previous Year ₹ 9.56 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Group's financial statements as at 31st March, 2019:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	**88.09**	**66.50**
Current Service Cost	17.96	14.53
Transfer in/(out) obligation	-	-
Past Service Cost	-	4.83
On Account of acquisition	-	6.46
Interest Cost	5.69	4.06
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(2.53)	(2.06)
- Due to experience adjustments	5.46	0.94
Benefits paid	(8.82)	(7.17)
Obligations at the end of the year	**105.85**	**88.09**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	**56.52**	**42.13**
Interest Income	3.96	2.81
Expected returns on plan assets	1.23	(0.33)
Employer Contributions	1.53	18.47
Benefits paid	(8.50)	(6.56)
Fair Value of plan assets at the end of the year	**54.74**	**56.52**
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	**105.85**	**88.09**
Less : Fair value of plan assets	(54.74)	(56.52)
Funded status (deficit)	51.11	31.57
Net liability recognised in the financial statement	**51.11**	**31.57**
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	17.96	19.35
Interest Cost	1.73	1.26
Expense charged to the statement of profit and loss	**19.69**	**20.61**
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	(1.23)	0.33
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(2.53)	(2.06)
- Due to experience adjustments	5.46	0.94
Expense charged to other comprehensive income	**1.70**	**(0.79)**
Assumptions:		
Discount rate	6.90% to 7.70%	7.30% to 7.60%
Estimated rate of return on plan assets	6.90% to 7.70%	7.30% to 7.60%
Annual increase in salary costs	6% to 7%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	103.74	86.22
Decrease of 0.5% in discount rate	108.19	90.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Increase of 0.5% in salary escalation rate	107.86	89.84
Decrease of 0.5% in salary escalation rate	103.94	86.45
Expected future Cash outflows towards the plan are as follows :		
Year 1	25.18	20.28
Year 2	19.18	17.10
Year 3	15.86	13.65
Year 4	11.96	10.46
Year 5	10.36	9.00
Year 6 to 10	28.04	24.37

Investment details of plan assets:

Particulars	March 31, 2019 %	March 31, 2018 %
Insurer managed funds with Life Insurance Corporation of India	87%	91%
Bank Balance with Eris lifesciences limited employees group gratuity trust	13%	9%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by Group for gratuity during financial year ending March 31, 2020 is ₹ 44.27 million (previous year ₹ 17.97 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

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

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	839.76	839.76	666.42	666.42
Cash and cash equivalents	75.00	75.00	106.08	106.08
Other bank balances	0.07	0.07	0.30	0.30
Loans	21.25	21.25	11.84	11.84
Other Financial Asset	206.34	206.34	184.95	184.95
Investment in NSC	-	-	0.02	0.02
Fair value through profit or loss :				
Investment in mutual funds	3,510.59	3,510.59	3,621.60	3,621.60
Investment in equity instruments (other than investment in subsidiaries)	44.65	44.65	28.78	28.78
Investment in tax free bonds	3.28	3.28	3.29	3.29
Total	**4,700.94**	**4,700.94**	**4,623.28**	**4,623.28**
Financial Liabilities :				
Amortised cost :				
Borrowings	2.93	2.93	2,741.95	2,741.95
Trade payables	841.25	841.25	907.74	907.74
Other financial liabilities	1,787.35	1,787.35	1,056.95	1,056.95
Total	**2,631.53**	**2,631.53**	**4,706.64**	**4,706.64**

(ii) Fair value hierarchy:

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,510.59	-	-	3,510.59
Equity instruments	16.03	28.62	-	44.65
Tax free bonds	3.28	-	-	3.28
Total	**3,529.90**	**28.62**	**-**	**3,558.52**
Financial Liabilities :	**-**	**-**	**-**	**-**
Net Assets/(Liabilities)	**3,529.90**	**28.62**	**-**	**3,558.52**

(₹. In Million)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,621.60	-	-	3,621.60
Equity instruments	14.28	14.50	-	28.78
Tax free bonds	3.29	-	-	3.29
Total	**3,639.17**	**14.50**	**-**	**3,653.67**
Financial Liabilities :	**-**	**-**	**-**	**-**
Net Assets/(Liabilities)	**3,639.17**	**14.50**	**-**	**3,653.67**

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

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

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

(iii) Financial risk management:

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

(a) Market risk:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

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

The Group invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 3,513.87 million and ₹ 3,624.89 million as at March 31, 2019 and March 31, 2018 respectively.

The Group's borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to ₹ 1,764.23 million and ₹ 3,743.54 million as at March 31, 2019 and March 31, 2018 respectively.

For the year ended March 31, 2019, every 50 basis increase in interest rates would decrease the Group profit by approximate ₹ 14.08 million (Previous year : ₹ 6.58 million). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

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

Credit Risk Management

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

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4,700.94 million and ₹ 4,623.28 million as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

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

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

(₹. In Million)

As at March 31, 2019	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,764.75	2.93	-
Trade payables	841.25	-	-
Other financial liabilities	2.54	-	23.51
	2,608.54	**2.93**	**23.51**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

(₹. In Million)

As at March 31, 2018	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,026.04	2,004.37	750.70
Trade payables	907.74	-	-
Other financial liabilities	8.32	-	22.59
	1,942.10	**2,004.37**	**773.29**

(iv) Capital management

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

Note 30: Related Party Disclosures

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

Sr. No.	Nature of Relationship	Name of the entity
1	**Key Managerial Personnel**	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Independent Director (upto 6th October 2017)	Mr. Rajiv Gulati
	Independent Director (upto 1st February 2018)	Mr. Shardul Shroff
	Nominee Director (upto 26th May 2017)	Mr. Sanjiv Kaul
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
2	**Close family member of Key Management Personnel**	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
3	**Other Related parties**	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Control By Director in entity	Horizon Blue Ventures LLP

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

B) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Key Management Personnel compensation**		
	Remuneration	85.67	69.06
	Sitting fees	2.53	1.70
	Stock Options exercised	1.08	-
2	**Close family member of Key Management Personnel compensation**		
	Salary expense	3.86	3.42
3	**Other Related parties**		
	Contribution to Post-employment benefit plan	17.22	23.80

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

There are no outstanding balances with related parties at the end of year.

Note 31: Contingent Liability:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	146.82	137.93
Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities	-	7.03
Notices regarding Income-tax matters and from sales tax department	12.88	-
Others	6.10	-

Note:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 32: Leases :

The Group has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 179.36 million (Previous year ₹ 80.85 million). The Group has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	165.04	98.23
Later than one year and not later than 5 years	125.93	129.31
Later than five years	18.96	31.75

Note 33: ESOP

The Parent Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 34,921 options have lapsed till March 31, 2019.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of :share-based payment plans

The employee compensation cost has been calculated using black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2018-19 is ₹ 16.53 million.

Employee stock options details as on the balance sheet date are as follows:

(₹. In Million)

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	3,68,318	451.04	-	-
Granted during the year	-	-	3,91,599	451.04
Vested during the year	73,664	451.04	-	-
Exercised during the year	19,783	451.04	-	-
Lapsed during the year	11,640	451.04	23,281	451.04
Options outstanding at the end of the year	3,36,895	451.04	3,68,318	451.04
Options available for grant	23,281	-	23,281	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	12-Apr-17
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.00
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

Note 34: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by auditors.

Particulars	March 31, 2019	March 31, 2018
a. The Principal amount and the interest due thereon remaining unpaid to an supplier as at the end of each accounting year		
Principal amount due remaining unpaid	9.61	-
Interest amount due remaining unpaid	0.08	-
b. The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

* payments are done within agreed terms i.e. 60 days but as per MSME Act payment beyond 45 days are disclosed.

Note 35: Segment reporting

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Note 36: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year.

Note 37: Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Details of entities consolidated-

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2019	Proportion of Ownership Interest as on March 31, 2018
Eris Therapeutics Private Limited	Subsidiary	India	100.00%	100.00%
Aprica Healthcare Private Limited	Subsidiary	India	100.00%	100.00%
Kinedex Healthcare Private Limited	Subsidiary	India	82.19%	75.48%
UTH Healthcare Limited	Subsidiary	India	100.00%	100.00%
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	Subsidiary	India	100.00%	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2019)		Share in Profit or (Loss) 2018-19		Share in Other Comprehensive Income (OCI) 2018-19		Share in Total Comprehensive Income (TCI) 2018-19	
	As % of consolidated net Assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	98.9%	11,560.07	98.1%	2,853.81	87.6%	(0.99)	98.1%	2,852.82
Subsidiaries								
Eris Therapeutics Private Limited	0.0%	0.85	0.0%	(0.01)	0.0%	-	0.0%	(0.01)
Aprica Healthcare Private Limited	1.0%	118.23	2.3%	66.01	36.3%	(0.41)	2.3%	65.60
Kinedex Healthcare Private Limited	0.8%	88.62	0.5%	13.48	-23.9%	0.27	0.5%	13.75
UTH Healthcare Limited	0.1%	17.18	0.5%	15.92	0.0%	-	0.5%	15.92
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	4.7%	544.69	-0.4%	(12.42)	0.0%	-	-0.4%	(12.42)
Non controlling Interest in subsidiaries	1.6%	183.11	-0.1%	(3.51)	0.0%	-	-0.1%	(3.51)
Intercompany Elimination and Consolidation Adjustments	-7.1%	(824.46)	-0.9%	(25.32)	0.0%	-	-0.9%	(25.32)
Total	**100.0%**	**11,688.29**	**100.0%**	**2,907.96**	**100.0%**	**(1.13)**	**100.0%**	**2,906.83**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

for the year ended March 31, 2019

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2018)		Share in Profit or (Loss) 2017-18		Share in Other Comprehensive Income (OCI) 2017-18		Share in Total Comprehensive Income (TCI) 2017-18	
	As % of consolidated net Assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	98.0%	8,681.79	99.8%	2,936.54	-110.6%	(0.73)	99.8%	2,935.81
Subsidiaries								
Eris Therapeutics Private Limited	0.0%	0.86	0.0%	(0.03)	0.0%	-	0.0%	(0.03)
Aprica Healthcare Private Limited	-0.3%	(27.37)	0.5%	15.03	-43.9%	(0.29)	0.5%	14.74
Kinedex Healthcare Private Limited	-0.2%	(20.14)	1.2%	35.60	254.5%	1.68	1.3%	37.28
UTH Healthcare Limited	-2.8%	(248.74)	-0.7%	(19.85)	0.0%	-	-0.7%	(19.85)
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	6.3%	557.11	-0.1%	(1.91)	0.0%	-	-0.1%	(1.91)
Non controlling Interest in subsidiaries	2.8%	246.65	-0.3%	(8.73)	0.0%	-	-0.3%	(8.73)
Intercompany Elimination and Consolidation Adjustments	-3.8%	(330.44)	-0.4%	(15.60)	0.0%	-	-0.5%	(15.60)
Total	**100.0%**	**8,859.72**	**100.0%**	**2,941.05**	**100.0%**	**0.66**	**100.0%**	**2,941.71**

Note 38: Revenue from operations

Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS-18, "Revenue", GST is not included in revenue from operations. In view of the aforesaid, revenue from operations for the year ended on March 31, 2019 are not comparable with the previous period.

Effective from April 01, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Group.

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: May 21, 2019

Milind Talegaonkar
Company Secretary
Membership No-A26493

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road,
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Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

NOTICE

NOTICE IS HEREBY given that the thirteenth Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Friday, September 27, 2019, at 11:00 A.M., at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Amit Bakshi, (DIN: 01250925) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020 and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution

   "RESOLVED THAT subject to the provisions of Section 148 and the other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the thirteenth AGM payable to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2019-20.

   RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution."

4. To approve the Payment of Commission to Non Executive Directors of the Company and in this regard, to pass with or without modification(s) the following resolution as an Ordinary Resolution

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be and is hereby approved for payment and distribution amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and /or Executive committee of the Company and such payments be made in respect of the profits of the Company on a financial year to year basis, commencing April 1, 2019.

   RESOLVED FURTHER THAT all the Directors and the Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Date: July 27, 2019
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A Proxy form is attached herewith. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.

   A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten per cent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.

3. Only Registered Members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non Members from attending the meeting.

4. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item No. 3 and 4 of the Notice, is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed on Friday, September 20, 2019.

6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

7. The information required to be given for the Director(s) seeking appointment/ reappointment at the AGM as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms part of the Notice.

8. Notice of the thirteenth Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes unless any member has requested for a hard copy of the same.

9. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to carry your folio number/demat account number/ DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.

10. The Companies (Management and Administration) Rules, 2014 allows the companies to serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website www.eris.co.in.

11. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to Link Intime India Private Limited (Company's Registrar and Share Transfer Agent). Members holding the Company's shares in dematerialized form are requested to register/ update their e-mail address with their Depository Participant(s) directly.

12. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the Annual General Meeting.

13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

14. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.

15. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours except on holidays.

16. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.

17. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

18. At the tenth AGM held on October 25, 2016 the members approved appointment of M/s Deloitte Haskin & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Fifteenth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the thirteenth AGM.

19. The route map showing directions to reach the venue of the AGM is annexed.

20. Voting through electronic means

    a. The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued by the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the members to cast their votes from a place other than venue of the AGM [remote e-voting]. The facility for voting shall be made available at the AGM through polling paper and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for the members.

    b. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.

    c. The Notice will be displayed on the website of the Company www.eris.co.in and on the website of CDSL www.evotingindia.com.

    d. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.

    e. The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach CDSL for issuance of the USER ID and Password for exercising their right to vote by electronic means.

    f. Members are requested to follow the instructions below to cast their vote through e-voting:

        i. The remote e-voting period will commence at 9:00 a.m.(IST) on Tuesday, September 24, 2019 and will end at 5:00 p.m. (IST) on Thursday, September 26, 2019. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 20, 2019 may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter.

        ii. The shareholders should log on to the e-voting website www.evotingindia.com.

        iii. Click on Shareholders.

        iv. Now Enter your User ID

            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) • 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. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

        viii. After entering these details appropriately, click on "SUBMIT" tab.

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

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

xi. Click on the EVSN for the relevant <Eris Lifesciences Limited> on which you choose to vote.

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

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

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

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

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details: Mr. Rakesh Dalvi, Manager, CDSL 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400 013, Email : helpdesk.evoting@cdslindia.com Tel: 1800225533

A member can opt for only one mode of voting i.e. either through remote e-voting or voting at the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

21. The board of directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

22. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.eris.co.in and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.

23. Members are requested to bring their copy of the Annual Report to the meeting. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.

By order of the Board of Directors

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Date: July 27, 2019
Place: Ahmedabad

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice

Item No. 3

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the re-appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2019-2020, at a remuneration of ₹ 1,50,000 /-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

The Board recommends this Resolution for your approval.

Item No. 4

Section 197 and 149 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of Members. Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of members in general meeting.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding one percent per annum of the net profits of the Company calculated in accordance with provisions of Section 197 of the Act, be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the approval by the Executive Committee and /or Board of Directors of the Company.

Such payment will be in addition to the sitting fees for attending Board/Committee meetings. The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members.

All the Directors of the Company and their relatives (except the Executive Directors and their relatives) are concerned or interested in the Resolution at Item No. 4 of the Notice to the extent of the remuneration that may be received by each of these Directors.

None of the Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

By order of the Board of Directors

Date: July 27, 2019
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

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

Name of the Director	Mr. Amit Indubhushan Bakshi
Age	45 Years
Date of Appointment on the Board	27/01/2007
Brief resume and nature of expertise in functional areas	He has been on the Board of our Company since inception serving in capacity of Chairman and Managing Director. He brings extensive experience of Indian Pharmaceutical industry and handles Strategic Management role for the company across all functions of our business. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2019 (Other than Eris Lifesciences Limited)	None
Memberships / Chairmanships of Committees in Listed Companies & public limited companies (other than Eris Lifesciences Limited and Section 8 Companies) as on March 31, 2019	None
Number of shares held in the Company as on March 31, 2019	5,45,13,423

ERIS LIFESCIENCES LIMITED

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

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

ATTENDANCE SLIP

VENUE OF THE MEETING: Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DAY, DATE & TIME: Friday, September 27, 2019, at 11:00 A.M

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

*Applicable for investors holding shares in Electronic form.
I certify that I am a registered shareholder(s)/proxy for the registered shareholder of the Company.
I hereby record my presence at the thirteenth Annual General Meeting of the Company to be held on Friday, September 27, 2019, at 11:00 A.M at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

Signature of Member/Proxy

Notes

1. Please check the details carefully for their correctness before submitting the slip.
2. Please carry this attendance slip (or its copy or printout) with you while coming to the meeting.

ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road,
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Tel: +91 79 3045 1000 Fax: +91 79 3017 9404
CIN: L24232GJ2007PLC049867

Form No. MGT-11

Proxy form

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

VENUE OF THE MEETING: Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

DAY, DATE & TIME: Friday, September 27, 2019, at 11:00 A.M

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I/We, ____, being the member(s) of ________ shares of Eris Lifesciences Limited hereby appoint the following as my/our Proxy to attend and vote on a poll (for me/us and on my/our behalf at the thirteenth Annual General Meeting of the Company to be held on Friday, September 27, 2019, at 11:00 A.M and at any adjournment thereof) in respect of such resolutions as are indicated below;

1. Name:

   Registered address:

   Email id:

   Signature: ___________________, or failing him/her

2. Name:

   Registered address:

   Email id:

   Signature:___________________, or failing him/her

3. Name:

   Registered address:

   Email id:

   Signature:___________________, or failing him/her

** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	Number of shares held	For	Against
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Amit Bakshi, (DIN: 01250925) who retires by rotation and, being eligible, offers himself for re-appointment.			
SPECIAL BUSINESS				
3	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020.			
4	To approve the Payment of Commission to Non Executive Directors of the Company			

This is optional. Please put a tick mark(√) in the appropriate column against the resolutions indicated in the box. If a Member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a Member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed this _____day of _______________2019.

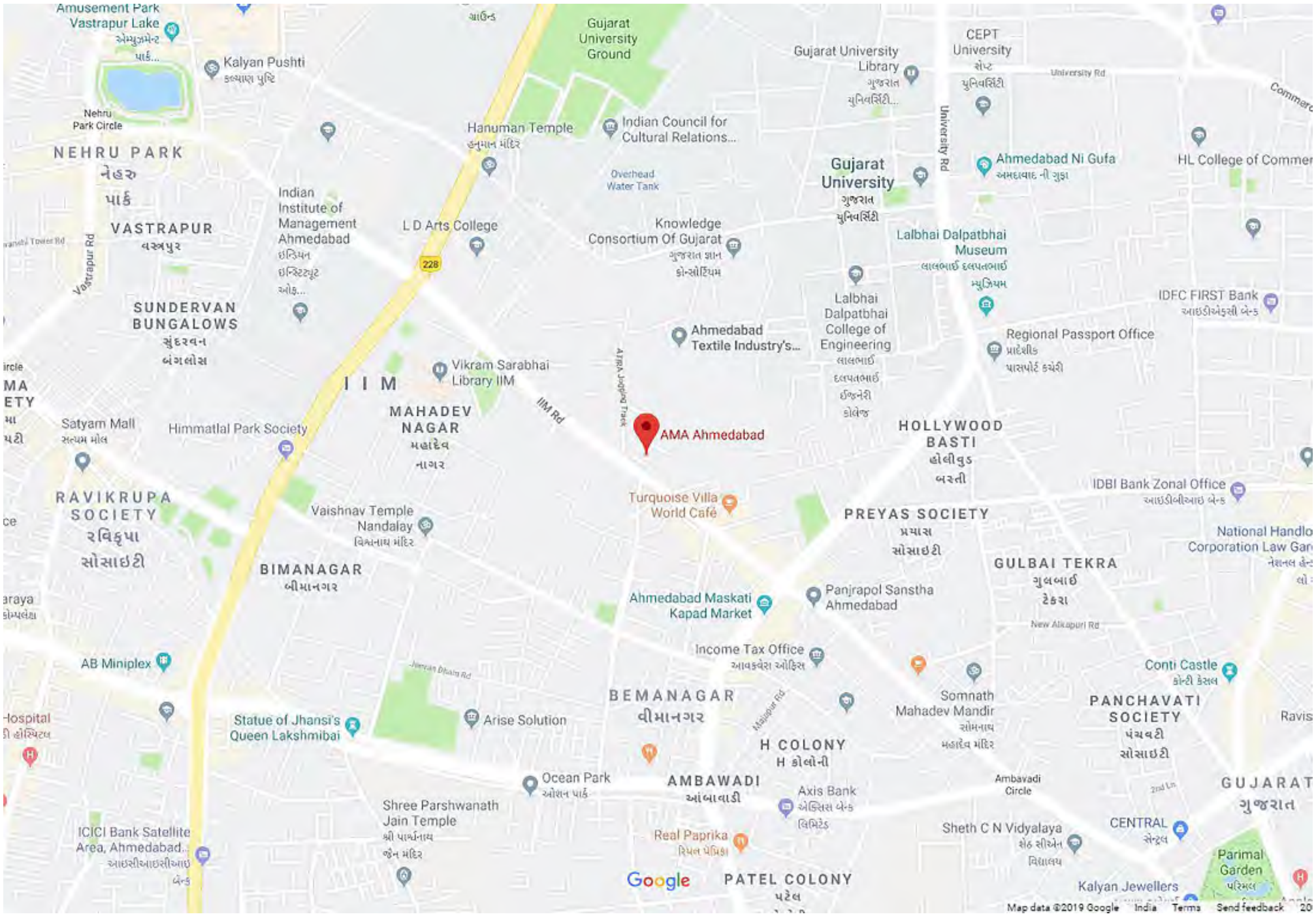
Signature of Shareholder: ____________________Signature of Proxy Holder(s):____________ _______________ _________

Affix Revenue Stamp:

Notes

1. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.
3. In the case of joint holders, the vote of the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Shareholders may vote either for or against each resolution.

ROUTE MAP OF THE AGM VENUE:



Ahmedabad Management Association,
ATIRA Campus, Dr. Vikram Sarabhai Marg,
Ahmedabad – 380 015

ERIS LIFESCIENCES LIMITED

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