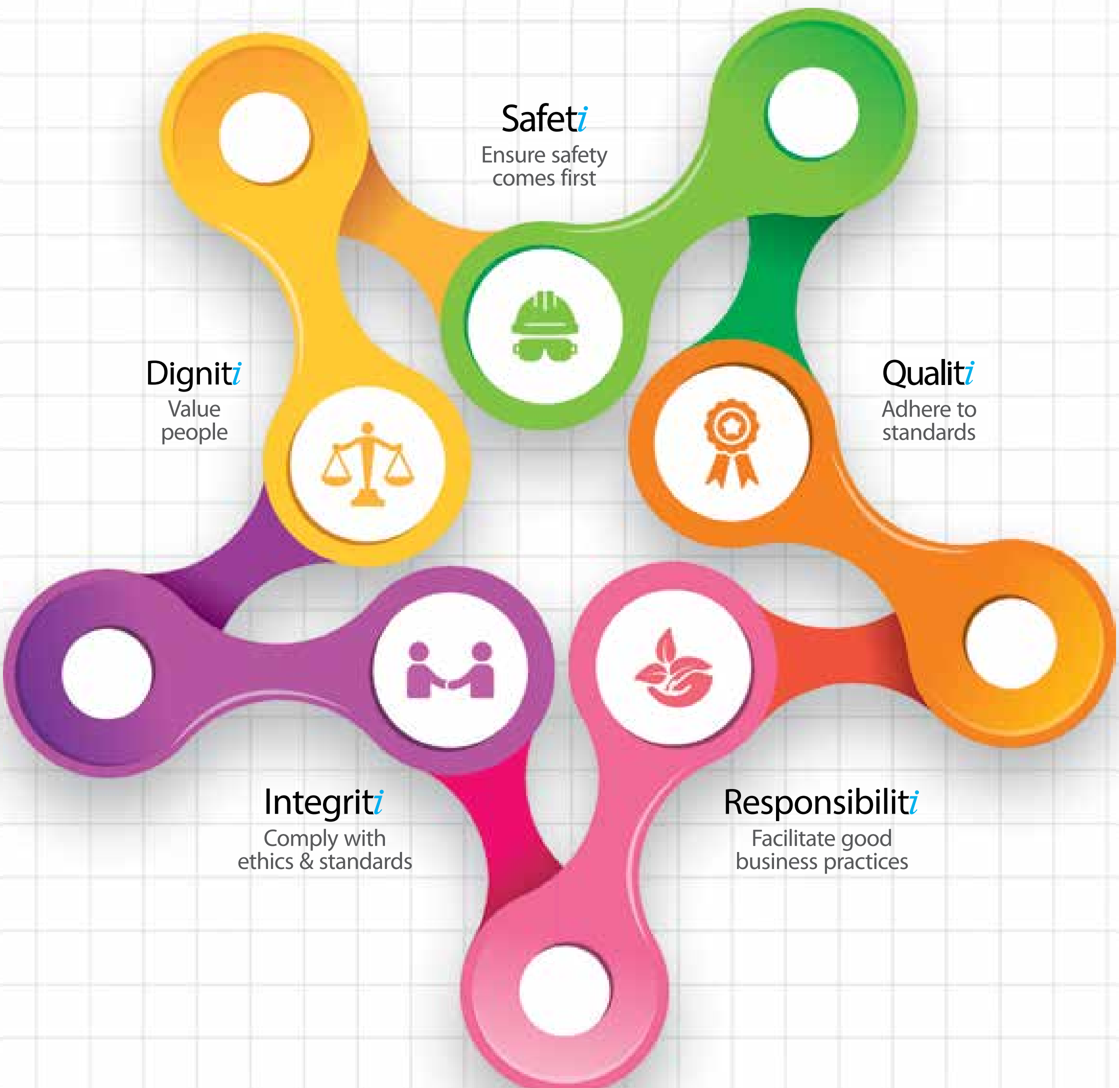


Ipca Laboratories Ltd.

Annual Report 2017-18

Ten Years' Highlights

(₹ Crores)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Income	1275.57	1565.50	1889.61	2342.98	2797.08	3256.25	3120.40	2870.73	3178.87	**3258.75**
Domestic Income	595.18	759.42	864.43	941.01	1081.00	1190.23	1367.54	1440.88	1617.13	**1694.54**
Export Income	680.39	806.08	1025.18	1401.97	1716.08	2066.02	1752.86	1429.85	1561.74	**1564.21**
Earning before Interest, Depreciation & Tax	#270.01	#344.65	#384.24	#526.40	#639.95	#826.66	#556.27	#341.81	#435.20	**#478.82**
Profit before Tax	124.65	271.73	343.70	368.94	461.37	629.09	357.73	111.45	258.20	**282.80**
Net Profit after Tax	91.22	209.19	255.37	280.17	331.39	477.37	256.11	92.52	188.29	**233.11**
Share Capital	24.99	25.04	25.14	25.23	25.24	25.24	25.24	25.24	25.24	**25.24**
Reserves & Surplus	613.52	849.82	1028.72	1237.04	1544.61	1956.37	2196.57	2257.81	2449.88	**2669.71**
Net Worth	638.51	874.86	1053.86	1262.27	1569.85	1981.61	2221.81	2283.05	2475.12	**2694.95**
Net Block	579.72	674.75	792.57	1007.33	1204.50	1471.01	2019.91	2105.51	2040.84	**1927.84**
Dividend (%)	110%	140%	160%	160%	200%	250%	50%	-	50%	**50%**
Earnings per share (₹)	36.33	@ 16.75	20.36	22.23	26.27	37.83	20.29	7.33	14.92	**18.47**
Book Value per share (₹)	255.51	@ 69.86	83.84	100.06	124.39	157.02	176.05	180.91	196.12	**213.55**

\# Before Foreign Exchange Gain /Loss

@ Post Sub-division of each equity share of ₹ 10/- into 5 equity shares of ₹ 2/- each

MANAGEMENT

Board of Directors	
Premchand Godha (DIN 00012691)	Chairman & Managing Director
Ajit Kumar Jain (DIN 00012657)	Joint Managing Director
Pranay Godha (DIN 00016525)	Executive Director
Prashant Godha (DIN 00012759)	Executive Director
Babulal Jain (DIN 00016573)	Independent Director
Anand T. Kusre (DIN 00818477)	Independent Director
Dev Parkash Yadava (DIN 00778976)	Independent Director
Dr. Ramakanta Panda (DIN 01161791)	Independent Director
Dr. (Mrs.) Manisha Premnath (DIN 05280048)	Independent Director
Corporate Management team	
Premchand Godha	Chairman & Managing Director / CEO
Ajit Kumar Jain	Joint Managing Director / CFO
Pranay Godha	Executive Director
Prashant Godha	Executive Director
Dr. Ashok Kumar	President - R&D (Chemicals)
Dr. Anil Pareek	President - Medical Affairs & Clinical Research
Sunil Ghai	President - Domestic Marketing
Harish P. Kamath	Corporate Counsel & Company Secretary
E. J. Babu	President - API Exports
A. P. Muralikrishnan Sarma	President - Generics
Sanjay Sinha	President - Operations (Formulations)
Pabitra Kumar Bhattacharya	President - Operations (API)
Dr. Sanjay Kapadia	President - Corporate Quality Assurance
Dr. Goutam Muhuri	President - R&D (Formulations)
Company Secretary	
Harish P. Kamath (ACS 6792)	
Auditors	
G. M. Kapadia & Co., Chartered Accountants (Firm Regn. No. 104767W)	
Cost Auditors	
ABK & Associates, Cost Accountants (Firm Regn. No. 000036)	
Secretarial Auditors	
Parikh & Associates, Company Secretaries	

CONTACTS

Registered Office

48, Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6647 4444
F: +91 22 6210 5005

Research & Development Centre

48, 58-DD, 123 AB, 125 & 126 (Amalgamated)
Kandivli Industrial Estate
Kandivli (West)
Mumbai 400 067
India
T: +91 22 6210 5000
F: +91 22 6210 5439

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
T: +91 22 4918 6270
F: +91 22 4918 6060

Debenture Trustees

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai 400 001
T: +91 22 4080 7000
F: +91 22 6631 1776
E: itsl@idbitrustee.com

Bankers

Barclays Bank PLC
BNP Paribas
Citibank N.A.
Corporation Bank
DBS Bank Ltd.
HDFC Bank Ltd.
HSBC Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank
Standard Chartered Bank
United Overseas Bank Ltd.
Yes Bank Ltd.

Works

Madhya Pradesh

P.O. Sejavta 457 002, Ratlam
T: +91 7412 278000 | F: +91 7412 279083

89 A-B / 90 / 91, Industrial Estate, Pologround
Indore 452 003
T: +91 731 2421172 | F: +91 731 2422082

1, Pharma Zone
SEZ Indore, Pithampur 454 775
T: +91 7292 667777 | F: +91 7292 667020

470, 471 & 481 Sector III, Industrial Area,
Pithampur 454 775
T: +91 07292 256167

Gujarat

Plot No. 69 to 72-B, Sector II, KASEZ
Gandhidham 370 230
T: +91 2836 252385 | F: +91 2836 252313

4722, GIDC Industrial Estate
Ankleshwar 393 002
T: +91 2646 220594 | F: +91 2646 250435

23-24, GIDC Industrial Estate
Nandesari 391 340
T: +91 265 2840795 | F: +91 265 2840868

Village Ranu (Taluka Padra) 391 445
T: +91 2662 227300

Union Territory of Dadra & Nagar Haveli

Plot No. 255/1, Village Athal
Silvassa 396 230
T: +91 260 2640301 | F: +91 260 2640303

Plot No. 65, 99 & 126, Danudyog Indl. Estate
Silvassa 396 230
T: +91 260 2640850 | F: +91 260 2640646

Maharashtra

H-4, G4 to G7, MIDC, Waluj Indl. Area (Unit I and II)
Aurangabad 431 136
T: +91 240 6611501 | F: +91 240 2564113

C 89 to C 95, MIDC Industrial Area
Mahad 402 309
T: +91 2145 232058 | F: +91 2145 232055

T-139, MIDC, Tarapur, Palghar 401 506
T: +91 02525 205273

Uttarakhand

C-6, Sara Indl. Estate, Chakrata Road
Rampur, Dehradun 248 197
T: +91 135 2699195 | F: +91 135 2699171

Sikkim

393 / 394, Melli-Jorethang Road (Unit I and II)
Gom Block, Bharikhola, South District 737 121
Telefax: +91 3595 276372

NOTICE

NOTICE is hereby given that the 68th ANNUAL GENERAL MEETING of Ipca Laboratories Limited (CIN L24239MH1949PLC007837) will be held at Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Near Railway Station, Kandivli (West), Mumbai – 400 067 on Thursday, 9th August, 2018 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the financial year ended on 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon; and

   b) the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2018 together with the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. Ajit Kumar Jain (DIN 00012657) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Pranay Godha (DIN 00016525) who retires by rotation and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Registration No. 104767W) as the Statutory Auditors made at the 67th Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 72nd AGM and which appointment was subject to ratification at every AGM, be and is hereby ratified and that they shall continue to hold the office as the Statutory Auditors until the conclusion of the 72nd AGM of the Company, without the necessity of any further ratification, on such remuneration plus re-imbursement of out of pocket expenses as may be determined by the Board."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its approval to the re-appointment of and remuneration payable to Mr. Premchand Godha (DIN 00012691) as the Managing Director of the Company for a further period of 5 years commencing 1st April, 2018 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee of the Board and as set out in the agreement dated 5th March, 2018 entered into between the Company and Mr. Premchand Godha, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement be and is hereby specifically approved.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, M/s. ABK & Associates, Cost Accountants (Firm Registration No. 000036) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records for the financial year 2018-19 be paid remuneration of ₹ 5,50,000/- (Rupees Five Lacs Fifty Thousand Only) plus applicable tax and reimbursement of traveling and other out of pocket expenses."

NOTES

(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.

(2) Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.

(3) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 4th August, 2018 to Thursday, 9th August, 2018 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the meeting is payable.

(4) The dividend if declared at the meeting will be paid to those members,

a. whose names appear as beneficial owners as at the end of the business hours on Friday, 3rd August, 2018 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and

b. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrars and Share Transfer Agents viz Link Intime India Pvt. Ltd. on or before Friday, 3rd August, 2018.

(5) The information required to be provided regarding the directors seeking re-appointment is furnished in the Report on Corporate Governance.

(6) Members are requested to:

(a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;

(b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;

(c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting;

(d) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid upto 2nd interim dividend for the financial year 2010-11 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.

(e) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF). The shareholders who wish to claim the said shares from the IEPF may claim the same by filing e-form No. IEPF-5 as prescribed under the said Rules (available on iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

(f) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime.

(7) All documents referred in the notice will be available for inspection by the members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on all working days (excluding Saturday) upto the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.

(8) Statement setting out material facts under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.

(9) Electronic copy of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 68th Annual General Meeting of the Company inter-alia indicating the process and manner of remote e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.

(10) Members may also note that the Notice of 68th Annual General Meeting will also be available on the Company's website www.ipca.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investor e-mail id investors@ipca.com.

(11) The route map showing directions to reach the venue of the AGM is annexed.

(12) Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 68th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM 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 through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Monday, 6th August, 2018 (9:00 am) and ends on Wednesday, 8th August, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who is not a member as on the cut off date should treat this notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

A member can opt for only one mode of voting, i.e. either through e-voting or by ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

V. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@ipca.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 3rd August, 2018.

VII. Any person, who acquires shares of the Company and becomes member of the Company after despatch of notice and holding shares as of the cut-off date i.e., 3rd August, 2018 may obtain the login ID and password by sending an e-mail to evoting@nsdl.co.in by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the Toll Free No: 1800-222-990.

VIII. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

IX. Mr. P. N. Parikh (Membership No. FCS327 CP1228) or failing him Ms. Jigyasa N. Ved (Membership No. FCS6488 CP6018) or failing them Mr. Mitesh Dhabliwala (Membership No. FCS8331 CP9511) of M/s. Parikh & Associates, Practising Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting process (including voting at the meeting) in a fair and transparent manner.

X. The Chairman shall, at the AGM, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting.

XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII. The Results declared alongwith the report of the Scrutinizer shall be displayed at the Registered Office of the Company and placed on the website of the Company (www.ipca.com) and on the website of NSDL (www.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

Registered Office:
48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.
Tel : 022 – 6210 6050
E-mail: investors@ipca.com
Website: www.ipca.com
CIN: L24239MH1949PLC007837
Mumbai, 29th May, 2018

By Order of the Board
For **Ipca Laboratories Ltd**

Harish P. Kamath
Corporate Counsel & Company Secretary
ACS 6792

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

Item No. 6

At the meeting of the Board of Directors of the Company held on 7th February, 2018, Mr. Premchand Godha (DIN 00012691) was re-appointed as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2018. Accordingly, an agreement setting out the terms and conditions of his re-appointment including remuneration payable to him was entered into between the Company and Mr. Premchand Godha, Managing Director on 5th March, 2018.

This re-appointment is in compliance with Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders.

Mr. Premchand Godha aged 71 years is a qualified Chartered Accountant and a Commerce graduate. He is also a first generation entrepreneur. He has over 42 years of experience in the pharmaceutical industry. He is a director of the Company since 31st October, 1975 and has been the Managing Director of the Company since March, 1983. He is also Chairman of the Board of Directors and CEO of the Company. He is also a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board.

He holds 26,81,340 equity shares of the Company.

Details of number of board meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website www.ipca.com.

He is also a Director of the following companies;

Kaygee Investments Pvt. Ltd	Vasant Investment Corporation Ltd.
Gudakesh Investment & Traders Pvt. Ltd.	Paranthapa Investments & Traders Pvt. Ltd.

The Agreement referred to in the resolution at item 6 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Premchand Godha upon his re-appointment as the Managing Director.

His vast experience of over 42 years in the pharmaceutical industry is of immense benefit to the Company. In view of this, even though he is of the age of over 70 years, his re-appointment as the Managing Director for a further period of 5 (five) years as provided under this resolution is recommended by the Board of Directors for the approval of the shareholders as a special resolution as provided under Section 196 of the Companies Act, 2013.

The abstract of the terms and conditions of his re-appointment as mentioned in the said Agreement are as follows:

1. Period: 5 (five) years with effect from 1st April, 2018.
2. The Managing Director shall exercise and perform such powers and duties as the Board shall from time to time, determine and subject to any directions and restrictions, from time to time, given and imposed by the Board and further subject to the superintendence, control and direction of the Board, he shall have the general control, management and superintendence of the business of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which, in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.
3. The Managing Director shall devote his whole-time attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects conform to and comply with the directions and regulations made by the Board, and shall use his best endeavours to promote interests of the Company.
4. During the period of his employment the Managing Director shall whenever required by the Company undertake such travelling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.
5. The Company shall, in consideration of the performance of his duties, pay to the Managing Director during the continuance of this Agreement, the following remuneration :
   a) Salary of ₹30,25,000/- (Rupees Thirty Lacs Twenty Five Thousand only) per month with such annual increments as may be decided by the Board subject to a ceiling of ₹40,00,000/- (Rupees Forty Lacs Only) per month.
   b) Commission: Such remuneration by way of commission, in addition to the above salary and perquisite, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated under Section 197 and other applicable provisions of the Companies Act, 2013 but not more than 200% of his annual salary. The specific amount payable to the Managing Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
   c) Perquisites: In addition to the salary and commission, the Managing Director shall be entitled to the following perquisites :
      i) Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to a maximum of twenty per cent of the salary. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the above ceiling laid down.

         Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.
      ii) Medical, Hospitalization and Health-care expenses: Actual expenses incurred for the Managing Director and his family including mediclaim policy premium to be paid by the Company.
      iii) Leave Travel Concession: For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of one month salary.
      iv) Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
      v) Personal accident insurance: As per any rules specified by the Company.
      vi) Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
      vii) Gratuity : As per the rules of the Company, payable in accordance with the approved gratuity

fund and which shall not exceed half a month's salary for each completed year of service.

viii) Encashment of unavailed privilege leave at the end of the tenure of the appointment.

ix) Company maintained car with driver.

x) Land line Telephone(s) at the residence and mobile phone(s) for official use.

6. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration, subject to the provisions of Schedule V of the Companies Act, 2013 or with the approval of the Central Government, if required.

7. The Managing Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than one hundred twenty days during the tenure of appointment.

8. The Managing Director shall be entitled to :

   a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and

   b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

9. As long as Mr. Premchand Godha functions as Managing Director, he shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

10. The Managing Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company or any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets, or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavor to prevent any other person from so doing PROVIDED HOWEVER that such divulgence or disclosure by the Managing Director to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be contravention of this clause.

11. Any property of the Company or relating to the business of the Company, including memoranda, notes, records, reports, plates, sketches, plans, recorded diskettes, drives, tapes, electronic memory gadgets or other documents which may be in the possession of or under the control of the Managing Director or to which the Managing Director has, at any time access shall, at the time of the termination of his employment be delivered by the Managing Director to the Company or as it shall direct and the Managing Director shall not be entitled to the copyright in any such document which he hereby acknowledges to be vested in the Company or its assigns and binds himself not to retain copies of any of them.

12. The Company may forthwith terminate the employment, if the Managing Director shall at anytime be prevented by ill-health or accident from performing his duties.

13. The Company shall be entitled to forthwith terminate the agreement if he becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.

14. If the Managing Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Managing Director or of any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Managing Director desirable, the Company by not less than thirty days notice in writing to the Managing Director determine this Agreement and upon the expiration of such notice the Managing Director shall cease to be the Director of the Company.

15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at anytime by giving to the other party 60 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Managing Director shall cease to be the Director of the Company. Provided that the aforesaid notice may be waived mutually by the parties hereto.

16. The terms and conditions including the remuneration payable to the Managing Director of the said

appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

17. This Agreement represents the entire agreement, between the parties hereto on the subject matter thereof.

Except Mr. Premchand Godha himself and his sons Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors and their respective relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives may be considered to be interested or concerned in passing of this resolution.

The Board of Directors accordingly recommends the resolution set out at Item No. 6 of the accompanying notice for the approval of the members by way of a special resolution.

Item No. 7

The Board of Directors on the recommendation of the Audit Committee have appointed M/s ABK & Associates, Cost Accountants (Firm Registration No. 000036) as the Cost Auditors of the Company for the financial year 2018-19. A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during normal business hours on all working days, excluding Saturday.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s. ABK & Associates as Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board of Directors accordingly recommend the resolution set out at Item No. 7 of the accompanying Notice for the approval of the members.

Registered Office:
48, Kandivli Industrial Estate,
Kandivli (West), Mumbai 400 067.
Tel : 022 – 6210 6050
E-mail: investors@ipca.com
Website: www.ipca.com
CIN: L24239MH1949PLC007837
Mumbai, 29th May, 2018

By Order of the Board
For **Ipca Laboratories Ltd**

Harish P. Kamath
Corporate Counsel & Company Secretary
ACS 6792

Route Map of AGM venue

AGM Venue - Sarovar Banquet Hall (Sarovar Hotels)

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 68th Annual Report and Audited Financial Statements for the year ended 31st March, 2018.

STANDALONE FINANCIAL RESULTS		
	(₹ crores)	
	For the year ended 31.3.2018	For the year ended 31.3.2017
Sales and other Income	**3258.75**	**3178.87**
Profit before finance cost & depreciation	481.18	452.54
Less : Finance cost	24.02	23.34
Depreciation and Amortisation	174.36	171.00
Profit before tax	**282.80**	**258.20**
Less : Provision for taxation		
Current Tax	60.01	56.95
Short / (Excess) provision of taxes for earlier years	(0.34)	(0.04)
Deferred Tax liability / (asset)	(9.98)	13.00
Net Profit	**233.11**	**188.29**

FINANCIAL STATEMENTS

The standalone and consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

In accordance with Indian Accounting Standard (Ind AS-110), the audited consolidated financial statements are provided in the Annual Report.

CREDIT RATING

During the year under report, CARE Ratings has re-affirmed CARE AA; Stable / Care A1 + (Double A; Outlook: Stable / A One Plus) ratings to the Company's long term / short term bank facilities (fund based / non-fund based) amounting to ₹ 1140 crores.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development

The global pharmaceutical market is now estimated to be over US $ 1.2 trillion and is expected to grow at a CAGR of about 4 to 5%. Though the pharmaceutical industry is developing at a rapid pace, the pharmaceutical manufacturing companies are confronted with enormous challenges such as cost and pricing, new medicines and therapy dosages, changing regulatory landscape and growing digitization. The market for pharmaceuticals is growing persistently and this industry is expected to be US$ 1.5 trillions in size by 2020. The growth in the pharmaceuticals market is led by 1% plus annual global increase in the population, increasing life expectancy leading to growth in the proportion of people aged above 65 years to about 27% of world population as well as increasing urbanization and growing middle income population making drugs available and affordable for more people. Other potential growth drivers include improved economic activity in key geographies.

Thanks to advances in science and technology, the research based pharmaceutical industry is entering an exciting new era in medicine development. The research methods are evolving and the innovative pharmaceutical industry aims to turn fundamental research into innovative treatments that are widely available and accessible to patients.

b) Outlook, Risks and Concerns

Although economic woes of certain geographics are impending the pharmaceutical market growth, the long term outlook for the industry remains positive. The industry growth is driven by ageing population and ever growing middle income group in emerging economies boosting demand for the branded and generic formulations. Additionally, the emergence of new viruses and drug resistant infections, biological agents, immune therapies etc. spurred research and development activities in the recent past providing the industry with more products in their drug pipeline with revenue and growth streams.

The Indian pharmaceuticals market is the third largest in terms of volume and twelfth largest in terms of value. India is the biggest provider of generic medications internationally accounting for about 20 percent of global exports volume and enjoys a significant position in the world pharmaceuticals sector. The country also has a huge pool of engineers and scientists having the capability to steer this industry forward to a much greater degree. The cost efficiency also continues to create opportunities for Indian pharmaceutical companies in the emerging global economies.

The Indian pharma industry is expected to outperform the global pharma industry and grow over 10% per annum in next couple of years to a size of about US $ 55 billion by 2020 thereby emerging as one of the top 10 pharmaceutical market globally by absolute size. Indian pharmaceutical export which was about US $ 16 billion in 2017 is expected to reach a size of about US $ 20 billion by 2020.

Indian pharma companies are focusing on global generic and API business, R&D activities and contract research and manufacturing alliances. India is also fast emerging as a preferred pharmaceuticals manufacturing location. Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will also provide attractive growth opportunities to Indian generic formulations manufacturers and thus Indian pharmaceutical industry is poised for an accelerated growth in the coming years.

However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and under developed countries including India, currency fluctuations, regulatory issues, government mandated price controls, inflation and resultant all round increase in input costs are few causes of concern.

During the year under report, there was no change in the nature of Company's business.

c) Financial Performance and Operations Review

During the financial year under report, the Company registered on a standalone basis a total income of ₹ 3258.75 crores as against ₹ 3178.87 crores in the previous year, a growth of 3%.

Withdrawal of exemptions given to certain APIs and formulations manufactured by the Company from the import alert by US FDA in June 2017 as well as Global Fund not sourcing the anti-malarial formulations manufactured by the Company impacted the Company's international business growth during the financial year. The implementation of GST with effect from 1st July, 2017 in the country and the resultant inventory rationalisation in the marketplace also impacted the Company's business growth in the domestic market.

The Company has implemented comprehensive remedial measures at all its manufacturing sites to ensure quality and regulatory compliances. These remedial measures included review of all processes and procedures, revamping of training system, recruitment of senior quality personnel as well as automation of quality control laboratories. The Company is awaiting re-inspection by US FDA of its manufacturing facilities currently under import alert. The Company is committed to its philosophy of highest quality in manufacturing, operations, systems, integrity and cGMP culture. Your management is confident that implementation of remedial measures will ensure that the Company will regain all its regulatory approvals.

The Directors are happy to inform you that the Global Fund has once again selected your Company as their panel supplier of anti-malarial medicines for the Global Fund Pooled Procurement mechanism and private sector co-payment mechanism for an initial period of 3 (three) years and this business is expected to restart from the current financial year.

During the financial year under report, the earnings before interest, depreciation and taxation amounted to ₹ 481.18 crores as against ₹ 452.54 crores in the previous financial year. The operations have resulted in a net profit of ₹ 233.11 crores during the financial year under report as against ₹ 188.29 crores in the previous financial year, a growth of 24%.

Break-up of Sales								(₹ Crores)
	2017-18				2016-17			
	Domestic	Exports	Total	Growth	Domestic	Exports	Total	Growth
Formulations	1425.38	993.96	2419.34	1%	1388.55	995.89	2384.44	11%
APIs & Intermediates	178.45	570.25	748.70	5%	144.41	565.85	710.26	8%
Total Sales	1603.83	1564.21	3168.04	2%	1532.96	1561.74	3094.70	10%
Growth	5%	--%	2%		12%	9%	10%	

d) International Business

The products of the Company are now exported to nearly 120 countries across the globe. During the financial year under report, the international business amounted to ₹ 1564.21 crores as against ₹ 1561.74 crores in the previous year. Formulation exports of the Company was flat at ₹ 993.96 crores and exports of APIs and Drug Intermediates increased by 1% to ₹ 570.25 crores.

Continent-wise Exports								(₹ Crores)
	2017-18				2016-17			
Continent	Formulations	APIs and Intermediates	Total	% to exports	Formulations	APIs and Intermediates	Total	% to exports
Europe	290.34	205.78	496.12	32%	381.25	221.92	603.17	39%
Africa	264.21	20.99	285.20	18%	239.92	22.45	262.37	17%
Americas	102.52	154.34	256.86	16%	107.26	136.48	243.74	15%
Asia	66.50	172.84	239.34	15%	65.67	171.22	236.89	15%
CIS	142.15	11.87	154.02	10%	100.57	9.08	109.65	7%
Australasia	128.24	4.43	132.67	9%	101.22	4.70	105.92	7%
Total	993.96	570.25	1564.21	100%	995.89	565.85	1561.74	100%

Formulation Exports - Therapeutic Contribution		
Therapeutic Group	**2017-18**	**2016-17**
Cardiovasculars & Anti-diabetics	31%	32%
Pain Management	20%	23%
Anti-malarials	18%	16%
Anti-bacterials	10%	13%
Anthelmintics	7%	6%
Central Nervous System (CNS) products	6%	5%
Gastro Intestinal (G.I) products	2%	2%
Cough Preparations	2%	1%
Others	4%	2%
TOTAL	**100%**	**100%**

Europe

The Company achieved European export sales of ₹ 496.12 crores during the financial year under report as against sales of ₹ 603.17 crores in the previous year. Regulatory imposition against one of the Company's major customer adversely impacted Company's generics formulations business in the United Kingdom.

The Company has developed and submitted 62 generic formulation dossiers for registration in Europe out of which 61 dossiers are registered. The Company has also obtained certificate of suitability (COS) of 43 APIs from European Directorate for Quality Medicines.

Africa

The Company achieved export sales of ₹ 285.20 crores to Africa during the financial year under report as against ₹ 262.37 crores in the previous year, a growth of 9%.

The Company exports branded and generic formulations as well as APIs to many African countries. The Company markets branded formulations in Africa through dedicated field force. The Company also supplies generics formulations to South Africa.

The Company is expanding its branded formulations business in this continent through expansion of geographical coverage and increase in the number of branded formulations marketed. The Company is also continuously filing new formulation dossiers for registration in the African countries.

During the year under report, the Global Fund has once again selected your Company as their panel supplier of anti-malarial medicines for the Global Fund Pooled Procurement mechanism and private sector co-payment mechanism for an initial period of 3 (three) years.

The Company has filed 64 dossiers of generic formulations for registration in South Africa out of which 42 dossiers are registered till date.

Americas

The Company achieved sales of ₹ 256.86 crores in this continent as against ₹ 243.74 crores in the previous year. As reported earlier, the US formulations and APIs business continues to be impacted due to ongoing US FDA import alert for three of the Company's manufacturing facilities.

47 ANDA applications of generic formulations developed by the Company are filed with US FDA out of which 18 ANDA applications are granted till date. 47 DMFs of the Company are also currently filed with US FDA.

Asia

The Asian business (excluding India) recorded sales of ₹ 239.34 crores as against ₹ 236.89 crores in the previous year. The Company exports formulations as well as APIs to several Asian countries. In countries like Nepal, Srilanka, Myanmar, Philippines and Vietnam, the Company markets its branded formulations through dedicated field force.

Confederation of Independent States (CIS)

The Company's CIS business recorded sales of ₹ 154.02 crores as against ₹ 109.65 crores in the previous year, a growth of 40%. Most of the business is from branded formulation sales in Russia, Ukraine, Kazakhstan and Belarus. The Company's branded formulations are marketed in this continent by its own field force appointed through its non-trading offices.

Australasia

The Company exports APIs to Australia and formulations to Australia and New Zealand in this sub-continent. The business from this continent was ₹ 132.67 crores during the financial year under report as against ₹ 105.92 crores in the previous year, a growth of 25%.

The Company has developed and submitted 70 generic formulation dossiers for registration in this market out of which 65 dossiers are registered.

e) Domestic Formulations Business

The Company's formulations business in India now comprises of 14 marketing divisions focusing on key therapeutic segments. Your Company is now the 20th largest in the domestic formulations market as per IMS Health - MAT April 2018.

During the financial year under report, the domestic formulations business recorded a modest growth of 3% at ₹ 1425.38 crores as against ₹ 1388.55 crores in the previous year.

Inventory rationalization in the market place due to implementation of GST with effect from 1st July, 2017 coupled with lower incidences of malaria in the country, impacted the Company's Indian branded formulations business.

Domestic Branded Formulations - Therapeutic Contribution		
Therapeutic segment	**2017-18**	**2016-17**
	% to sales	**% to sales**
Pain Management	44%	41%
Cardiovasculars & Anti-diabetics	21%	21%
Anti-malarials	8%	12%
Anti-bacterials	6%	6%
Dermatology	5%	4%
Gastro Intestinal (G I) products	4%	4%
Cough Preparations	4%	5%
Neuro Psychiatry	3%	3%
Urology	3%	2%
Neutraceuticals	1%	1%
Others	1%	1%
Total	100%	100%

f) Active Pharmaceutical Ingredients (APIs) and Intermediates Business

During the financial year under report, the APIs and Intermediates business recorded sales of ₹ 748.70 crores as against ₹ 710.26 crores in the previous financial year, a growth of 5%. Nearly 76% of the APIs and Intermediates business is from exports.

The Company exports its APIs across the globe. Most of the international customers of the Company are end user formulations manufacturers including several multinational companies.

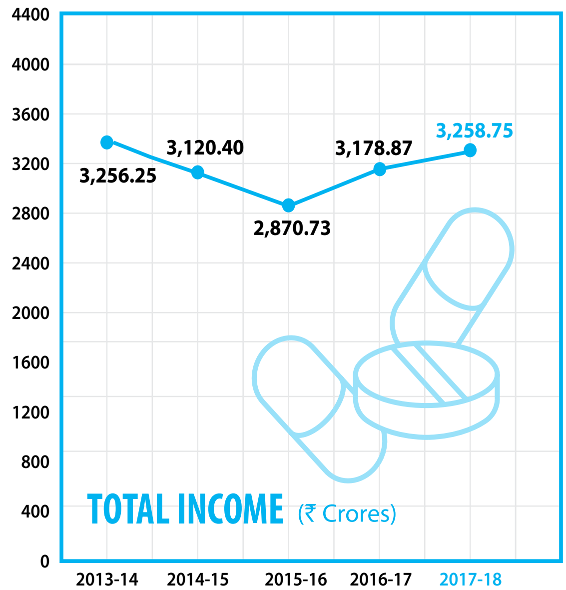
Your Company is in the process of commercializing several new APIs for the global market.

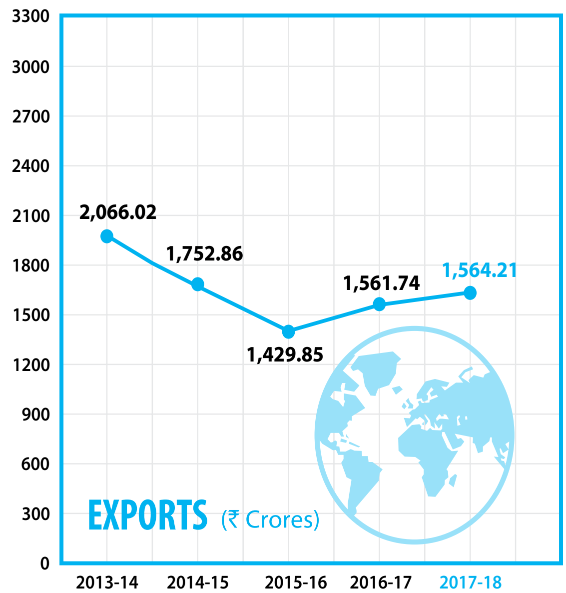
g) Intellectual Property Protection

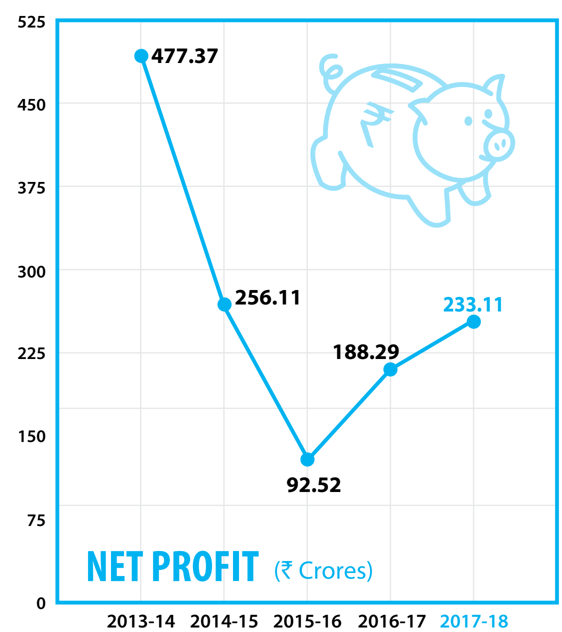
The Company has created intellectual property management group within the Research and Development centers to deal with management and protection of intellectual property. The Company has filed many patent applications till date in India, USA and other countries. These applications relate to novel and innovative manufacturing processes for the manufacture of APIs and pharmaceutical formulations.

h) Internal Control Systems and its adequacy

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has an internal audit department which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.







i) Human Resources

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations.

During the year under review, various training and development workshops were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The Company has built a competent team to handle challenging assignments. The Company strives to enhance the technical, work related and general skills of employees through dedicated training programs on a continuous basis.

The Company has 13,254 permanent employees as on 31st March, 2018 out of which 6,035 employees are engaged in the marketing and distribution activities.

j) Cautionary Statement

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, currency fluctuations, regulatory issues, changes in government policies and regulations, tax regimes, economic development within India and the countries in which the Company conducts business and other incidental factors.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of this report except allotment of 1,53,000 equity shares of ₹ 2/- each fully paid-up @ ₹ 300/- per share by the Company on 29th May, 2018 upon conversion of options granted under Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014.

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2018 was ₹ 25.24 crores.

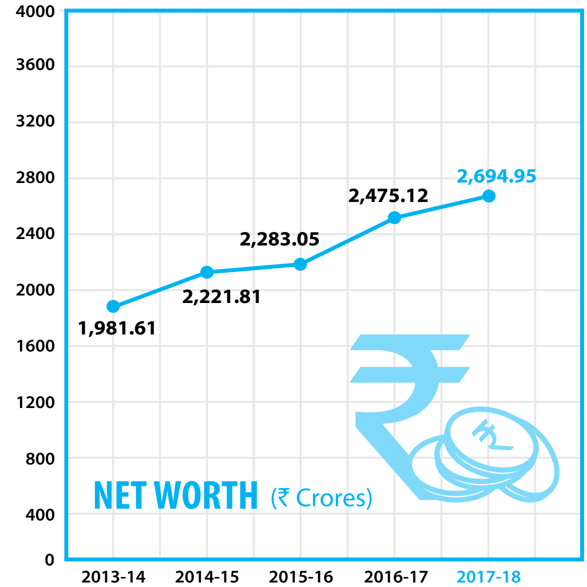
The Company on 29th May, 2018 allotted 1,53,000 equity shares of ₹ 2/- each fully paid-up at a price of ₹ 300/- per share upon conversion of options granted under Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014. With this allotment, the paid-up share capital of the Company has now increased to 12,63,52,109 equity shares of ₹ 2/- each aggregating to ₹ 25.27 crores.

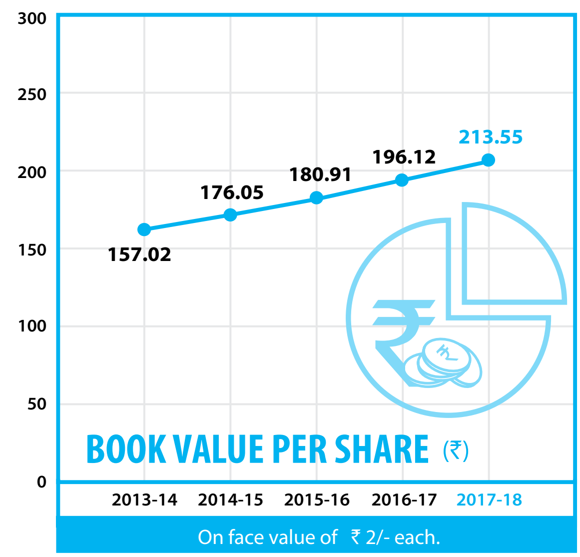
Post the allotment, the Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

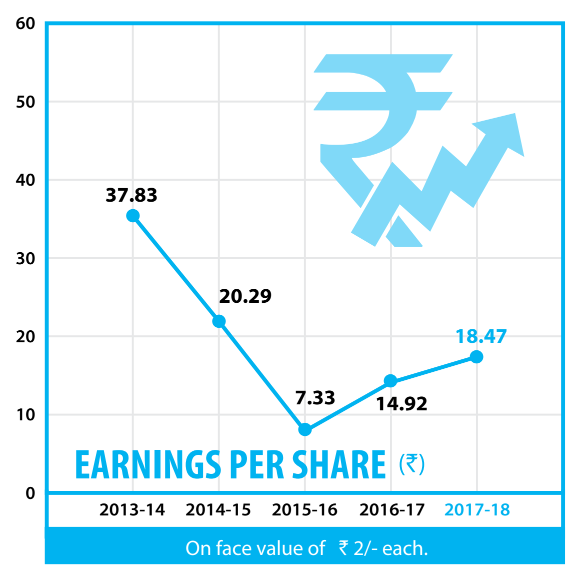
EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Company has a scheme - Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014 (ESOS) approved by the Board of Directors as well as Company's shareholders. This ESOS is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. There was no change made in this ESOS Scheme during the financial year under report.

At the meeting of the Board of Directors of the Company held on 25th April, 2017 and as recommended by the Nomination and Remuneration Committee of the Board, the Company had issued options under the said ESOS to selected permanent employees of the Company including one Wholetime Non-Promoter Director.







Each option granted gave a right but not an obligation to the Option Grantees to apply for 1 equity share of ₹ 2/- each fully paid up of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

The Company on 29th May, 2018 has allotted 1,53,000 equity shares of ₹ 2/- each fully paid-up at a price of ₹ 300/- per share upon conversion of options granted under this ESOS.

The necessary disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is furnished on the website of the Company www.ipca.com (weblink https://www.ipca.com/pdf/finance/ESOP-2014.pdf).

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under report , the Company acquired 100% share capital of Pisgah Labs Inc. (Pisgah), a North Carolina Corporation, Old Hendersonville Highway, Pisgah Forest, North Carolina, USA through Ipca Pharmaceutical Inc., USA (Company's wholly owned subsidiary) and Onyx Scientific Ltd., U.K (Onyx) (Company's wholly owned step down subsidiary) for US$ 9.65 millions, free of debt.

Pisgah was originally founded in the year 1981 as a contract manufacturer and developer of active pharmaceutical ingredients (APIs) and intermediates.

Pisgah Labs Inc. has been a chemistry solutions provider for over three decades and will continue to operate out of its North Carolina manufacturing facility under the Pisgah trade name. Onyx and Pisgah's capabilities in chemistry services will dovetail effectively with Company's capabilities in supporting Phase II to commercial scale programmes and also enable the Company to manufacture small volume APIs for US market.

There has been no material change in the nature of the business of the subsidiaries. The Company has no subsidiary which can be considered as material within the meaning of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the following have been placed on the website of the Company www.ipca.com.

a) Annual Report of the Company containing therein its standalone and the consolidated financial statements; and

b) Audited annual accounts of each of the subsidiary companies.

As required, the financial data of the subsidiaries, joint venture and associate companies is furnished in the prescribed Form AOC-1 as an Annexure to the consolidated financial statements.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company are attached.

RESEARCH & DEVELOPMENT (R&D)

The Company has always considered Research and Development (R&D) as crucial for the sustained growth of the Company. In the recent years, the Company has stepped-up investments in R&D to keep pace with the changing domestic and global scenario.

The Company has R&D centers at Mumbai, Ratlam, Athal and Ranu duly recognized by the Government of India, Ministry of Science and Technology, Department of Scientific & Industrial Research (DSIR). These R&D centers are also approved by the prescribed authority under Section 35 (2AB) of the Income Tax Act, 1961 for availing weighted tax benefit on the R&D expenditure.

The R&D expenditure of the Company during the financial year was ₹ 118.10 crores (3.73% of the turnover) as against ₹ 125.67 crores (4.06% of the turnover) in the previous year.

With qualified and experienced research scientists and engineers manning the research and development activities, the Company has focused its thrust on new and innovative process and product development for the manufacture of APIs with non-infringing processes. Apart from development of new dosage forms and drug delivery systems, improvement in processes and yield as well as cost reduction are also focus areas.

DIVIDEND

Your Directors had not declared any interim equity dividend during the year. Your directors are now pleased to recommend an equity dividend of ₹ 1/- per share (50%) for the financial year under report.

The dividend and the applicable dividend tax, if approved at the ensuing Annual General Meeting, will be appropriated and paid out of the profits for the year.

DIRECTORS

Mr. Ajit Kumar Jain and Mr. Pranay Godha retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

At the meeting of the Board of Directors of the Company held on 7th February, 2018, Mr. Premchand Godha was re-appointed as the Managing Director of the Company for a further period of 5 years w.e.f 1st April, 2018. The necessary special resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

Mr. Babulal Jain, Mr. Anand Kusre, Mr. Dev Parkash Yadava, Dr. Ramakanta Panda and Dr. (Mrs.) Manisha Premnath, who are independent directors, have submitted declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent directors during the year.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

A brief note on Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance annexed herewith.

KEY MANAGERIAL PERSONNEL

During the financial year under report, the following persons were the Key Managerial Personnel of the Company:

Mr. Premchand Godha	-	Chairman & Managing Director/CEO
Mr. Ajit Kumar Jain	-	Joint Managing Director / CFO
Mr. Pranay Godha	-	Executive Director
Mr. Prashant Godha	-	Executive Director
Mr. Harish P. Kamath	-	Corporate Counsel & Company Secretary

There was no change in the Key Managerial Personnel during the financial year.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

the candidate should possess the positive attributes such as leadership, entrepreneurship, business advisor or such other attributes which in the opinion of the Committee are in the interest of the Company;

the candidate should be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;

the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of appointment as an independent director; and

the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.

BOARD EVALUATION

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for performance evaluation is based on the various parameters like attendance and participation at meetings of the Board and Committees thereof, contribution to strategic decision making, review of risk assessment and risk mitigation, review of financial statements, business performance and contribution to the enhancement of brand image of the Company.

The Board has carried out evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

The annual evaluation was carried out in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by
1.	Board and individual directors	Board after seeking inputs from all directors
2.	Board Committees	Board seeking inputs from all committee members
3.	Individual Directors	Nomination and Remuneration committee
4.	Non-independent directors, Board as a whole and the Chairman	Separate meeting of independent directors after taking views from executive directors
5.	Board, its Committees and individual Directors	At the board meeting held after the meeting of the independent directors based on evaluation carried out as above.

REMUNERATION POLICY

The objective and broad framework of the Company's Remuneration Policy is to consider and determine the remuneration based on the fundamental principles of payment for performance, for potential and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance and emphasising on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Remuneration Policy is placed on the Company's website www.ipca.com.

Information about elements of remuneration package of individual directors is provided in the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 which is annexed.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Details of the familiarisation programs for independent directors are disclosed on the website of the Company www.ipca.com.

MEETINGS OF THE BOARD AND COMMITTEES THEREOF

This information has been furnished under Report on Corporate Governance, which is annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

ii) that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2018 and of the profit of the Company for the financial year;

iii) that your Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

iv) that your Directors have prepared the annual accounts on a going concern basis;

v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance (Annexure 1) together with a certificate of its compliance from a Practising Company Secretary, forms part of this report.

FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits and as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

AUDIT COMMITTEE

Details of the Audit Committee along with its constitution and other details are provided in the Report on Corporate Governance which is annexed.

AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS

M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Registration No. 104767W) were appointed as the Statutory Auditors at the 67th Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 72nd AGM and which appointment was subject to ratification at every AGM and the necessary resolution in this regard is proposed to be passed by the members of the Company at the ensuing Annual General Meeting.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. ABK & Associates, Cost Accountants (Firm Registration No. 000036) were appointed as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2017-18.

The Cost Audit Report for the financial year 2016-17, which was due to be filed with the Ministry of Corporate Affairs by 20th October, 2017 was filed on 5th October, 2017.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records maintained by the Company for the financial year 2017-18.

The Secretarial Auditors' Report is annexed hereto. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to good corporate citizenship. As a part of its corporate social responsibility, the Company continues to undertake a range of activities including in the field of healthcare and education to improve living conditions of the needy people. The CSR policy of the Company is placed on the website of the Company (https://www.ipca.com/pdf/corporate_policy/Corporate_Social_Responsibility_Policy.pdf).

During the year under report, the Company has also supported healthcare and educational projects undertaken by charitable institutions and organizations.

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract on Company's CSR activities is furnished as Annexure 2 to this report.

SAFETY, ENVIRONMENT AND HEALTH

The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are carried out in the manufacturing facilities on safety, environment and health.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or guarantees or made any investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided in the notes to the annexed financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (https://www.ipca.com/pdf/corporate_policy/ Related_Party_Transactions.pdf).

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related party transactions under Indian Accounting Standard – Ind AS 24 are disclosed in the notes to the financial statements. Prescribed 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 is furnished as Annexure 3 to this report.

EMPLOYEES

Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration and other details as set out in the said rules is furnished under Annexure 4 to this report.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the information under explanation (2) to the above Rule is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours excluding Saturdays and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the Company's website www.ipca.com.

CODE OF CONDUCT

The Board has laid down a code of conduct for board members and senior management personnel of the Company. The code incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website www.ipca.com. The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration in this regard signed by the Chairman & Managing Director / CEO is given at the end of the Corporate Governance Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blower Policy is posted on the website of the Company www.ipca.com.

PREVENTION OF INSIDER TRADING

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

The Board at its meeting held on 30th May 2015 has adopted a revised Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company www.ipca.com.

BUSINESS RISK MANAGEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are provided in the Report on Corporate Governance, which is annexed.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is furnished as Annexure 5 to this report.

EXTRACT OF ANNUAL RETURN

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is furnished as Annexure 6 to this report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the financial year ended 31st March, 2018 forms part of this Report. The same is also uploaded on the Company's website www.ipca.com.

SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the bankers and financial institutions. Your Directors also thank the medical profession, the trade and consumers for their patronage of the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Mumbai
29th May, 2018

Premchand Godha
Chairman & Managing Director

ANNEXURE 1

REPORT ON CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, given below is a report on the Corporate Governance in the Company:

1. Company's philosophy on Code of Corporate Governance is to ensure

i) that the Board and top management of the Company are fully appraised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the stakeholders.

ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.

iii) that all disclosure of information to present and potential investors are maximised.

iv) that the decision making process in the organisation is transparent and are backed by documentary evidences.

v) that the Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

2. Board of Directors

a) Composition and Category of directors

The present strength of the Board of Directors of the Company is nine directors of which one is promoter Chairman & Managing Director/CEO, one professional non-promoter Joint Managing Director/CFO, two promoter Executive Directors and five non-executive independent directors including one woman director comprising of at least one half of the total strength of the Board with independent judgment in the deliberation and decision of the Board. The Chairman of the Board is an Executive and Promoter Director.

b) Details of attendance of each director at the meeting of the board of directors and the last annual general meeting and shareholding held by them in the Company

Name of the Director	Category	No. of board meetings		Attendance at last AGM (04.08.2017)	No. of Equity shares held in the Company
		Held	Attended		
Mr. Premchand Godha (DIN 00012691)	Chairman & Managing Director/CEO, Promoter Director	7	7	Yes	26,81,340
Mr. Ajit Kumar Jain (DIN 00012657)	Joint Managing Director/CFO, Professional, Non-Promoter Director	7	7	Yes	60,000
Mr. Pranay Godha (DIN 00016525)	Executive Director, Promoter Director	7	7	Yes	8,25,495
Mr. Prashant Godha (DIN 00012759)	Executive Director, Promoter Director	7	5	Yes	7,59,322
Mr. Babulal Jain (DIN 00016573)	Non-Executive, Independent Director	7	7	Yes	25,500
Mr. Anand T. Kusre (DIN 00818477)	Non-Executive, Independent Director	7	7	Yes	Nil
Mr. Dev Parkash Yadava (DIN 00778976)	Non-Executive, Independent Director	7	5	Yes	14,629
Dr. Ramakanta M. Panda (DIN 01161791)	Non-Executive, Independent Director	7	4	No	Nil
Dr. (Ms) Manisha Premnath (DIN 05280048)	Non-Executive, Independent Director	7	4	Yes	Nil

The above shareholding as at 31st March, 2018 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

c) Number of other companies or committees of which the Director is Member or Chairperson

Name of the Director	No. of other companies in which Director (including private and Section 8 companies)	No. of Committees in which Member (other than Ipca)	No. of Committees of which Chairman (other than Ipca)
Mr. Premchand Godha	4	Nil	Nil
Mr. Ajit Kumar Jain	Nil	Nil	Nil
Mr. Pranay Godha	6	Nil	Nil
Mr. Prashant Godha	7	Nil	Nil
Mr. Babulal Jain	1	Nil	Nil
Mr. Anand T. Kusre	1	Nil	Nil
Mr. Dev Parkash Yadava	3	2	1
Dr. Ramakanta M. Panda	16	1	Nil
Dr. (Ms) Manisha Premnath	4	Nil	Nil

Note: Directorship held by Directors mentioned above does not include Directorship of foreign companies.

Every Director informs the Company about the Directorship / Committee positions he or she occupies in the other entities and any changes in them as and when they take place.

d) Number of meetings of the board of directors held during the financial year 2017-18 and dates on which held

7 (Seven) board meetings were held during the financial year 2017-18. The dates on which the said meetings were held are as follows:

25th April, 2017	28th May, 2017
11th August, 2017	20th September, 2017
14th November, 2017	4th January, 2018
7th February, 2018	

The last Annual General Meeting of the Company was held on 4th August, 2017.

e) Disclosure of relationships between directors inter-se

Mr. Premchand Godha, Chairman & Managing Director, Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors are related to each other. None of the other Directors are related to each other.

f) Number of shares and convertible instruments held by Non-Executive Directors

The information about number of shares held by Non-Executive Directors in the Company is given in the table above. None of the Directors hold any convertible instruments of the Company except Mr. A. K. Jain, Joint Managing Director to whom 10,000 options were allotted under Ipca Laboratories Ltd. – Employees Stock Option Scheme – 2014 on 25th April, 2017. Each option represents a right but not an obligation to apply for one equity share of ₹ 2/- each of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

g) Web link where details of familiarisation programmes imparted to independent directors is disclosed

The Company has conducted familiarisation programmes for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors. The Independent Directors are also regularly briefed on the nature of the pharmaceutical industry and the Company's business model. The familiarisation programs have been uploaded on the website of the Company at www.ipca.com.

3. Audit Committee

a) Brief description of terms of reference

The terms of reference to Audit Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as oversight of the Company's financial reporting process; recommending the appointment/re-appointment, remuneration and terms of appointment of statutory auditors; review and monitor the Auditors independence and performance and effectiveness of audit process; approval of transactions with related parties; sanctioning of loans and investments; evaluation of internal financial control and risk management system; reviewing with the management annual financial statements and Auditors report thereon; quarterly financial statements and other matters as covered under role of Audit Committee in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company / Company's subsidiaries as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

b) Composition, name of members and chairperson

The Audit Committee of the Company currently comprises of Mr. Babulal Jain, Chairman of the Committee, Mr. Anand T. Kusre and Mr. Dev Parkash Yadava, all being Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee and Mr. Prashant Godha, Executive Director. All members of the Audit Committee have knowledge on financial matters and the Chairman of the Audit Committee is a senior Chartered Accountant in practice having accounting and financial management expertise.

Mr. Ajit Kumar Jain, Joint Managing Director in-charge of Finance/CFO and Mr. Pranay Godha, Executive Director along with Statutory Auditors, Cost Auditors and Mr. Kavish Agrawal, General Manager (Audit) who is the Internal Auditor of the Company are invitees to the meetings of the Audit Committee. Mr. Harish P. Kamath, Corporate Counsel and Company Secretary is the Secretary of this Committee.

c) Audit Committee meetings and the attendance during the financial year 2017-18

There were 6 (Six) meetings of the Audit Committee during the financial year 2017-18. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

25th April, 2017	28th May, 2017	11th August, 2017
20th September, 2017	14th November, 2017	7th February, 2018

The attendance of each member of the Audit Committee in the committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	6	6
Mr. Anand T. Kusre	6	6
Mr. Dev Parkash Yadava	6	4
Mr. Prashant Godha	6	4

The previous annual general meeting of the Company was held on 4th August, 2017 and was attended by Mr. Babulal Jain, Chairman of the Audit committee.

4. Nomination and Remuneration Committee

a) Brief description of terms of reference

i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;

iii. devising a policy on diversity of board of directors;

iv. identifying persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

v. whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors; and

vi. administer and superintend the Employees Stock Option Scheme (ESOS).

b) Composition, name of members and chairperson

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Mr. Babulal Jain (Chairman of the Committee), Mr. Anand T. Kusre and Mr. Dev Parkash Yadava, all independent directors to function in the manner and to deal with the matters specified in the Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees and to administer the Company's ESOS.

The Nomination and Remuneration Committee has adopted the following policies which are displayed on the website of the Company.

i. Formulation of the criteria relating to the remuneration of the directors, key managerial personnel and other employees (weblink https://www.ipca.com/pdf/corporate_policy/Remuneration_Policy.pdf);

ii. Performance criteria for evaluation of Independent Directors and the Board (weblink https://www.ipca.com/pdf/corporate_policy/Evaluation_of_Directors.pdf);

iii. Devising a policy on Board diversity (weblink https://www.ipca.com/pdf/corporate_policy/Policy_on_Board_Diversity_of_the_ Company.pdf);

iv. Oversee the familiarization programs for directors (weblink https://www.ipca.com/pdf/Board_of_Directors/familiarisation-programmes-to-independent-directors-2017-18.pdf); and

v. Identifying persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal (weblink https://www.ipca.com/pdf/corporate_policy/Criteria_for_selection_ of_Candidates_for_Senior_ Management_and_Members_on_the_Board.pdf).

c) Meetings held and attendance during the financial year 2017-18

There were 4 (Four) meetings of this Committee during the financial year 2017-18. The dates on which the said meetings were held are as follows:

25th April, 2017	28th May, 2017
14th November, 2017	7th February, 2018

The attendance of each member of the Nomination and Remuneration Committee in the committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	4	4
Mr. Anand T. Kusre	4	4
Mr. Dev Parkash Yadava	4	2

d) Performance evaluation criteria for independent directors

Performance criteria for evaluation of Independent Directors and the Board is displayed on the Company's website (weblink https://www.ipca.com/pdf/corporate_policy/Evaluation_of_Directors.pdf).

5. Remuneration of Directors

a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report

During the financial year under report, the non-executive Directors had no pecuniary relationship or transactions with the Company.

b) Criteria of making payments to non-executive directors

The non-executive Directors are paid only sitting fees and re-imbursement of out of pocket expenses incurred for attending the meetings of the Board of Directors and Committees thereof.

Details of payments made to Non-Executive Directors in the Financial Year 2017-18 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Babulal Jain	7,25,000	Nil
Mr. Anand T. Kusre	6,25,000	Nil
Mr. Dev Parkash Yadava	5,00,000	Nil
Dr. Ramakanta M. Panda	2,25,000	Nil
Dr. (Mrs.) Manisha Premnath	2,25,000	Nil

None of the Independent Directors have received any remuneration or commission from Company's holding or subsidiary companies.

c) Disclosures with respect to remuneration paid / payable to Wholetime Directors for the financial year 2017-18

i. The details of the remuneration paid/payable to Managing Director, Joint Managing Director and Executive Directors for the Financial Year 2017-18 are given below

(₹)

Name of the Director	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Total
Mr. Premchand Godha (Chairman & Managing Director)	3,63,00,000	83,83,201	3,63,00,000	Nil	8,09,83,201

(₹)

Name of the Director	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Total
Mr. Ajit Kumar Jain (Joint Managing Director)	1,32,00,000	1,22,86,497	1,32,00,000	**10000	3,86,86,497
Mr. Pranay Godha (Executive Director)	66,00,000	48,57,216	1,32,00,000	Nil	2,46,57,216
Mr. Prashant Godha (Executive Director)	66,00,000	50,28,302	1,32,00,000	Nil	2,48,28,302

* Fixed Component

**Each option represents a right but not an obligation to apply for one equity share of ₹ 2/- each of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

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

The required details are given in the table above.

iii. Service contracts, notice period, severance fees

The appointment of Managing Director, Joint Managing Director and Executive Directors is contractual and is generally for a period of 5 years. Either party is entitled to terminate agreement by giving not less than 60 days notice in writing, as the case may be, to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

None of the Directors hold any convertible instruments of the Company except Mr. A. K. Jain, Joint Managing Director to whom 10,000 options were allotted under Ipca Laboratories Ltd. – Employees Stock Option Scheme – 2014 on 25th April, 2017. Each option represents a right but not an obligation to apply for one equity share of ₹ 2/- each of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

6. Stakeholders Relationship Committee

a) Name of Non-Executive Director heading the committee

This Committee functions under the Chairmanship of Mr. Babulal Jain, the non-executive independent Director. Mr. Premchand Godha, Chairman & Managing Director and Mr. Ajit Kumar Jain, Joint Managing Director are the other members of this committee. This committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

b) Meetings held and attendance during the financial year 2017-18

There were 4 (Four) meetings of this committee during the financial year 2017-18. The dates on which the said meetings were held are as follows:

28th May, 2017	11th August, 2017
14th November, 2017	7th February, 2018

The attendance of each member of the Stakeholders Relationship Committee in the committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Babulal Jain	4	4
Mr. Premchand Godha	4	4
Mr. Ajit Kumar Jain	4	4

c) Name and designation of Compliance officer

Mr. Harish P. Kamath, Corporate Counsel & Company Secretary is the Compliance Officer of the Company.

d) Number of shareholders' complaints received

During the year, the Company received 11 complaints/communications from the shareholders, mostly regarding non-receipt of dividend warrants posted / bonus shares issue / stock split share certificate related queries, etc. all of which are attended to.

e) Number not solved to the satisfaction of shareholders

The Company had no unattended request pending for transfer of its equity shares or any unattended complaints at the close of the financial year.

f) Number of pending complaints

Nil

7. General Body Meetings

a) Details of the location and time where the last three Annual General Meeting (AGM) and Extra-ordinary General Meeting (EGM) were held

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2017	Friday, 04.08.2017 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	• None
31-3-2016	Thursday, 11.08.2016 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	• Continuation of Mr. Premchand Godha as the Managing Director even after attaining the age of 70 years
31-3-2015	Thursday, 30.7.2015 at 3.30 p.m.	Shri Bhaidas Maganlal Sabhagriha, Vile Parle (West), Mumbai	• Adoption of new Articles of Association

All the resolutions including special resolutions set out in the respective notices calling the AGM / EGM were passed by the shareholders. There is no proposal to pass any special resolution through postal ballot at the ensuing Annual General Meeting.

b) Whether any special resolutions passed in the previous three annual general meetings

Details of special resolutions passed in the previous 3 Annual General Meetings are given in the table above.

c) Whether any special resolution passed last year through postal ballot

No special resolution was passed in the last financial year using postal ballot.

d) Person who conducted the postal ballot exercise

Not Applicable.

e) Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is currently proposed to be conducted through postal ballot.

f) Procedure for postal ballot

Not Applicable.

8. Means of communication

a) Quarterly / Annual Results	The results of the Company are submitted to the stock exchanges where the shares of the Company are listed and published in the Newspapers after the approval of the Board.
b) Newspapers wherein results normally published	The Financial Express, Free Press Journal and Nav Shakti.
c) Website, where displayed	www.ipca.com
d) Whether website also displays official news releases	Yes
e) Presentation made to institutional investors or to the analysts	The website includes all the information on presentations made to the investors and analysts.

9. General Shareholders Information

a)	AGM : Date, Time and Venue	Thursday, 9th August, 2018 at 3.30 p.m. at Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Near Railway Station, Kandivli (West), Mumbai – 400 067.
b)	Financial Year First quarter results Second quarter results Third quarter results Annual results	1st April –31st March first week of August* first week of November* first week of February* last week of May* * tentative
c)	Dividend Payment dates	The Company has not paid any interim dividend on the equity share capital for the financial year 2017-18. It is now proposed to declare a dividend of ₹ 1/- per share (50%) on equity share capital for the financial year 2017-18 which if sanctioned will be paid on or before 31st August, 2018.
	Date of Book closure	Saturday, 4th August, 2018 to Thursday, 9th August, 2018 (both days inclusive).
d)	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	• BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023. • The National Stock Exchange of India Ltd. (NSE) Exchange Plaza Bandra-Kurla Complex Bandra (E), Mumbai 400 051. Listing fees have been paid to both the stock exchanges for the financial year 2018-19 in April, 2018. The fees of the depositories for the financial year 2018-19 were also paid in April / May 2018 on receipt of their invoices.
e)	Stock code – Physical and ISIN Number for NSDL and CDSL	524494 on BSE; IPCALAB on NSE INE 571A01020
	Corporate Identity Number allotted by Ministry of Corporate Affairs	L24239MH1949PLC007837
f)	Market price data: high, low during each month in last financial year	Please see Annexure 'A'
g)	Stock performance in comparison to BSE Sensex	Please see Annexure 'B'
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the Stock Exchanges.
i)	Registrars and share transfer agents	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083 Tel. No. (022) 4918 6270 Fax. No.(022) 4918 6060
j)	Share transfer system	All share transfers subject to correctness and completion of all documents would normally be registered and returned within fifteen days from the date of receipt.
k)	Distribution of shareholding/ shareholding pattern as on 31.3.2018	Please see Annexure 'C'
l)	Dematerialisation of shares and liquidity	99.02% of the paid-up share capital has been dematerialised as on 31st March, 2018.

m)	Outstanding GDRs/ADRs/warrants/ convertible instruments, conversion date and likely impact on equity	The Company has issued 1,65,000 options under Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014 to selected permanent Employees of the Company including one Wholetime Non-Promoter Director on 25th April, 2017. Each option granted gives a right but not an obligation to the Option Grantee to apply for 1 equity share of ₹ 2/- each fully paid up of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options. Out of these options issued, 8,500 options have been forfeited till 31st March, 2018 on account of resignation of option grantees from the employment of the Company.
n)	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The Company is not materially exposed to commodity price risk. The Company also does not carry out any commodity hedging activities. Since about 50% of the Company's income is by way of exports with major currency exposure being in US Dollars, Pound Sterling and Euros, the Company generally does currency hedging upto a maximum period of 18 months and upto the extent of 40% - 60% of its Net Foreign Exchange Earnings (NFE). Most of the Company's borrowings are in foreign currencies, mainly in US Dollars. The Company keeps its borrowings in foreign currency exposure open and to that extent is exposed to the currency fluctuation risks.
o)	Plant Locations	1. Sejavata, Ratlam, Madhya Pradesh. 2. Pologround, Indore, Madhya Pradesh. 3. SEZ Indore, Pithampur, Madhya Pradesh. 4. Sector III, Pithampur, Madhya Pradesh. 5. Gandhidham, Gujarat. 6. Nandesari, Gujarat. 7. Ankleshwar, Gujarat. 8. Village Ranu, Tehsil Padra, District Vadodara, Gujarat. 9. Athal, Silvassa (D & NH). 10. Dandudyog Industrial Estate, Silvassa (D&NH). 11. Aurangabad, Maharashtra (Unit I & Unit II). 12. Mahad, Maharashtra. 13. Tarapur, District Palghar, Maharashtra. 14. Dehradun, Uttarakhand. 15. Gom Block, Bharikhola, South Sikkim (Unit I & Unit II).
p)	Address for Correspondence	Harish P Kamath Corporate Counsel & Company Secretary Ipca Laboratories Limited 125, Kandivli Industrial Estate Kandivli (W), Mumbai 400 067 Tel. No. (022) 6210 6050 E-mail : investors@ipca.com
q)	Share transfer and other communications may be addressed to the Registrars	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083 Tel. No. (022) 4918 6270

10. Other Disclosures

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink https://www.ipca.com/pdf/corporate_policy/Related_Party_Transactions.pdf). There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company.

The Register of Contracts containing the transactions in which Directors are deemed to be concerned or interested is placed before the Board and Audit Committee regularly for its approval. Disclosures from directors and senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any other statutory authorities on any matter related to capital market during the last 3 financial years

None

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company (weblink https://www.ipcalabs.com/whistleblower.html).

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details about adoption of non-mandatory requirements are given in the table below.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the website of the Company (Weblink https://www.ipca.com/pdf/corporate_policy/Policy_on_Material_Subsidiaries.pdf).

f) Web link where policy on dealing with related party transactions is disclosed

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink https://www.ipca.com/pdf/corporate_policy/Related_Party_Transactions.pdf).

g) Disclosure of commodity price risks and commodity hedging activities

The Company is engaged in the manufacturing and marketing of pharmaceuticals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

11. Non-Compliance of any requirement of Corporate Governance Report with reasons thereof

None

12. Adoption of Discretionary Requirements

A. The Board	The Company currently has an Executive Chairman and as such he has an office maintained by the Company.
B. Shareholders Rights	At present, the Company does not send the statement of half yearly financial performance to the household of each shareholder. The Company publishes the same in the newspapers and also uploads the same on its website.
C. Modified opinion(s) in audit report	The Company's financial statements are with unmodified audit opinion.
D. Separate posts of chairperson and chief executive officer	Currently, the Executive Chairman is also the CEO of the Company.
E. Reporting of internal auditor	The Internal Auditor reports to the Joint Managing Director / CFO as well as to the Audit Committee.

13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46

a) The Company has a process to provide, inter-alia, the information to the Board as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance. The Board also periodically reviews the compliances by the Company of all applicable laws.

b) The Board of Directors in their meeting regularly discuss and are satisfied that the Company has plans in place for orderly succession for appointment to the Board of Directors and Senior Management.

c) Code of Conduct for Board and Senior Managerial Personnel

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website www.ipca.com.

The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration in this regard signed by the Chairman & Managing Director / CEO is given at the end of this Report.

The Company has adopted a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company www.ipca.com. All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

d) The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

e) The CEO/CFO compliance certification under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 forms part of this Annual Report.

f) The Company has a Risk Management Committee which monitors and reviews risk management plan on regular basis. The Board of Directors also periodically review and monitor the risk management plan of the Company.

g) The Board on an annual basis evaluates the performance of independent Directors.

h) Risk Management Committee

The Risk Management Committee was constituted by the Board of Directors at its meeting held on 21st September, 2014 consisting of the following members:

Mr. A. K. Jain, Joint Managing Director/CFO, Mr. Pranay Godha, Executive Director, Mr. Prashant Godha, Executive Director and Mr. Manish Jain, Vice President – Business Development.

The roles and responsibilities of the Risk Management Committee includes monitoring and review of risk management plan on a regular basis and reporting the same to the Board of Directors periodically as it may deem fit and any other terms as may be referred to them by the Board of Directors, from time to time.

The risk management policy is displayed on the Company's website (https://www.ipcalabs.com/pdf/corporate_policy/Risk_Management_Policy.pdf).

There were 3 (three) meetings of this committee during the financial year 2017-18. The dates on which the said meetings were held are as follows:

28th May, 2017	14th November, 2017
7th February, 2018	

The attendance of each member of the Risk Management Committee in the committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Ajit Kumar Jain	3	3
Mr. Pranay Godha	3	3
Mr. Prashant Godha	3	2
Mr. Manish Jain (Vice President – Business Development)	3	2

i) The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions which is available on the website of the Company (https://www.ipca.com/pdf/corporate_policy/policy-on-materiality.pdf).

j) The Company has not entered into any materially significant transactions during the year under report with promoters, directors, key/senior management personnel, etc. other than the non-material transactions entered into in the ordinary course of Company's business as approved by the Audit Committee through omnibus approval valid for each financial year. Transactions with related parties are disclosed under notes forming part of the annexed accounts. The Board and the Audit Committee periodically reviews the details of the related party transactions entered into by the Company. Omnibus approval of the Audit Committee is also obtained before entering into related party transactions.

k) No employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

l) Subsidiary Companies

The Company has 1 non-listed, non-material Indian subsidiary company. The Company also has 5 overseas non-material wholly owned subsidiary companies and 3 non-material wholly owned subsidiary companies of wholly owned subsidiaries, the financial statements of which are regularly reviewed by the Audit Committee and the Board of Directors. The minutes of board meetings of subsidiary companies are also placed before the meetings of the Board of Directors of the Company. The Board of Directors of the Company also reviews all significant transactions and arrangements, if any, entered into by the unlisted subsidiaries.

m) None of the Directors are directors in more than 20 companies at the same time and are also not serving as independent director in more than seven listed companies or serve as Wholetime Director in any other listed company. None of the Wholetime Directors of the Company serve as Independent Director in more than 3 listed entities.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All directors have disclosed their committee positions to the Company. For determining this limit, Chairpersonship and Membership of Audit Committee and Stakeholders Relationship Committee only are considered.

The shareholders have approved the appointment of Mr. Babulal Jain, Mr. Anand T. Kusre, Mr. Dev Parkash Yadava, Dr. Ramakanta Panda and Dr. (Ms) Manisha Premnath as Independent directors for a term of five years. The terms and conditions of appointment of independent directors have been disclosed on the website of the Company www.ipca.com. The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and the rules made thereunder.

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, all the independent directors have given declaration of independence in the first board meeting of the current financial year held on 29th May, 2018.

n) Independent Directors Meeting

During the year under review, the Independent Directors met on 7th February, 2018, without the attendance of non-independent directors and members of the management, inter-alia, to discuss:

i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors; and

iii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the said meeting.

o) The Company maintains a functional website containing the basic information about the Company. The Company has disseminated all the required information on its website as required under Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

p) Information on Directors retiring by rotation and seeking appointment / re-appointment :

Mr. Ajit Kumar Jain (DIN 00012657)

Mr. Ajit Kumar Jain aged 63 years is a qualified Chartered Accountant and a Science Graduate and is employed with the Company since 1980. He was first appointed as a Director of the Company designated as Executive Director on 21st August, 1994. He is a professional, Wholetime, Non-promoter Director of the Company. He was re-designated as Joint Managing Director at the meeting of the Board of Directors of the Company held on 29th July, 2010. He is also CFO of the Company.

He has over 3 decades of experience in the pharmaceutical industry in the field of Finance, Accounts, Information Technology, Legal, R&D, General Administration, etc.

He does not hold directorship in any other Company. He holds 60,000 equity shares in the Company.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website www.ipca.com.

He is not related to any Director or Key Managerial Personnel (KMP) of the Company.

Mr. Pranay Godha (DIN 00016525)

Mr. Pranay Godha, aged 46 years has done his B.Sc. from University of Bombay and has also obtained a degree in MBA from the New York Institute of Technology, USA. He has over 19 years experience in the field of Marketing and General Management.

Mr. Pranay Godha was appointed as the Business Development Manager of the Company w.e.f 16th April, 2003 and was subsequently promoted as Vice President - Generics Business w.e.f. 1st November, 2004. He was further promoted as President – Generics Business in May, 2006 and subsequently appointed as the Executive Director of the Company with effect from 11th November, 2008.

He holds Directorship in the following companies:

1. Kaygee Laboratories Private Limited	2. Mexin Medicaments Private Limited
3. Kaygee Investments Private Ltd.	4. Gudakesh Investment & Traders Pvt. Ltd.
5. Paranthapa Investments & Traders Pvt. Ltd.	6. Paschim Chemicals Private Limited

He is also Director of few of the foreign wholly owned subsidiaries of the Company where he represents the Company as a Director.

He holds 8,25,495 equity shares in the Company.

He is not a member of any Committee of the Board in other companies in which he is a Director.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website www.ipca.com.

Mr. Premchand Godha, Chairman & Managing Director, Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors are related to each other. He is not related to any other Director or Key Managerial Personnel (KMP) of the Company.

Mr. Premchand Godha (DIN 00012691)

Mr. Premchand Godha aged 71 years is a qualified Chartered Accountant and a Commerce graduate. He is also a first generation entrepreneur. He is a director of the Company since 31st October, 1975 and has been the Managing Director of the Company since March, 1983. He has over 42 years of experience in the pharmaceutical industry.

He holds 26,81,340 equity shares of the Company.

He is also a Director of the following companies:

1. Kaygee Investments Pvt. Ltd	2. Vasant Investment Corporation Ltd.
3. Gudakesh Investment & Traders Pvt. Ltd.	4. Paranthapa Investments & Traders Pvt. Ltd.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website www.ipca.com.

Mr. Premchand Godha, Chairman & Managing Director, Mr. Pranay Godha and Mr. Prashant Godha, Executive Directors are related to each other. He is not related to any other Director or Key Managerial Personnel (KMP) of the Company.

q) Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising of Mr. Dev Parkash Yadava, Independent Director and Chairman of the Committee, Mr. Premchand Godha, Chairman & Managing Director, Mr. Ajit Kumar Jain, Joint Managing Director and Mr. Prashant Godha, Executive Director. The CSR Committee of the Board will be responsible for:

i) formulating and recommending to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;

ii) recommending the amount of expenditure to be incurred on the CSR activities; and

iii) monitoring the CSR Policy of the Company from time to time.

There were 4 (Four) meetings of this committee during the financial year 2017-18. The dates on which the said meetings were held are as follows:

28th May, 2017	11th August, 2017
14th November, 2017	7th February, 2018

The attendance of each member of the Corporate Social Responsibility Committee in the committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Dev Parkash Yadava	4	3
Mr. Premchand Godha	4	4
Mr. Ajit Kumar Jain	4	4
Mr. Prashant Godha	4	3

The CSR policy of the Company is placed on the website of the Company www.ipca.com.

r) Reconciliation of Share Capital Audit:

A qualified practising Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

s) Dividend Distribution Policy

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the Company has formulated a Dividend Distribution Policy which has been uploaded on the website of the Company (https://www.ipca.com/pdf/corporate_policy/dividend_distribution_policy.pdf).

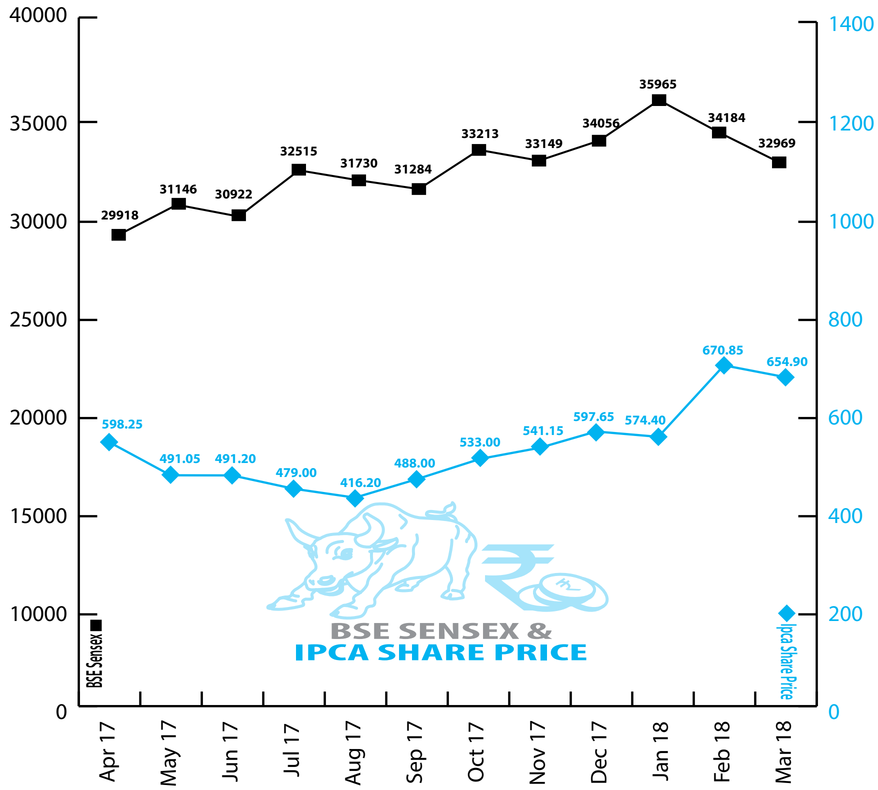
Annexure A

High/low of market price of the Company's shares traded on BSE Ltd (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2017-18 is furnished below:

Year	Month	Highest (₹)		Lowest (₹)	
		BSE	NSE	BSE	NSE
2017	April	656.00	657.60	580.90	580.00
	May	605.40	608.00	485.00	483.95
	June	527.85	521.90	437.00	436.10
	July	498.55	500.00	466.40	465.05
	August	485.80	485.00	400.00	400.00
	September	597.40	596.80	413.50	413.30
	October	556.90	558.50	444.00	482.50
	November	594.10	594.90	521.00	520.00
	December	624.95	625.00	509.00	506.40
2018	January	608.35	609.00	550.00	552.05
	February	687.50	689.40	522.15	518.05
	March	695.40	695.90	632.85	632.50

Annexure B

Graph of share price/ BSE Sensex



Annexure C

The distribution of shareholding as on 31st March, 2018 is as follows :

No. of equity shares held			No. of shareholders	%	No. of shares	%
Upto		500	52332	89.61	4730856	3.75
501	to	1000	4291	7.35	3862750	3.06
1001	to	2000	856	1.47	1319042	1.05
2001	to	3000	246	0.42	634238	0.50
3001	to	4000	120	0.20	440426	0.35
4001	to	5000	104	0.18	494223	0.39
5001	to	10000	172	0.29	1224587	0.97
10001	and	above	281	0.48	113492987	89.93
Grand Total			58402	100.00	126199109	100.00
No. of shareholders in Physical Mode			3629	6.21	1240966	0.98
No. of shareholders in Electronic Mode			54773	93.79	124958143	99.02

Shareholding pattern as on 31st March, 2018 is as follows :

Categories of shareholders	No. of shareholders	No. of shares	% holding
Indian Promoters	17	58216236	46.13
Banks and Insurance Companies	5	246557	0.20
Mutual Funds / Foreign Mutual Funds	30	30116062	23.86
FIIs / Foreign Portfolio Investors	114	19999449	15.85
NRIs	1399	585174	0.46
Domestic Companies / Other Bodies Corporates	848	2861143	2.27
Resident Individuals/Others	55989	14174488	11.23
Total	**58402**	**126199109**	**100.00**

CEO/CFO CERTIFICATION

The Board of Directors
Ipca Laboratories Limited
48, Kandivli Industrial Estate,
Kandivli - West, Mumbai – 400 067.

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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:

  i. significant changes in internal control over financial reporting during the year;

  ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  iii. instances of significant fraud, if any, 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.

For Ipca Laboratories Ltd.

Mumbai	**Premchand Godha**	**Ajit Kumar Jain**
29th May, 2018	Chairman & Managing Director / CEO	Joint Managing Director / CFO

CEO CERTIFICATION

To,
The Members of
Ipca Laboratories Ltd.

It is hereby certified and confirmed that as provided in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2018.

For Ipca Laboratories Limited

Premchand Godha

29th May, 2018

Chairman & Managing Director / CEO

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Ipca Laboratories Limited

We have examined the compliance of the conditions of Corporate Governance by Ipca Laboratories Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

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

For **Parikh & Associates**
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018

Mumbai
29th May, 2018

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT		
a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	None
b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1
c)	Number of shareholders to whom shares were transferred from suspense account during the year	1
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No of shares – 79,174 No of shareholders - 915
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting rights in respect of shares lying in the suspense account shall be frozen till the rightful owner of such shares claim them.

ANNEXURE 2

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

The Company believes that contributing to the overall health and wellness of our world starts with lessening our impact on the environment and we remain committed to the highest ethical standards in everything we do - right from research and development to sales and marketing.

The Company's Corporate Social Responsibility involves initiatives on a micro level to include patient health, employee and public safety, nurturing of environment and building sustainable communities. The Company also engages with external stakeholders including healthcare professionals, investors, customers, non-governmental organisations and suppliers in this endeavour.

The Company is committed to operate its business with emphasis on CSR in all areas of its operation. The Company integrates its business values and operations to meet the expectations of its shareholders, customers, employees, regulators, investors, suppliers, the community and take care of environment with best interest.

A definite and well structured Corporate Social Responsibility (CSR) policy has been framed by the Company and is available on its website (weblink https://www.ipca.com/pdf/corporate_policy/Corporate_Social_Responsibility_Policy.pdf). The CSR policy forms a part of the Company's corporate vision and defines its approach on key responsibility issues.

2. The Composition of the CSR Committee of the Board

Mr. Dev Parkash Yadava	–	Independent Director and Chairman of the Committee
Mr. Premchand Godha	–	Chairman & Managing Director
Mr. Ajit Kumar Jain	–	Joint Managing Director
Mr. Prashant Godha	–	Executive Director

3. Average net profit of the company for last three financial years: ₹ 231.84 Crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

The Company was required to spend an amount of ₹ 4.64 crores as CSR expenditure for the financial year ended 31st March, 2018.

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 4.64 crores.

Amount spent: ₹ 10.17 crores

b) Amount unspent, if any: The Company has spent more than the amount required to be spent on CSR during the financial year.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. 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 programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period (₹ Crores)	Amount spent: Direct or through implementing agency
1.	Promotion of Education, Vocational Training and Skill Enhancement Projects	Promotion of Education, Vocational Training and Skill Enhancement Projects	Rajasthan	Budgeted by Charitable Trust	Direct expenditure on projects or programs	2.00	Thru Charitable Trusts
2.	Education/ Healthcare / Vocational Training & Skill Enhancement	Healthcare/ Education	Maharashtra / U.T. of D & NH	Budgeted by Charitable Trust	Direct expenditure on projects or programs	6.60	Thru Charitable Trusts
3.	Education / Healthcare / Rural Development and Sports/Animal Welfare/ Natural resource conservation/ drinking water/sanitation/ national heritage, art and culture	Education / Healthcare / Rural Development and Sports/Animal Welfare/ Natural resource conservation/drinking water/sanitation/ national heritage, art and culture	Madhya Pradesh, Maharashtra, Gujarat, Orissa, Sikkim, Uttarakhand, U.T. of D&NH, etc.		Direct expenditure on approved CSR projects or programs	1.57	Directly by Company / Trust of which Company is the settlor
	Total					10.17	

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report**

   The Company has spent an amount of ₹ 10.17 crores on CSR during the financial year as against an amount of ₹ 4.64 crores which was required to be spent on CSR being 2% of the average net profit of the Company for the last three financial years.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

   The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities in accordance with and in compliance of CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Date : 29th May, 2018
Place: Mumbai

Premchand Godha
Managing Director / CEO

Dev Parkash Yadava
(Chairman - CSR Committee)

ANNEXURE 3

Form No. AOC-2

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

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

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

Note: All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the related party transactions are disclosed in the notes to the financial statements of the Company.

For and on behalf of the Board

Mumbai,
29th May, 2018

Premchand Godha
Chairman & Managing Director

ANNEXURE 4

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 is as under:

Sr. No.	Name of the Director / Key Managerial Person (KMP) and Designation	Remuneration of Director / KMP for the financial year 2017-18 (₹) (including commission provided for Wholetime Directors)	% increase/ (decrease) in remuneration in the financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Premchand Godha (Chairman & Managing Director/CEO)	8,09,83,201	43%	352
2.	Mr. A. K. Jain (Joint Managing Director/CFO)	3,86,86,497	31%	168
3.	Mr. Pranay Godha (Executive Director)	2,46,57,216	81%	107
4.	Mr. Prashant Godha (Executive Director)	2,48,28,302	101%	108
5.	Mr. Babulal Jain (Independent Director)	7,25,000	32%	3
6.	Mr. A. T. Kusre (Independent Director)	6,25,000	39%	3
7.	Mr. Dev Parkash Yadava (Independent Director)	5,00,000	-9%	2
8.	Dr. Ramakanta Panda (Independent Director)	2,25,000	29%	1
9.	Dr. Manisha Premnath (Independent Director)	2,25,000	29%	1
10.	Mr. Harish P. Kamath (Corporate Counsel & Company Secretary)	1,01,12,151	5%	44

ii. The median remuneration of the employees of the Company during the financial year was ₹ 2,29,746/-.

iii. In the financial year, there was an increase of 6.9% in the median remuneration of employees.

iv. There were 13,254 permanent employees on the rolls of Company as on March 31, 2018.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 8.4% whereas there is an increase of 50.6% in the managerial remuneration for the same financial year.

vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Mumbai
29th May, 2018

Premchand Godha
Chairman & Managing Director

ANNEXURE 5

1. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy :

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilisation of energy.

The following energy conservation measures were implemented during the financial year:

- Replacement of v-belt with flat belt on air compressors and other machines.
- Close monitoring of cooling water and vaccum pumps.
- Optimization of pressure for compressed air and nitrogen line.
- Operational efficiency of chiller and brine plant.
- Leakage survey and plugging of compressed air network.
- Maintaining unity power factor.
- Impeller coating on all chilling, cooling and brine pumps of utilities section.
- Replacement of conventional lighting with LED lighting.
- Improvement in condensate recovery.
- Use of briquette for fuel cost reduction.

(ii) The steps taken by the Company for utilizing of alternate sources of energy :

The Company is evaluating all possibilities of utilizing alternate sources of energy in its operations, wherever possible, especially solar energy.

(iii) The capital investment on energy conservation equipments :

All the necessary capital and revenue expenditures were incurred by the Company on energy conservation equipments and consumables.

2. TECHNOLOGY ABSORPTION

Research & Development

(A) Specific areas in which R&D work was carried out by the Company:

The Company's R&D Centres at Mumbai, Ratlam, Athal and Ranu are approved by Department of Scientific and Industrial Research, Government of India. These centres are also approved under Section 35 (2AB) of Income Tax Act, 1961 for the purposes of weighted tax deduction. The Company carries out R&D in several areas including:

(i) Development of indigenous technologies for major drugs and intermediates, process improvements, technology absorption and optimisation of basic drugs, process simplification, etc.

(ii) Improvement of existing processes to improve yields and quality, reduce cost and lead to eco friendly process.

(iii) Development of newer dosage forms and new drug delivery systems.

(iv) Development of non-infringing processes for APIs.

(B) Benefits derived as a result of the above R & D :

(i) R&D efforts have helped bring out an improvement in processes, product design and operating efficiencies.

(ii) Development of new formulations and line extensions.

(iii) Development of various APIs and Intermediates.

(iv) Development of new markets, adaptation to meet export requirements, quality upgradation and cost reduction.

(C) Future Plan of Action :

(i) Development of various APIs/intermediates having good potential for exports and local market.

(ii) Additional investment in manpower, latest instrumentation to upgrade and strengthen R & D facilities.

(iii) Development of newer drug delivery systems.

(iv) Development of formulations for developed market and bio-equivalence studies of the same.

(D) Expenditure on R & D:

	2017-18 (₹ Crores)	2016-17 (₹ Crores)
a) Capital	18.45	6.12
b) Revenue	99.65	119.55
c) Total	**118.10**	**125.67**
d) R & D expenditure as a percentage of turnover	**3.73%**	**4.06%**

(E) Imported technology (imported during last 5 years):

The Company has not imported any technology during the last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Earnings

The CIF value of exports of the Company during the year aggregated to ₹ 1564.21 crores as against ₹ 1561.74 crores in the previous year.

B) Outgo

The foreign exchange outgo of the Company during the year aggregated to ₹ 488.36 crores as against ₹ 457.10 crores in the previous year.

For and on behalf of the Board
Premchand Godha
Chairman & Managing Director

Mumbai
29th May, 2018

ANNEXURE 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN: L24239MH1949PLC007837

ii) Registration Date: 19.10.1949

iii) Name of the Company: Ipca Laboratories Limited

iv) Category / Sub-Category of the Company: Company limited by shares

v) Address of the Registered office and contact details:
48, Kandivli Industrial Estate, Kandivli (W),
Mumbai – 400067. Tel: 022 – 62105000; e-mail: investors@ipca.com; website: www.ipca.com

vi) Whether listed company: Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083. Tel No: 022 49186270; e-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pharmaceuticals	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Ipca Pharma Nigeria Ltd. 17, Osolo way, Ajao Estate Isolo, Lagos, Nigeria.	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
2.	Ipca Pharmaceutical Inc. 51, Cragwood Road, Suite No. 307, South Plainfield, NJ 07080, USA.	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
3.	Ipca Laboratories (UK) Ltd. Units 97-98, Silverbriar, Sunderland Enterprise Park East, Sunderland, SR5 2TQ, UK	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
4.	Onyx Scientific Limited Silverbriar, Sunderland Enterprise Park East, Sunderland SR5 2TQ, UK	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories (UK) Ltd.	2(87)(ii)
5.	Ipca Pharma (Australia) Pty. Ltd. 6, Morotai Avenue, Ashburton, VIC 3147, Melbourne, Australia.	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
6.	Ipca Pharma (NZ) Pty. Ltd 3-A, St. Oswalds Road, Greenlane, Auckland 1061, New Zealand	N.A.	Subsidiary	100% Subsidiary of Ipca Pharma (Australia) Pty. Ltd.	2(87)(ii)
7.	Ipca Pharmaceuticals Ltd, S.A de CV Presa La Angostura 116, Colonia Irrigacion Delegacion Miguel Hidalgo, C.P. 11500, Alvaro Obregon, Mexico D.F.	N.A.	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
8.	Pisgah Labs Inc. Old Hendersonville Highway, Pisgah Forest, North Carolina, USA	N.A.	Subsidiary	90% shares held by Ipca Pharmaceutical Inc., USA and 10% shares held by Onyx Scientific Ltd., U.K	2(87)(ii)
9.	Tonira Exports Ltd. 142AB, Kandivli Industrial Estate, Kandivli (W), Mumbai – 400067.	U51909MH1995PLC248308	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
10.	Avik Pharmaceutical Ltd. Arvind Chambers, Gauri Compound, 188 Kurla Road, Ground Floor, Western Express Highway, Andheri (E), Mumbai - 400069	U99999MH1979PLC021711	Associate	49 %	2(6)
11.	CCPL Software Private Ltd. 3, Sangam, 1st Floor, Opp. Traffic Police Chowki, Khar (West), Mumbai - 400052	U74999MH1995PTC092000	Associate	28.95%	2(6)
12.	Trophic Wellness Pvt. Ltd. 142AB, Kandivli Industrial Estate, Kandivli (W), Mumbai – 400067.	U24100MH2010PTC206526	Associate	19.26%	2(6)
13.	Krebs Biochemicals & Industries Ltd. Kothapalli village, Kasimkota Mandal, Anakapalli, Hyderabad 531 031	L24110AP1991PLC103912	Associate	29.83%	2(6)

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 (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10746027	--	10746027	8.51	10746027	--	10746027	8.51	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	47470209	--	47470209	37.62	47470209	--	47470209	37.62	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	58216236	--	58216236	46.13	58216236	--	58216236	46.13	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other –Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	58216236	--	58216236	46.13	58216236	--	58216236	46.13	--
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	27096515	5000	27101515	21.48	27092350	2000	27094350	21.47	(0.01)
b) Banks / FI	291858	1000	292858	0.23	245557	1000	246557	0.20	(0.03)
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt. (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	1212405	16500	1228905	0.97	64383	4000	68383	0.05	(0.92)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
Foreign Mutual Fund	681584	--	681584	0.54	877177	--	877177	0.70	0.16
Alternate Investment Fund	--	--	--	--	2144535	--	2144535	1.70	1.70
Sub-total (B)(1):-	29282362	22500	29304862	23.22	30424002	7000	30431002	24.12	0.90
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	4046534	12620	4059154	3.22	2853035	8108	2861143	2.29	(0.93)
ii) Overseas	--	--	--	--					
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12936559	1579622	14516181	11.50	11119860	1222998	12342858	9.78	(1.72)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1042436	--	1042436	0.83	878259	--	878259	0.70	(0.13)
c) Others (specify)									
(c-i) Clearing Member	199387	--	199387	0.16	206175	--	206175	0.16	0.00
(c-ii) Market Maker	11757	--	11757	0.01	1384	--	1384	0.00	(0.01)
(c-iii) HUF	528422	--	528422	0.42	422453	--	422453	0.33	(0.09)
(c-iv) Foreign Holding									
NRI (Repatriate)	391852	4630	396482	0.32	380322	2860	383182	0.30	(0.03)
NRI (Non Repatriate)	216470	--	216470	0.17	201992	--	201992	0.16	(0.01)
(c-v) Foreign Portfolio Investor (Corporate)	17707722	--	17707722	14.03	19931066	--	19931066	15.80	1.77
(c-vi) Unclaimed Shares Suspense A/c	--	--	--	--	79174	--	79174	0.06	0.06
(c-vii) IEPF Authority	--	--	--	--	244185	--	244185	0.19	0.19
Sub-total (B)(2):-	37081139	1596872	38678011	30.65	36317905	1233966	37551871	29.75	0.90
Total Public Shareholding (B)=(B)(1) + (B)(2)	66363501	1619372	67982873	53.87	66741907	1240966	67982873	53.87	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--					
Grand Total (A+B+C)	124579737	1619372	126199109	100.00	124958143	1240966	126199109	100.00	--

ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Kaygee Investments Pvt. Ltd.	27018195	21.41	--	27018195	21.41	--	--
2.	Chandurkar Investments Pvt. Ltd.	6978005	5.53	--	6978005	5.53	--	--
3.	Kaygee Laboratories Pvt. Ltd	8321000	6.59	--	8321000	6.59	--	--

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
4.	Paschim Chemicals P. Ltd.	5029000	3.99	--	5029000	3.99	--	--
5.	Paranthapa Investments and Traders P. Ltd.	15500	0.01	--	15500	0.01	--	--
6.	Makers Laboratories Ltd	101480	0.08	--	101480	0.08	--	--
7.	M. R. Chandurkar	2151000	1.70	--	2151000	1.70	--	--
8.	Usha M. Chandurkar	2000000	1.59	--	2000000	1.59	--	--
9.	Sameer M. Chandurkar	1000000	0.79	--	1000000	0.79	--	--
10.	Premchand Godha	2681340	2.13	--	2681340	2.13	--	--
11.	Usha P. Godha	1209370	0.96	--	1209370	0.96	--	--
12.	Prashant Godha	759322	0.60	--	759322	0.60	--	--
13.	Pranay Godha	825495	0.65	--	825495	0.65	--	--
14.	Nirmal Jain	115000	0.09	0.01	115000	0.09	--	--
15.	Bhawna Godha	2500	0.00	--	2500	0.00	--	--
16.	Neetu Godha	2000	0.00	--	2000	0.00	--	--
17.	Mexin Medicaments Private Limited	7029	0.00	--	7029	0.01	--	--
	Total	58216236	46.13	0.01	58216236	46.13	--	--

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

Sr. No	Name of the Promoter	Date	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	01.04.2017	58216236	46.13	--	--
	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	31.03.2018		--	58216236	46.13

There was no change in the shareholding of the promoters during the year under review.

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

Sl. No.	For Each of the Top 10 Shareholders	Date	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.	DSP Blackrock					
	At the beginning of the year	01.04.2017	3987215	3.16	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	28.04.2017	396918	0.31	4384133	3.47
		05.05.2017	158822	0.13	4542955	3.60
		23.06.2017	400000	0.32	4942955	3.92
		30.06.2017	141122	0.11	5084077	4.03
		14.07.2017	108349	0.08	5192426	4.11
		04.08.2017	(20000)	(0.01)	5172426	4.10
		18.08.2017	(20000)	(0.02)	5152426	4.08
		25.08.2017	20000	0.02	5172426	4.10
		15.09.2017	(4950)	(0.01)	5167476	4.09
		22.09.2017	24950	0.02	5192426	4.11
		17.11.2017	(19727)	(0.01)	5172699	4.10
		08.12.2017	26882	0.02	5199581	4.12
		15.12.2017	91228	0.07	5290809	4.19
		22.12.2017	33845	0.03	5324654	4.22
		05.01.2018	(219803)	(0.17)	5104851	4.05
		12.01.2018	170688	0.13	5275539	4.18
		19.01.2018	8360	0.01	5283899	4.19
		26.01.2018	68361	0.05	5352260	4.24
		02.02.2018	10000	0.01	5362260	4.25
		09.02.2018	78003	0.06	5440263	4.31
		16.02.2018	193492	0.15	5633755	4.46
		23.02.2018	69449	0.06	5703204	4.52
		09.03.2018	345268	0.27	6048472	4.79
		16.03.2018	524283	0.42	6572755	5.21
		23.03.2018	183584	0.14	6756339	5.35
		31.03.2018	23505	0.02	6779844	5.37
	At the End of the year	31.03.2018	--	--	6779844	5.37
2.	ICICI Prudential					
	At the beginning of the year	01.04.2017	8587107	6.80	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	07.04.2017	(44230)	(0.03)	8542877	6.77
		14.04.2017	(46040)	(0.04)	8496837	6.73
		21.04.2017	(16107)	(0.01)	8480730	6.72
		28.04.2017	(114823)	(0.09)	8365907	6.63
		05.05.2017	(44206)	(0.04)	8321701	6.59
		26.05.2017	65812	0.06	8387513	6.65
		02.06.2017	106646	0.08	8494159	6.73
		23.06.2017	888909	0.70	9383068	7.43

Sl. No.	For Each of the Top 10 Shareholders	Date	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
		30.06.2017	81447	0.06	9464515	7.50
		14.07.2017	14181	0.01	9478696	7.51
		21.07.2017	303803	0.24	9782499	7.75
		18.08.2017	37248	0.03	9819747	7.78
		27.10.2017	89772	0.07	9909519	7.85
		17.11.2017	(7331)	(0.00)	9902188	7.85
		24.11.2017	(66758)	(0.05)	9835430	7.79
		01.12.2017	(28865)	(0.02)	9806565	7.77
		08.12.2017	22578	0.02	9829143	7.79
		22.12.2017	(297472)	(0.24)	9531671	7.55
		29.12.2017	(1378871)	(1.09)	8152800	6.46
		05.01.2018	(2677)	(0.00)	8150123	6.46
		12.01.2018	(15480)	(0.01)	8134643	6.45
		26.01.2018	(57390)	(0.05)	8077253	6.40
		02.02.2018	25486	0.02	8102739	6.42
		09.02.2018	(380078)	(0.30)	7722661	6.12
		16.02.2018	(977110)	(0.77)	6745551	5.35
		23.02.2018	(259463)	(0.21)	6486088	5.14
		02.03.2018	(323332)	(0.26)	6162756	4.88
		09.03.2018	(623535)	(0.49)	5539221	4.39
		16.03.2018	(208037)	(0.16)	5331184	4.22
		23.03.2018	(27985)	(0.02)	5303199	4.20
		31.03.2018	(3923)	(0.00)	5299276	4.20
	At the End of the year	31.03.2018	--	--	5299276	4.20
3.	HDFC Trustee Company					
	At the beginning of the year	01.04.2017	5901114	4.68	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	07.04.2017	165080	0.13	6066194	4.81
		14.04.2017	70327	0.05	6136521	4.86
		21.04.2017	100000	0.08	6236521	4.94
		28.04.2017	9000	0.01	6245521	4.95
		05.05.2017	45400	0.03	6290921	4.98
		02.06.2017	35000	0.03	6325921	5.01
		01.09.2017	225000	0.18	6550921	5.19
		08.09.2017	500000	0.40	7050921	5.59
		08.12.2017	(39000)	(0.03)	7011921	5.56
		29.12.2017	(178565)	(0.15)	6833356	5.41
		05.01.2018	(488000)	(0.38)	6345356	5.03
		09.02.2018	(746420)	(0.59)	5598936	4.44
		23.02.2018	(254100)	(0.20)	5344836	4.24
		09.03.2018	(85700)	(0.07)	5259136	4.17
		16.03.2018	(79836)	(0.07)	5179300	4.10
	At the End of the year	31.03.2018	--	--	5179300	4.10

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Lavender Investments Limited					
	At the beginning of the year	01.04.2017	4989773	3.95	--	--
	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	31.03.2018	--	--	4989773	3.95
5.	Government Pension Fund Global					
	At the beginning of the year	01.04.2017	1560353	1.24	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	16.02.2018	400000	0.32	1960353	1.55
		09.03.2018	400000	0.32	2360353	1.87
	At the End of the year	31.03.2018	--	--	2360353	1.87
6.	Unit Trust of India					
	At the beginning of the year	01.04.2017	1731278	1.37	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	07.04.2017	(50000)	(0.04)	1681278	1.33
		14.04.2017	(35000)	(0.03)	1646278	1.30
		04.08.2017	21708	0.02	1667986	1.32
		11.08.2017	1946	0.00	1669932	1.32
		06.10.2017	24112	0.02	1694044	1.34
		13.10.2017	32600	0.03	1726644	1.37
		20.10.2017	7000	0.00	1733644	1.37
		27.10.2017	28340	0.03	1761984	1.40
		03.11.2017	23673	0.02	1785657	1.42
		17.11.2017	45012	0.03	1830669	1.45
		08.12.2017	2681	0.00	1833350	1.45
		15.12.2017	(20000)	(0.01)	1813350	1.44
		22.12.2017	(45000)	(0.04)	1768350	1.40
		05.01.2018	47447	(0.04)	1815797	1.44
		12.01.2018	10000	0.01	1825797	1.45
		19.01.2018	(5000)	(0.01)	1820797	1.44
		26.01.2018	144329	0.12	1965126	1.56
		02.02.2018	78062	0.06	2043188	1.62
		09.02.2018	31799	0.02	2074987	1.64
		16.02.2018	32818	0.03	2107805	1.67
		23.02.2018	13459	0.01	2121264	1.68
		02.03.2018	33402	0.03	2154666	1.71
		09.03.2018	16161	0.01	2170827	1.72
		16.03.2018	3170	0.00	2173997	1.72
		23.03.2018	82462	0.07	2256459	1.79
	At the End of the year	31.03.2018	--	--	2256459	1.79

Sl. No.	For Each of the Top 10 Shareholders	Date	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
7	Goldman Sachs India Limited					
	At the beginning of the year	01.04.2017	1277844	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):	07.04.2017	58837	0.05	1336681	1.06
		16.02.2018	622796	0.49	1959477	1.55
		23.02.2018	128155	0.10	2087632	1.65
	At the End of the year	31.03.2018	--	--	2087632	1.65
8.	L&T Mutual Fund Trustee Limited					
	At the beginning of the year	01.04.2017	764200	0.60	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	14.04.2017	(29700)	(0.02)	734500	0.58
		28.04.2017	34100	0.03	768600	0.61
		05.05.2017	(40187)	(0.03)	728413	0.58
		12.05.2017	(13184)	(0.01)	715229	0.57
		23.06.2017	(393727)	(0.32)	321502	0.25
		30.06.2017	(103615)	(0.08)	217887	0.17
		21.07.2017	(82729)	(0.06)	135158	0.11
		25.08.2017	(135158)	(0.11)	0	0.00
		29.12.2017	1159803	0.92	1159803	0.92
		05.01.2018	536116	0.42	1695919	1.34
		12.01.2018	25000	0.02	1720919	1.36
		09.02.2018	10000	0.01	1730919	1.37
		16.02.2018	275000	0.22	2005919	1.59
		23.02.2018	10000	0.01	2015919	1.60
	At the End of the year	31.03.2018	--	--	2015919	1.60
9.	Saif India IV FII Holdings Limited/Saif Advisors Mauritius Limited					
	At the beginning of the year	01.04.2017	2010533	1.59	--	--
	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	31.03.2018	--	--	2010533	1.59

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	Franklin India Smaller Companies Fund					
	At the beginning of the year	01.04.2017	270034	0.21	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	14.07.2017	84687	0.07	354721	0.28
		21.07.2017	420413	0.33	775134	0.61
		28.07.2017	84030	0.07	859164	0.68
		04.08.2017	1230870	0.98	2090034	1.66
		18.08.2017	150000	0.12	2240034	1.78
		25.08.2017	1025000	0.81	3265034	2.59
		08.09.2017	126138	0.10	3391172	2.69
		15.09.2017	32862	0.02	3424034	2.71
		22.09.2017	(276805)	(0.22)	3147229	2.49
		29.09.2017	37168	0.03	3184397	2.52
		06.10.2017	12136	0.01	3196533	2.53
		22.12.2017	(235379)	(0.18)	2961154	2.35
		26.01.2018	(99613)	(0.08)	2861541	2.27
		09.02.2018	(300387)	(0.24)	2561154	2.03
		16.02.2018	(600000)	(0.48)	1961154	1.55
		09.03.2018	(200000)	(0.15)	1761154	1.40
		23.03.2018	(76232)	(0.06)	1684922	1.34
		31.03.2018	(21110)	(0.02)	1663812	1.32
	At the End of the year	31.03.2018	--	--	1663812	1.32
11.	Axis Mutual Fund Trustee Limited	01.04.2017	2320419	1.84	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	21.04.2017	(110000)	(0.09)	2210419	1.75
		28.04.2017	(200000)	(0.16)	2010419	1.59
		05.05.2017	(100000)	(0.08)	1910419	1.51
		02.06.2017	(590724)	(0.46)	1319695	1.05
		16.06.2017	(150000)	(0.12)	1169695	0.93
		23.06.2017	(1169695)	(0.93)	0	0.00
		15.09.2017	2179	0.00	2179	0.00
		02.02.2018	(111)	(0.00)	2068	0.00
		16.03.2018	(128)	(0.00)	1940	0.00
	At the End of the year	31.03.2018	--	--	1940	0.00
12.	T. Rowe Price International Discovery Fund	01.04.2017	1413585	1.12	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.08.2017	(1098085)	(0.87)	315500	0.25
		11.08.2017	(111615)	(0.09)	203885	0.16
		18.08.2017	(39964)	(0.03)	163921	0.13
		25.08.2017	(163921)	(0.13)	0	0.00
	At the End of the year	31.03.2018	--	--	0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Date	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. Premchand Godha Chairman and Managing Director/ CEO					
	At the beginning of the year	01.04.2017	2681340	2.13	--	--
	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	31.03.2018	--	--	2681340	2.13
2.	Mr. Ajit Kumar Jain Joint Managing Director/ CFO					
	At the beginning of the year	01.04.2017	66000	0.05	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	02.06.2017	(1900)	0.00	64100	0.05
		22.09.2017	(1700)	0.00	62400	0.05
		29.12.2017	(1400)	0.00	61000	0.05
		02.03.2018	(1000)	0.00	60000	0.05
	At the End of the year	31.03.2018	--	--	60000	0.05
3.	Mr. Pranay Godha Executive Director					
	At the beginning of the year	01.04.2017	825495	0.65	--	--
	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	31.03.2018	--	--	825495	0.65
4.	Mr. Prashant Godha Executive Director					
	At the beginning of the year	01.04.2017	759322	0.60	--	--
	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	31.03.2018	--	--	759322	0.60
5.	Mr. Babulal Jain Independent Director					
	At the beginning of the year	01.04.2017	25500	0.02	--	--
	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	31.03.2018	--	--	25500	0.02

Sl. No.	For Each of the Top 10 Shareholders	Date	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
6.	Mr. Dev Parkash Yadava Independent Director					
	At the beginning of the year	01.04.2017	14629	0.01	--	--
	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	31.03.2018	--	--	14629	0.01
7.	Mr. Anand T Kusre Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	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	31.03.2018	--	--	--	--
8.	Dr. Ramakanta Panda Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	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	31.03.2018	--	--	--	--
9.	Dr. Manisha Premnath Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	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	31.03.2018	--	--	--	--
10.	Mr. Harish Kamath Company Secretary					
	At the beginning of the year	01.04.2017	7500	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	15.09.2017	(1000)	0.00	6500	0.01
		27.09.2017	(500)	0.00	6000	0.01
		01.03.2018	(1000)	0.00	5000	0.01
	At the End of the year	31.03.2018	--	--	5000	0.01

V. INDEBTEDNESS

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

(₹ lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	66631.56	4945.06	0.00	71576.62
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	117.87	53.07	0.00	170.94
Total (i+ii+iii)	66749.43	4998.13	0.00	71747.56
Change in Indebtedness during the financial year				
i) Addition	109636.91	86.42	0.00	109723.33
ii) Reduction	114033.21	4546.33	0.00	118579.54
Net Change	(4396.30)	(4459.91)	0.00	(8856.21)
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	62220.38	535.28	0.00	62755.66
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	132.75	2.94	0.00	135.69
Total (i+ii+iii)	62353.13	538.22	0.00	62891.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹)
		Premchand Godha (Chairman & Managing Director /CEO)	Ajit Kumar Jain (Joint Managing Director/ CFO)	Pranay Godha (Executive Director)	Prashant Godha (Executive Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,63,00,000	1,32,00,000	66,00,000	66,00,000	6,27,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	83,83,201	1,22,86,497	48,57,216	50,28,302	3,05,55,216
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	*10000	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission as % of profit/ others, specify (as approved by Board)	3,63,00,000	1,32,00,000	1,32,00,000	1,32,00,000	7,59,00,000
5.	Others, please specify	-	-	-	-	-
	Total (A)	8,09,83,201	3,86,86,497	2,46,57,216	2,48,28,302	16,91,55,216
	Ceiling as per the Act	₹ 29.21 crores (being 10% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013)				

* Each option represents a right but not an obligation to apply for one equity share of ₹ 2/- each of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors -					Total Amount (₹)
		Babulal Jain	Anand T Kusre	Dev Parkash Yadava	Dr. Ramakanta Panda	Dr. Manisha Premnath	
1.	Independent Directors						
	Fee for attending board / committee meetings	7,25,000	6,25,000	5,00,000	2,25,000	2,25,000	23,00,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	7,25,000	6,25,000	5,00,000	2,25,000	2,25,000	23,00,000
2.	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	7,25,000	6,25,000	5,00,000	2,25,000	2,25,000	23,00,000
	Total Managerial Remuneration (A+B)	-	-	-	-	-	17,14,55,216
	Overall Ceiling as per the Act	₹ 32.13 crores (being 11% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013)					

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

(Amount ₹)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel
		Harish P Kamath (Company Secretary)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,00,47,551
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	64,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	*5000
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify (as decided by Board)	-
5.	Others, please specify	-
	Total (₹)	1,01,12,151

* Each option represents a right but not an obligation to apply for one equity share of ₹ 2/- each of the Company at a price of ₹ 300/- per share upon completion of 1 year from the date of grant of options.

Remuneration of CEO and CFO who are Wholetime Directors are given in Item No. VI (A) above.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Mumbai
29^{th} May, 2018

Premchand Godha
Chairman & Managing Director

Business Responsibility (BR) Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number	L24239MH1949PLC007837
2.	Name of the Company	Ipca Laboratories Limited
3.	Registered address	48, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067
4.	Website	www.ipca.com
5.	E-mail id	investors@ipca.com
6.	Financial Year reported	1st April, 2017 to 31st March, 2018
7.	Sector(s) that the Company is engaged (industrial activity code-wise)	Pharmaceuticals. NIC Code - 21002
8.	List of key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in the manufacturing and marketing of pharmaceuticals. Key products are :
		1. Hydroxychloroquine Sulphate
		2. Artemether & Lumefantrine
		3. Acceclofenac and its combinations
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (provide details of major 5)	The Company has non-trading offices in several countries in South East Asia, CIS and Africa. The Company's wholly owned subsidiaries have contract research and manufacturing centres in the United Kingdom and United States.
	(b) Number of National Locations –	The Company has 17 manufacturing facilities details of which are provided in the Annual Report. The Company's R&D Centres are located at Mumbai, Ranu, Ratlam & Silvassa. The Registered and Corporate offices of the Company are at Mumbai. The Company has pan India Distribution network.
10.	Markets served by the Company - Local/ State/National/International	The Company's products are sold across the globe.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital (INR)	₹ 25.24 crores
2.	Total Turnover (INR)	₹ 3258.75 crores
3.	Total profit after taxes (INR)	₹ 233.11 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	CSR spent ₹ 10.17 crores. 4.36% of the net profit for the financial year 2017-18.
5.	List of activities in which expenditure in 4 above has been incurred	Mainly in the field of education, medical relief and poverty elevation.

SECTION C: OTHER DETAILS

Sr.No.	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies?	The Company has 6 wholly owned subsidiaries and 3 wholly owned subsidiaries of the wholly owned subsidiaries.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	Most of the subsidiaries are incorporated mainly to hold product registrations and therefore, do not generate material revenue and do not directly participate in the BR initiatives of the parent Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	There is no direct participation in the Company's BR initiatives by Company's suppliers, distributors, etc.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy :

Sr.No.	Particulars	Details
1	DIN Number	00012657
2	Name	Mr. Ajit Kumar Jain
3	Designation	Joint Managing Director

(b) Details of the BR head

Sr.No.	Particulars	Details
1	DIN Number	00012657
2	Name	Mr. Ajit Kumar Jain
3	Designation	Joint Managing Director
4	Telephone No.	022-6210 6020
5	E-mail id	ajit.jain@ipca.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Yes, wherever necessary.								
2	Has the policy being formulated in consultation with the Relevant Stakeholders?	The policies have been formulated in consultation with the Company's Corporate Management Team and are approved by the Board of Directors.								
3	Does the policy conform to any national / international standards? If yes, specify?	All the policies are framed keeping in mind the compliances with the national standards/requirements.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies are approved by the Board, signed by the Managing Director/CEO and many of which are also placed on the website of the Company, www.ipca.com.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The implementation of the policies are periodically reviewed by the Corporate Management Team of the Company.								
6	Indicate the link for the policy to be viewed online?	www.ipca.com								
7	Has the policy been formally communicated to all relevant internal and external Stakeholders?	Many of the Company's policies are placed on the website of the Company and can be viewed by the Company's internal and external stakeholders. The other relevant policies are made available upon request by any stakeholder.								

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address Stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Effectiveness of the policies are periodically reviewed/evaluated by the Company's Corporate Management Team. However, the Company has not carried out any independent evaluation/audit of the working of these policies by external agency.								

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Sr.No.	Particulars	Details
1	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)	All the policies of the Company are reviewed on a quarterly basis by the Company's Corporate Management Team consisting of all Wholetime working Directors and other senior managerial employees of the Company.
2	Does the Company publish a BR or a Sustainability Report?	The Company does not propose to publish a Business Responsibility or Sustainability Report.
	What is the hyperlink for viewing this report?	Business responsibility report will be placed on the website of the Company as and when prepared.
	How frequently it is published?	Please see the answer above.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
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?
	The policy covers all the stakeholders of the Company, internal as well as external.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?
	Other than normal business related complaints in the ordinary course of the Company's business, no other material complaint has been received from any of the stakeholder in the financial year under report. All the complaints received are satisfactorily resolved.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	
	(a)	All the pharmaceuticals manufactured by the Company meet the pharmacopeial requirements.
	(b)	Pharmacovigilance activities are carried out in the markets serviced by the Company.
	(c)	Safety/Stability of the products are continuously monitored as per the standard operating procedures of the Company.
2	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?
		The Company monitors these activities on a continuous basis. However, in view of varied nature of products and packs, the compilation of accurate information is not feasible.
	(b)	Reduction during usage by consumers (energy, water) has been achieved since the previous year?
		Please see the information furnished under (a) above.
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	
	The philosophy of the Company is to continuously work on the indigenization of its key raw materials to reduce dependence on imports and to reduce cost in order to be competitive as well as to have alternate source of dependable supply for uninterrupted supply chain.	
	(a)	If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
		Due to the Company's policy as stated above, the consumption of imported raw materials have come down in the current year under report.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	
	Yes	
	(a)	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
		The Company provides necessary regulatory and technical support to small vendors providing goods and services to the Company. Regular Vendor Audits are carried out and reports are shared with small vendors for improvement in their quality systems.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	
	Being in the highly regulated industry, re-cycling of products is not possible/permissible. However, wherever possible, industrial solvents are recovered and reused. Similarly, catalysts used in the processes are regenerated and reused.	

Principle 3 - Businesses should promote the wellbeing of all employees		
1	Total number of permanent employees	13,254
2	Total number of employees hired on temporary/ contractual/casual basis.	5,468
3	Number of permanent women employees.	971
4	Number of permanent employees with disabilities	This information is being compiled
5	Do you have an employee association that is recognized by management?	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	About 10%
7	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.	

	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
(a)	Child labour/forced labour/involuntary labour	None	None
(b)	Sexual harassment	4	1 (closed in May, 2018)
(c)	Discriminatory Employment	None	None
	The Company has adopted a policy in line with the requirements of Prevention of Sexual Harassment of Women at the Workplace and a Committee has been set-up to redress sexual harassment complaints received. The necessary annual report has been submitted to the competent authority in this regard.		

8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a)	Permanent Employees	All employees are trained on safety and job skills before their induction in the organization. Also need based regular safety and job skills trainings as well as re-trainings are imparted based on requirements and observations.
(b)	Permanent Women Employees	
(c)	Casual/Temporary/Contractual Employees	
(d)	Employees with Disabilities	

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	
1	Has the company mapped its internal and external stakeholders?
	Yes. The Company has mapped its internal and external stakeholders.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders
	Yes.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so
	Company generally provides its highest attention to the needs of disadvantaged and marginalized stakeholders.

Principle 5 - Businesses should respect and promote human rights	
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
	The Company's policy on human rights extends to subsidiaries and group companies / ventures.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
	No complaints were received in the financial year under report in respect of violation of human rights.

Principle 6 - Business should respect, protect, and make efforts to restore the environment	
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
	Extends to Company as well as Company's subsidiaries and group companies.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
	The Company has strategies / initiatives to address global environmental issues. The approach includes use of renewable power supply like solar energy, sourcing of power from wind mills, replacement of coal with agri waste briquettes for boilers, enhanced solvent recovery, water conservation thru 3R (reduce, recycle, replenish) water management principles, etc.
3	Does the company identify and assess potential environmental risks?
	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
	Please see answer to item 2 above.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
	Yes. All manufacturing plants comply with the permissible limits for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal as per consents / authorizations.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
	None pending unattended / unresolved as at the financial year end.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
	The Company is a member of Indian Drugs Manufacturers Association (IDMA), Indian Pharmaceuticals Association (IPA), etc.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas
	The Company has lobbied through the associations in respect of the policies passed / to be passed by the Government and relating to pharmaceuticals industry sector for advancement of pharmaceutical industry as well as for advancement of economy and public good.

Principle 8 - Businesses should support inclusive growth and equitable development	
1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
	Yes. The Company's initiatives and programs are in the activities such as promotion of education, vocational training & skill improvement, healthcare, rural development, etc.
2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?
	The programs and projects undertaken through in-house teams as well as through other charitable organizations.
3	Have you done any impact assessment of your initiative?
	Impact assessment is not done through any independent agency.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
	This information has been provided under CSR Report of the Company. The total amount spent on CSR in the financial year under report is ₹ 10.17 crores.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?
	The company generally monitors its CSR spent towards community development initiatives.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.
	There are no material consumer cases pending against the Company.
2	Does the company display product information on the product label, over and above what is mandated as per local laws?
	No. Being in a highly regulated industry, the Company has to strictly follow mandated laws.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof
	None
4	Did your company carry out any consumer survey/ consumer satisfaction trends?
	Yes. The Company carries out pharmacovigilance activities and the reports are filed with the regulators on a regular basis.

For and on behalf of the Board

Mumbai
29th May, 2018

Premchand Godha
Chairman & Managing Director

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
Ipca Laboratories Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:

- (1) Pharmacy Act, 1948,
- (2) Drugs and Cosmetics Act, 1940,
- (3) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954,
- (4) Narcotic Drugs and Psychotropic Substances Act, 1985,
- (5) Drug Pricing Control Order, 2013.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.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 was 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.

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has issued 1,65,000 options under Ipca Laboratories Ltd. - Employees Stock Option Scheme - 2014 to selected permanent employees of the Company including one Wholetime Non-Promoter Director.
2. The Company's manufacturing units situated at Ratlam (M.P.), Indore SEZ, Pithampur (M.P.) and Piparia (Silvassa) are currently under US FDA import alert. Till these US FDA import alerts are revoked, the Company's US Business will continue to get impacted.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018

Place: Mumbai
Date : May 29, 2018

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,
Ipca Laboratories 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. Where ever 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.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
Partner
FCS No: 6488 CP No: 6018

Place: Mumbai
Date : May 29, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IPCA LABORATORIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IPCA LABORATORIES LIMITED (the Company), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit & 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 (the standalone financial statements).

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 Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in section 133 of the Act, read with rules made thereunder and the relevant provisions of the Act.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who expressed an unmodified opinion on those statements on May 28, 2017.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, Statement of Profit & Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;

   (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018 from being appointed as a Director in terms of section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B"; and

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 35 to the standalone financial statements;

      ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

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

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Mumbai,
May 29, 2018

Annexure A - referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date, to the members of the Company on the standalone financial statements for the year ended March 31, 2018

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.

(b) According to the information and explanations given to us, most of the property, plant and equipment of the Company were physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Property, plant and equipment.

(c) According to the information and explanations given to us and based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that the title deeds of immovable properties forming part of property, plant and equipment, are held in the name of the Company.

(ii) During the year, the management has physically verified the inventory at reasonable intervals. We have been informed that the discrepancies noticed on physical verification, as compared to the book records, were not material having regards to size and nature of operations and have been properly dealt with in the books of account.

(iii) The Company has granted unsecured loans to its associate and joint venture covered in the register maintained under section 189 of the Act.

(a) In our opinion, the terms and conditions of the grant of such loans are not prejudicial to the interest of the Company.

(b) The loans are not due for repayment presently and therefore, there is no default in its repayment and there is no overdue. Hence, the clause 3(iii) (c) of the Order, is not applicable to the Company.

(iv) Based on audit process applied by us and according to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.

We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

(vi) As informed to us, the maintenance of the cost records under section 148(1) of the Act has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues such as Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise duty, Goods and Service Tax, Value Added Tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2018 which were due for more than six months from the date they became payable.

(b) The details of dues of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise or Value Added Tax or cess which have not been deposited with the concerned authorities on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	Differential Excise duty on WIP on Debonding	0.23	2009-10	CESTAT, Ahmedabad
Excise Duty	Rebate claim rejected due to late filed	0.03	2013-14	Asst Commissioner Central Excise, Customs & Service tax, Silvassa
Excise Duty	Interest and penalty on past anti-dumping duty & excise duty	4.15		High Court, Gujarat
Excise Duty	Differential Excise Duty on clearance	0.08	April' 11 to March' 13	Deputy Commissioner
Excise Duty	Availment of Differential PLA Credit	2.32	2015-16	Commissioner A-Appeal , Siliguri
Service Tax	Availment of credit of Service Tax on H.O. Invoices	0.64	2006-07 & 2007-08	Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on H.O. Invoices	0.23	April'08 to Nov'08	Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on H.O. Invoices	0.04	Dec'08 to Sept'09	Deputy Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on Telephone/Cell Phone /Taxi Hire charges & Insurance	0.03	2006-07 & 2007-08	Commissioner/ Dy. Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on Telephone/Cell Phone / Taxi Hire charges & Insurance	0.01	April'08 to Dec'08	Commissioner/ Dy. Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on Telephone /Cell Phone/Taxi Hire charges & Insurance*	0.00	Jan'09 to Sept'09	Dy. Commissioner, Central Excise

Name of the Statute	Nature of Dues	Amount (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Availment of credit of Service Tax on H.O. Invoices	1.42	2006-07 & 2007-08	Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on H.O. Invoices	0.34	April'08 to Nov'08	Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on H.O. Invoices	0.30	Dec'08 to Sept'09	Commissioner, Central Excise
Service Tax	Availment of credit of Service Tax on Garden Maintenance Based on EA-2000 audit query	0.28	2012-13 & 2014-15	Commissioner Appeal ,Indore
Service Tax	Availment of Cenvat Credit on Service Tax*	0.00	2006-07	Dy. Commissioner, Central Excise
Service Tax	Non-payment of service tax under RCM on remittances in foreign currency for product/ patent registration and facility fees to US FDA.	4.98	July'12 to Sept'13	Commissioner Service tax -VI, Mumbai
Sales Tax	Jammu & Kashmir Value added tax Act, - Disputed Demand	0.05	2011-2012	Deputy Commissioner of Commercial Tax (Appeal), Srinagar
Sales Tax	Gujarat value added Tax Act - Disputed demand	0.07	2006-07	Gujarat VAT Tribunal, Ahmedabad
Sales Tax	Gujarat value added Tax Act - Disputed demand	0.02	2007-08	Jt. Commissioner of Commercial Tax, Rajkot
Sales Tax	Gujarat value added Tax Act - Disputed demand	0.28	2006-07	Additional Commercial Commissioner Ahmedabad
Sales Tax	Central Sales Tax - Assessment demand	0.31	2013-14	Dy. Commissioner Commercial Tax-Ratlam
Sales Tax	Kerala Value Added Tax - Disputed demand*	0.00	2012-13	Sales tax Authority
Sales Tax	UP, Value Added Tax Act - Disputed demand	0.27	2013-14	Commercial Tax Authority, Lucknow
Sales Tax	Demand After Assessment	0.40	2014-15	The Dy. Commissioner Commercial Tax Ratlam Division-Ratlam (M.P.)
Sales Tax	Demand After Assessment	0.12	2015-16	The Dy.Commissioner Commercial Tax Ratlam Division-Ratlam (M.P.)
Sales Tax	Demand After Assessment*	0.00	2014-15	The Add. Commissioner Commercial Tax Indore (M.P.)
Entry Tax	Entry Tax	4.70	2013-14	Sales Tax Department
Sales Tax	Duburdih Check Post Penalty	0.02	2014-15	Deputy Commissioner, Sales Tax, West Bengal
	Total	**21.32**		

Note: Balances with values below the rounding off norm adopted by the Company have been reflected as "0.00".

(viii) The Company has not defaulted in repayment of loans or borrowing to any financial institutions, banks, government or debenture holders.

(ix) The Company has not raised any money by way of Initial Public Offer or further Public offer (including debt instruments). On the basis of the documents submitted to the bankers and the other relevant records perused by us, we state that the term loans taken during the year have been applied for the purpose of which the loans were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.

(xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.

(xiii) In respect of transactions with related parties, the Company has complied provisions of sections 177 and 188 of the Act where applicable. Necessary disclosures relating to related party transactions have been made in the standalone financial statements as required by the applicable accounting standard.

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

(xv) The Company has not entered into any non-cash transaction with directors. We have been informed that no such transactions have been entered into with persons connected with directors. Accordingly, para 3(xv) of the Order is not applicable to the Company.

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

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Mumbai,
May 29, 2018

Annexure B referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Ipca Laboratories Limited (the Company) on the Standalone Financial Statements for the year ended March 31, 2018

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Mumbai,
May 29, 2018

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IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Standalone Balance Sheet as at March 31, 2018

	Particulars	Note ref.	As at Mar 31, 2018 (₹ Crores)	As at Mar 31, 2017 (₹ Crores)
	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant & equipment	1	1,816.44	1,899.69
	(b) Capital work-in-progress		42.02	62.33
	(c) Goodwill	1A	23.61	23.61
	(d) Other intangible assets	1B	14.56	22.67
	(e) Intangible assets under development		31.21	32.54
	(f) Financial assets			
	(i) Investments in subsidiary/ joint venture/ associate	2	146.28	97.96
	(ii) Other investments	2A	-	0.05
	(iii) Loans	3	110.45	95.31
	(iv) Others	4	3.17	3.60
	(g) Other non-current assets	5	12.80	18.54
			2,200.54	2,256.30
2.	**Current assets**			
	(a) Inventories	6	873.17	873.54
	(b) Financial assets			
	(i) Investments	2B	69.35	113.57
	(ii) Trade receivables	7	594.38	501.98
	(iii) Cash and cash equivalents	8	129.74	11.10
	(iv) Bank balances other than (iii) above	9	1.29	6.43
	(v) Loans	3	2.14	2.03
	(vi) Others	4	90.76	76.85
	(c) Current tax assets (net)		-	-
	(d) Other current assets	5	146.34	126.15
			1,907.17	1,711.65
	Total Assets		4,107.71	3,967.95
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	10	25.24	25.24
	(b) Other equity	11	2,669.71	2,449.88
	Total Equity		2,694.95	2,475.12
	Liabilities			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	234.01	351.74
	(ii) Other financial liabilities	13	-	-
	(b) Provisions	14	25.88	24.55
	(c) Deferred tax liabilities (net)	15	158.66	168.64
	(d) Other non-current liabilities	16	1.56	1.56
			420.11	546.49
2.	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	239.04	177.30
	(ii) Trade payables	18	414.75	388.06
	(iii) Other financial liabilities	13	231.61	279.23
	(b) Other current liabilities	16	30.39	36.12
	(c) Provisions	14	67.21	60.41
	(d) Current tax liabilities (net)	19	9.65	5.22
			992.65	946.34
	Total Equity and Liabilities		4,107.71	3,967.95

Statement of significant accounting policies and other explanatory notes form part of the financial statements.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Standalone Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note ref.	2017-18 (₹ Crores)		2016-17 (₹ Crores)	
I.	Revenue from operations	20		3,219.21		3,158.22
II.	Other income	21		39.54		20.65
III.	**Total income (I + II)**			3,258.75		3,178.87
IV.	**Expenses:**					
	Cost of materials consumed	22		923.20		947.31
	Purchase of stock-in-trade	23		168.30		161.84
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		20.98		(1.73)
	Employee benefit expenses	25		712.78		674.93
	Finance cost	26		24.02		23.34
	Depreciation & amortisation	27		174.36		171.00
	Other expenses	28		952.31		943.98
	Total expenses (IV)			2,975.95		2,920.67
V.	**Profit before exceptional items and tax (III-IV)**			282.80		258.20
VI.	Exceptional items			-		-
VII.	**Profit before tax (V-VI)**			282.80		258.20
VIII.	Tax expense	29				
	1. Current tax		60.01		56.95	
	2. Short / (excess) provision of taxes for earlier years		(0.34)		(0.04)	
	3. Deferred tax liability / (asset) incl. MAT credit		(9.98)	49.69	13.00	69.91
IX.	**Profit for the period (VII-VIII)**			233.11		188.29
X.	**Other comprehensive income**					
	A (i) Items that will not be reclassified to profit or loss Actuarial gain and (loss)			2.30		(4.44)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(0.49)		0.95
	B (i) Items that will be reclassified to profit or loss					
	Exchange difference in translating the financial statement of foreign operation			(0.10)		(0.40)
	Gain/ (loss) on cash flow hedge			(0.14)		7.67
	(ii) Income tax relating to items that will be reclassified to profit or loss			-		-
	Other comprehensive income for the year, net of tax			1.57		3.78
XI.	**Total comprehensive income for the year (IX+X)**			234.68		192.07
XII.	Earnings per equity share (for continuing operations):	30				
	Basic (in ₹)			18.47		14.92
	Diluted (in ₹)			18.47		14.92

Statement of significant accounting policies and other explanatory notes form part of the financial statements.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

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IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Standalone Cash Flow Statement for the year ended March 31, 2018

		2017-18 (₹ Crores)			2016-17 (₹ Crores)	
A. Cash Flow from Operating Activities						
1) Net profit before taxation and extraordinary item			282.80			258.20
Adjustments for :						
Depreciation, amortisation and impairment expense		174.36			171.00	
(Profit) / loss on sale of property, plant & equipment		0.27			1.50	
(Profit) / loss on mutual fund investments		(6.53)			(5.15)	
Net gain on financial asset through FVTPL		(0.32)			(0.16)	
Interest income on financial asset at amortised cost		(4.44)			(3.93)	
Remeasurement of financial assets		-			(0.11)	
Property, plant & equipment scrapped		0.32			1.54	
Sundry balances written (back)		(2.55)			(2.51)	
Provision for doubtful debts / advances		0.64			0.51	
Bad debts w/off		2.56			2.68	
Bad debts recovered		-			(0.68)	
ESOS compensation		0.32			-	
Unrealised foreign exchange (gain) / loss		2.69			(17.42)	
Interest income		(10.69)			(8.79)	
Interest expense		24.02	180.65		23.34	161.82
2) Operating profit before working capital changes			463.45			420.02
Decrease / (increase) in inventories		0.37			(41.61)	
Decrease / (increase) in trade receivables		(91.62)			(54.82)	
Decrease / (increase) in other financial assets		(2.16)			(7.89)	
Decrease / (increase) in other assets		(15.85)			(16.59)	
Increase / (decrease) in trade payables		26.11			35.81	
Increase / (decrease) in other financial liabilities		(3.22)			(3.77)	
Increase / (decrease) in other liabilities		(5.75)			(9.48)	
Increase / (decrease) in provisions		9.94	(82.18)		3.79	(94.56)
3) Cash generated from operation			381.27			325.46
Income tax paid (net)			(57.41)			(54.32)
Net cash from operating activities			323.86			271.14
B. Cash Flow from investing activities						
Purchase of property, plant & equipment including capital WIP		(72.32)			(134.53)	
Investment in preference shares of subsidiary		(58.56)			-	
Redemption of preference shares of subsidiary		10.24			2.22	
Investment in associate		-			(3.40)	
Repayment of loan by subsidiary		-			1.98	
Loan given to associate		(12.36)			(23.57)	
Repayment of loan by Joint Venture		0.44			-	
Sale of investment - others		0.05			-	
Purchase of mutual funds	(2,456.04)			(2,100.00)		
Redemption of mutual funds	2,462.57	6.53		2,105.15	5.15	
Proceeds from sale of property, plant and equipment		1.02			1.67	
Movement in other bank balances		5.19			0.45	
Interest received		0.43			4.48	
Net cash from / (used) in investing activities			(119.34)			(145.55)
C. Cash Flow from financing activities						
ESOS commitment deposit		0.02			-	
Increase / (decrease) in short term borrowings		61.39			(2.66)	
Proceeds from long-term borrowings		32.76			67.70	
Repayment of long-term borrowings		(181.79)			(193.35)	
Repayment of debentures		(5.00)			(5.00)	
Interest paid		(22.48)			(22.84)	
Dividend & dividend tax paid		(15.33)			(0.24)	
Net cash from (used in) financing activities			(130.43)			(156.39)
Net increase / (decrease) in cash and cash equivalents (A + B + C)			74.09			(30.80)
Cash and cash equivalents at beginning of year			124.51			155.31
Cash and cash equivalents at end of year			198.60			124.51
Components of cash & cash equivalents :						
Cash and cheques on hand			1.56			1.54
Balance with banks			128.18			9.56
Mutual funds		69.35			113.57	
Less: Fair value (gain)/ loss on mutual funds		(0.49)	68.86		(0.16)	113.41
			198.60			124.51

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Standalone Statement of changes in equity for the year ended March 31, 2018

(A) Equity Share Capital

Particulars	Note No.	No. of shares	(₹ Crores)
Equity share of face value ₹ 2.00 each			
Balance as at March 31, 2016	10	12,61,99,109	25.24
Changes in equity share capital during the year		-	-
Balance as at March 31, 2017	10	12,61,99,109	25.24
Changes in equity share capital during the year		-	-
Balance as at March 31, 2018	10	12,61,99,109	25.24

(B) Other equity (₹ Crores)

Particulars	Other equity									Total
	Reserves and surplus							Other comprehensive income		
								Items that will be reclassified to P&L		
	Capital reserve	Securities premium	Capital redem-ption reserve	Debenture redem-ption reserve	Share Options Outstanding Account	General reserve	Retained earnings	Effective portion of cash flow hedges	Other items of OCI	
Balance as on March 31, 2016	0.59	43.99	0.26	5.00	-	1,305.00	906.81	(3.84)	-	2,257.81
Profit for the Year	-	-	-	-	-	-	188.29	-	-	188.29
Other Comprehensive Income for the year	-	-	-	-	-	-	*(3.49)	7.67	(0.40)	3.78
Balance as on March 31, 2017	0.59	43.99	0.26	5.00	-	1,305.00	1,091.61	3.83	(0.40)	2,449.88
Transfer to general reserve	-	-	-	(5.00)	-	5.00	-	-	-	-
Profit for the Year	-	-	-	-		-	233.11	-	-	233.11
Dividend	-	-	-	-	-	-	(12.62)	-	-	(12.62)
Tax on dividend	-	-	-	-	-	-	(2.56)	-	-	(2.56)
Share option outstanding account	-	-	-	-	0.32	-	-	-	-	0.32
Other Comprehensive Income for the year	-	-	-	-	-	-	*1.81	(0.14)	(0.10)	1.57
Balance as on March 31, 2018	0.59	43.99	0.26	-	0.32	1,310.00	1,311.36	3.69	(0.50)	2,669.71

* Represents remeasurement of defined benefit Plans Net of tax.

Statement of significant accounting policies and other explanatory notes form part of the financial statements

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Standalone Statement Of Significant Accounting Policies And Other Explanatory Notes

(A) Corporate Information

Incorporated in the year 1949, Ipca Laboratories Limited is a integrated pharmaceutical company manufacturing and marketing over 350 formulations and 80 API's covering various therapeutic segments. The products of the Company are now sold in over 120 countries across the globe. The Company has 17 manufacturing units in India manufacturing API's and formulations for the world market.

Authorization of Standalone Financial Statements

The Standalone financial statements were authorised for issue in accordance with a resolution of the Directors on May 29, 2018.

(B) Significant Accounting Policies

I) Basis of Preparation

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

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

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

b) defined benefit plans - plan assets measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of Judgments, Estimates And Assumption

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

a. Judgments

In the process of applying the company's accounting policies, management has made judgments, which have significant effect on the amounts recognised in the separate financial statements.

b. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

III) Summary of Significant Accounting Policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment

i) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. Revalued assets are recorded at revalued amounts.

ii) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company.

iii) Stores and spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

iv) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalisation.

v) Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for its intended use.

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

vii) The residual useful life of Property, Plant and Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

viii) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on straight line method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The management's estimated useful life/useful life as per schedule II whichever is lower for the various tangible assets are as follows.

Assets	Estimated useful life (Years)
Leasehold land	Period of Lease
Buildings	28 to 58
Roads	3 to 10
Plant and equipment and R&D equipments	9 to 20
Office and other equipments	5
Computers	3 to 6
Furniture and fixtures	10
Vehicles	6 to 8
Leasehold improvements	Period of Lease

c) Goodwill

Goodwill represents excess of consideration paid for acquisition of business over the fair value of net assets. Goodwill is not amortised but is tested for impairment at each reporting date.

d) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

The management has estimated the economic useful life for the various intangible assets as follows:

Assets	Estimated useful life (Years)
Brands and trademarks	4
Technical know how	4
Software for internal use	4

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

f) Impairment of assets

Carrying amount of Tangible assets, Intangible assets, Investments in Subsidiaries, Joint Venture and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value as given below:

Raw Materials and Packing Materials	Lower of cost and Net realisable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First In First Out basis.
Work-in-process and Finished Goods	At lower of cost including material cost net of CENVAT/GST, labour cost and all overheads other than selling and distribution overheads and net realisable value. Excise duty is considered as cost for finished goods wherever applicable.
Stores and Spares	Stores and spare parts are valued at lower of purchase cost computed on First In First Out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of purchase cost and net realisable value.

h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities in the balance sheet.

i) Provisions, contingent liabilities and contingent assets

Provision

A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

j) Retirement and other benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/ period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

k) Foreign currencies

Transactions and balances:

i. The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees.

ii. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss.

iii. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.

iv. Non monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

v. The overseas trading offices are non-integral operations and the overseas non trading offices are integral operations and are accounted accordingly.

l) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

m) Financial instruments

(i) Financial assets & financial liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 7 details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial instruments

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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

A financial liability (or a part of a financial liability) is de-recognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in subsidiaries/ associates/ joint venture

Investments in Subsidiaries / Associates / Joint venture are carried at cost in the separate financial statements.

(iii) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Statement of Profit and Loss.

Cash flow hedge

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

n) Revenue recognition

i) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales for the year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of excise duty and net of Value Added Tax (VAT) / Sales Tax. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT / central sales tax, excise duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of Ind AS 18 on "Revenue".

ii) In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

iii) The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

iv) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

v) Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

vi) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

vii) Dividend from subsidiaries / associates / joint ventures is recognised in the Statement of Profit and Loss in separate financial statements when the parent company's right to receive the dividend is established.

o) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii) MAT credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

p) Leases

Operating lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis in accordance with Ind AS 17.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

q) Research and development

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

r) Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Dividend distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

t) Share-based payment transactions

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

u) Recent accounting pronouncements

i) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

ii) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is being ascertained.

1. Property, Plant & Equipment

(₹ Crores)

Particulars	Freehold land	Leasehold land	Building	Plant & equipment	Plant & equipment (given on lease)	Office & other equipment	Effluent treatment plant	Furniture & fixture	Vehicles	R&D building	R&D equip-ment	R&D furniture	Total
Gross Block													
As on April 1, 2016	50.28	47.79	476.12	1,232.72	3.60	16.07	69.97	44.60	15.23	14.33	106.42	2.34	2,079.47
Additions	-	-	34.28	83.06	-	2.51	7.68	3.21	1.33	-	5.28	0.33	137.68
Disposal/Adjustments	-	-	(1.82)	(4.32)	0.10	(0.07)	-	(0.02)	(0.59)	-	(0.20)	-	(6.92)
As on March 31, 2017	50.28	47.79	508.58	1,311.46	3.70	18.51	77.65	47.79	15.97	14.33	111.50	2.67	2,210.23
Additions	-	0.27	5.36	53.08	-	2.02	1.30	1.57	1.09	-	17.84	0.16	82.69
Disposal/Adjustments	-	-	(0.49)	(2.27)	0.01	(0.08)	-	-	(0.68)	-	(0.48)	-	(3.99)
As on March 31, 2018	50.28	48.06	513.45	1,362.27	3.71	20.45	78.95	49.36	16.38	14.33	128.86	2.83	2,288.93
Accumulated Deprecation /Amortisation													
As on April 1, 2016	-	0.96	16.81	100.77	0.45	3.71	5.07	5.13	3.65	0.62	14.17	0.25	151.59
For the year 2016-17	-	0.96	17.11	106.75	0.43	3.70	6.36	5.41	3.53	0.62	14.53	0.30	159.70
Disposal/Adjustments	-	-	(0.05)	(0.37)	-	(0.03)	-	(0.01)	(0.22)	-	(0.07)	-	(0.75)
As on March 31, 2017	-	1.92	33.87	207.15	0.88	7.38	11.43	10.53	6.96	1.24	28.63	0.55	310.54
For the year 2017-18	-	0.97	18.12	108.66	0.41	3.81	6.57	5.40	2.79	0.61	15.56	0.31	163.21
Disposal/Adjustments	-	-	-	(0.47)	0.01	(0.06)	-	-	(0.46)	-	(0.28)	-	(1.26)
As on March 31, 2018	-	2.89	51.99	315.34	1.30	11.13	18.00	15.93	9.29	1.85	43.91	0.86	472.49
Net Block as on Mar 31, 2017	50.28	45.87	474.71	1,104.31	2.82	11.13	66.22	37.26	9.01	13.09	82.87	2.12	1,899.69
Net Block as on Mar 31, 2018	50.28	45.17	461.46	1,046.93	2.41	9.32	60.95	33.43	7.09	12.48	84.95	1.97	1,816.44

Notes:

1. Buildings include cost of shares in co-operative societies.
2. Out of depreciation and amortisation for the year of ₹ 174.35 crore (previous year ₹ 171.03 crore), depreciation of ₹ NIL (previous year ₹ 0.03 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
3. Cost of borrowing of ₹ NIL (previous year ₹ 0.50 crore) is capitalised to the project.

Notes to standalone financial statements as at and for the year ended March 31, 2018

1A : Goodwill

The Goodwill represents the excess of the consideration paid over the fair value of assets and liabilities of industrial undertaking situated at Mahad, Aurangabad and Pithampur. This Goodwill is being tested for impairment at each balance sheet date.

1B : Other Intangible Assets

(₹ Crores)

Particulars	Software	Brand/ Trade Mark	Know-How	Software - R&D	Total
Gross Block					
As on April 1, 2016	21.91	5.90	4.51	1.92	34.24
Additions	3.19	-	5.21	0.51	8.91
Disposal/Adjustments	-	-	-	-	-
As on March 31, 2017	25.10	5.90	9.72	2.43	43.15
Additions	2.58	-	-	0.45	3.03
Disposal/Adjustments	-	-	-	-	-
As on March 31, 2018	27.68	5.90	9.72	2.88	46.18
Accumulated Depreciation / Amortisation					
As on April 1, 2016	5.87	1.76	1.06	0.46	9.15
For the year 2016-17	6.77	1.76	2.24	0.56	11.33
Disposal/Adjustments	-	-	-	-	-
As on March 31, 2017	12.64	3.52	3.30	1.02	20.48
For the year 2017-18	6.24	1.75	2.49	0.66	11.14
Disposal/Adjustments	-	-	-	-	-
As on March 31, 2018	18.88	5.27	5.79	1.68	31.62
Net Block as on March 31, 2017	12.46	2.38	6.42	1.41	22.67
Net Block as on March 31, 2018	8.80	0.63	3.93	1.20	14.56

2. Financial Assets - Investments

Investments in subsidiary/ joint venture/ associate (at cost)

(₹ Crores)

Sr. no.	Particulars	As at Mar 31, 2018	As at Mar 31, 2017
1	Equity instrument in subsidiaries	21.63	21.63
2	Equity instrument in joint venture	6.51	6.51
3	Equity instrument in associates	34.30	34.30
4	Investment in preference shares of subsidiaries	86.52	38.20
5	Provision for diminution in the value of investments	(2.68)	(2.68)
	Total	146.28	97.96
2A	**Other Non-current investments**		
	Investment in equity	-	-
	Investment in preference shares	-	0.05
	Total	-	0.05
2B	**Current investments**		
	Investment in mutual fund	69.35	113.57
	Total	69.35	113.57

2 Investment in Subsidiary/ Joint Venture/ Associate

Sr. No.	Name of the body corporate	Relationship	Face value	Extent of holding (%) / no. of shares		(₹ Crores)	
				31/03/2018	31/03/2017	31/03/2018	31/03/2017
Non-current investment							
Investments at cost							
(1)	**Unquoted equity shares**						
i)	**Investment in equity instruments (at cost)**						
1	Ipca Pharmaceuticals, Inc., USA	Subsidiary	No Par Value	100.00%	100.00%	9.31	9.31
				1,000	1,000		
2	Ipca Laboratories (U.K.) Ltd., U.K.	Subsidiary	STG 1	100.00%	100.00%	8.08	8.08
				9,14,186	9,14,186		
3	Ipca Pharma Nigeria Ltd., Nigeria	Subsidiary	Niara 1	100.00%	100.00%	2.82	2.82
				5,15,89,190	5,15,89,190		
4	Ipca Pharma (Australia) Pty Ltd., Australia	Subsidiary	AUD 1	100.00%	100.00%	0.17	0.17
				26,944	26,944		
5	Ipca Pharmaceuticals Ltd. SA de CV, Mexico	Subsidiary	No Par Value	100.00%	100.00%	1.15	1.15
				-	-		
6	Tonira Exports Limited	Subsidiary	₹ 10	100.00%	100.00%	0.10	0.10
				1,00,000	1,00,000		
7	Avik Pharmaceutical Ltd	Joint Venture	₹ 100	49.02%	49.02%	6.51	6.51
				5,00,000	5,00,000		
8	CCPL Software Pvt. Ltd #	Associate	₹ 100	28.95%	28.95%	-	-
				55,000	55,000		
9	Trophic Wellness Pvt. Ltd	Associate	₹ 10	19.26%	19.26%	12.34	12.34
				7,80,000	7,80,000		
	Total (i)					40.48	40.48
ii)	**Investment in preference shares of subsidiaries(at cost)**						
1	Ipca Laboratories (U.K.) Ltd., U.K.	Subsidiary	STG 1	100.00%	100.00%	27.96	38.20
				27,25,000	37,25,000		
2	Ipca Pharmaceuticals, Inc., USA ##	Subsidiary	$1000	100.00%	-	58.56	-
				9,250	-	-	-
	Total (ii)					86.52	38.20
	Total unquoted investments (i+ii)					127.00	78.68
(2)	**Quoted equity shares**						
	Investment in equity instruments (at cost)						
1	Krebs Biochemicals & Industries Ltd.	Associate	₹10	29.83%	29.83%	21.96	21.96
				41,00,100	41,00,100		
	Total quoted investments					21.96	21.96
	Total investments (1+2)					148.96	100.64
	Less : Provision for diminution in value in equity shares (refer table (iii) below)					(2.68)	(2.68)
	Total FVTPL non-current investments (net of provision)					146.28	97.96

Cost fully written off in books

Redeemable preference shares redeemable at the option of issuer.

iii) Provision for diminution in the value of Investments till date in shares in respect of the above companies is as follows:-

(₹ Crores)

Sr. No.	Name of the body corporate	Relationship	31/ 03/ 2018	31/ 03/ 2017
1	Ipca Pharmaceuticals, Inc., USA - equity shares	Subsidiary	2.68	2.68
	Total		2.68	2.68

iv) Aggregate value of investments

(₹ Crores)

Particulars	31/ 03/ 2018	31/ 03/ 2017
Aggregate book value of quoted investments	21.96	21.96
Aggregate market value of quoted investments	67.28	41.06
Aggregate book value of unquoted investments	127.00	78.68

v) Details of investments subsidiary/ joint venture/ associate (at cost)

a) Ipca Pharmaceuticals, Inc. USA

This wholly owned subsidiary company was incorporated under the laws of the State of New Jersey in the United States on July 10, 2003. This subsidiary company is coordinating the development and registration of formulations developed by the Company in United States of America as well as distribution of Active Pharmaceutical Ingredients (API's) manufactured by the Company in the US market. During the year 2017-18, this subsidiary accquired 90% Share Capital of Pisgah Laboratories Inc. USA.

b) Ipca Laboratories (U.K.) Ltd.,U.K.

During the financial year 2003-04, Company incorporated this wholly owned subsidiary to apply and obtain product registrations in the United Kingdom. During the year 2011-12, this subsidiary acquired 100% share capital of Onyx Research Ltd., holding company of Onyx Scientific Ltd. During the year 2015-16, Onyx Research Chemicals Ltd. , UK merged with its holding company Ipca Laboratories (UK) Ltd. and consequent to this, Onyx Scientific Ltd. has now become wholly owned subsidiary of this Company. During the year 2017-18, Onyx Scientific Ltd. has accquired 10% Share Capital of Pisgah Laboratories Inc. USA.

c) Ipca Pharma Nigeria Ltd. Nigeria

During the year 2006-07, the Company acquired the entire share capital of its stepdown subsidiary Ipca Pharma Nigeria Ltd. Thus, Ipca Pharma Nigeria Ltd became wholly owned subsidiary of the Company with effect from 31st January, 2007. The company was incorporated as a private company in Nigeria. It commenced commercial operations in December 2001. It is engaged in importation and marketing of formulations and APIs in the Nigerian market.

d) Ipca Pharma (Australia) Pty Ltd. Australia

This subsidiary company was acquired by the Company in the year 2007-08 and is engaged in the activities of holding formulations dossier registrations with TGA, Australia and sale of pharmaceuticals manufactured by the Company in Australia. This subsidiary company has a wholly owned subsidiary in New Zealand - Ipca Pharma (NZ) Pty Ltd.

e) Ipca Pharma (NZ) Pty Ltd., New Zealand

The Company was incorporated to hold formulation dossier registrations in New Zealand and to distribute formulations manufactured by the Company in the New Zealand market. This company is wholly owned subsidiary of Ipca Pharma (Australia) Pty Ltd.

f) Ipca Pharmaceuticals Ltd. SA de CV. Mexico

This subsidiary company was setup during the year 2008-09 as wholly owned subsidiary of the Company to hold formulations dossier registrations and promotion of pharmaceuticals manufactured by the Company in the Mexican market. This Company is currently in the process of registration of dossiers in Mexico.

g) Tonira Exports Limited

Tonira Exports Ltd. was incorporated as a wholly owned subsidiary of Tonira Pharma Ltd. The Company acquired management control of Tonira Pharma Ltd. in May 2008. Upon merger of Tonira Pharma Ltd. with the Company in the year 2011-12, Tonira Exports Ltd has become wholly owned subsidiary of the Company. This Company is presently not into any business.

h) Avik Pharmaceutical Ltd.

During the year 2013-14 the Company had acquired 49.02% of shares in Avik Pharmaceutical Ltd. Avik is manufacturing APIs, primarily Cortico Steroids and Hormones since 1980. Avik is pioneer in the manufacturing of steroids in India. Avik's two manufacturing facilities are located at Vapi, Gujarat.

i) Trophic Wellness Pvt. Ltd.

Trophic Wellness Pvt. Ltd. was incorporated in 2010 and is headquartered in Mumbai, India. The Company has acquired shareholding to the extent of 19.26 % in Trophic Wellness Pvt. Ltd. during the year 2010-11. Trophic Wellness Pvt. Ltd. is engaged in the manufacturing and marketing of neutraceuticals with its manufacturing unit situated in Sikkim.

j) Krebs Biochemicals & Industries Ltd.

Krebs Biochemicals and Industries Ltd. was established in 1991. During the financial year 2014-15, Krebs Biochemicals and Industries Ltd. became an associate company. The Company is presently holding 29.83% shares in this company. Krebs undertakes both contract manufacturing for large pharmaceutical and multinational companies and develops products for sale in global markets. Krebs is listed on NSE and BSE and is headquartered in Vishakapatnam, India with manufacturing plants in Nellore and Vizag. Expertise and infrastructure in the areas of chemical synthesis, fermentation and enzymatic technologies along with a focus on cost and quality makes Krebs a logical partner of the Company for the development and supply of products made using one or more of these technologies.

2A Other Long term Investments

Sr. no.	Name of the body corporate	Relationship	Face value	No. of shares		(₹ Crores)	
				31/03/2018	31/03/2017	31/03/2018	31/03/2017
Investments at fair value through P&L (fully paid)							
Unquoted equity shares							
1	Gujarat Industrial Co-op Bank Ltd.	Others	₹ 50	140	140	-	-
2	Narmada Clean Tech Ltd. (NCTL) (formerly known as Bharuch Eco Aqua Infrastructure Ltd.)	Others	₹ 10	35,000	35,000	-	-
Unquoted preference shares							
3	Enviro Infrastructure Company Limited	Others	₹ 10	-	45,000	-	0.05
Total						-	0.05

Aggregate value of investments (₹ Crores)

Particulars	31/03/2018	31/03/2017
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	-	0.05

2B Current Investment

Sr. no.	Name of the mutual fund scheme	No. of units		(₹ Crores)	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Quoted investment					
Investments at fair value through P&L (fully paid)					
A.	**Investment in mutual fund**				
	Invesco India liquid Fund- Growth	1,05,029	-	25.04	-
	Kotak Low Duration Fund	1,16,320	1,48,069	25.48	30.07
	Kotak Floater Short Term Fund	66,179	1,25,499	18.83	33.43
	Reliance Liquid Fund	-	75,908	-	30.01
	Reliance Medium Term Fund	-	57,82,392	-	20.06
	Total current investments	2,87,528	61,31,868	69.35	113.57

Notes to standalone financial statements as at and for the year ended March 31, 2018

Aggregate value of investments (₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Aggregate book value of quoted investments	69.35	113.57
Aggregate market value of quoted investments	69.35	113.57

Details of loans given, investments made, guarantees given and security provided covered under section 186(4) of the Companies Act,2013 are given hereunder:

(₹ Crores)

Sr. no.	Name of the company	Nature	Relation	Purpose	March 31, 2018	March 31, 2017
1	Ipca Pharmaceuticals, Inc., USA	Investment	Subsidiary	Preference Share contribution to Subsidiary	58.56	-
2	Krebs Biochemicals & Industries Ltd.	Loan Given	Associate	Loan (ICD) given to Associate for business purpose	12.36	23.57
3	Trophic Wellness Pvt. Ltd.	Investment	Associate	Partly paid up shares converted to fully paid up shares	-	3.40
	Total				70.92	26.97

The disclosure under section 186(4) is made at transaction value before Ind AS effects.

3. Financial Assets - Loans

(₹ Crores)

	Particulars	As at March 31, 2018		As at March 31, 2017	
		Non current	Current	Non current	Current
(a)	Deposits with others:				
	Considered good	47.93	0.98	44.77	0.77
	Considered doubtful	0.02	-	0.02	-
		47.95	0.98	44.79	0.77
	Less : Provision for doubtful deposits	(0.02)	-	(0.02)	-
		47.93	0.98	44.77	0.77
(b)	Loans to related parties				
	(Unsecured, considered good)	61.95	-	50.03	-
(c)	Others (Unsecured, considered good)				
	Loans given to employees	0.57	1.16	0.51	1.26
	Total	110.45	2.14	95.31	2.03

Disclosures:

a) Details of loans and advances in the nature of loan to subsidiaries, associates etc. as required under Schedule V(A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

(₹ Crores)

Sr. no.	Name of the company and relationship	Balance as at Mar 31, 2018	Maximum outstanding during the year 2017-18	Balance as at Mar 31, 2017	Maximum outstanding during the year 2016-17
i)	Ipca Laboratories (U.K.) Ltd. U.K.- 100% subsidiary	-	-	-	2.88
ii)	Krebs Biochemicals & Industries Limited - associate	47.33	47.33	34.97	34.97
iii)	Avik Pharmaceutical Limited - joint venture	14.62	15.06	15.06	16.19

Loans and advances to subsidiary company is interest free and there is no repayment schedule fixed. The disclosure in this para is made of transaction value and not the figures after application of Ind AS.

b) Investment by the loanee in the shares of the company:

None of the loanees have, per se, made investments in the shares of the company.

c) Details of Loans and advances to Related Parties. (₹ Crores)

Sr. no.	Name of the company and relationship	Balance as at Mar 31, 2018	Balance as at Mar 31, 2017
i)	Krebs Biochemicals & Industries Limited - Associate	47.33	34.97
ii)	Avik Pharmaceutical Ltd. - joint venture	14.62	15.06
	Total	61.95	50.03

d) Deposit includes ₹ 45.00 crores (previous year ₹ 45.00 crores) given as lease deposit for two manufacturing facilities of Krebs Biochemicals & Industries Limited taken on lease by the Company. The figures stated are at transaction value before Ind AS effects.

4. Financial Assets - Others

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Advances to employees				
- Considered good	-	0.56	-	0.79
- Considered doubtful	-	1.30	-	0.60
	-	1.86	-	1.39
Less : Provision for doubtful advances	-	(1.30)	-	(0.60)
	-	0.56	-	0.79
Deposits with others	0.82	-	1.36	-
Other income receivables	0.06	12.27	-	3.43
Claim receivables	-	6.04	-	1.65
Duties and taxes refundable	-	64.20	-	46.95
Unbilled revenue	-	4.00	-	11.86
Forward contract gain receivable	-	-	-	8.33
Hedging gain receivable	-	3.69	-	3.84
Term deposits with banks kept as margin money#	2.29	-	2.24	-
Total	3.17	90.76	3.60	76.85

Term deposits are lying with government authorities and / or as margin for guarantees issued by banks to various authorities (also refer note no. 35)

5. Other Non-Financial Assets

(₹ Crores)

	Particulars	As at March 31, 2018		As at March 31, 2017	
		Non current	Current	Non current	Current
(i)	Capital advances (Unsecured, considered good)	4.53	-	6.86	-
(ii)	Prepaid expenses	4.87	16.06	8.99	13.35
(iii)	Deposits with Govt. departments				
	- Considered good	-	1.25	-	3.81
(iv)	Unutilised indirect tax credit	-	93.01	-	64.26
(v)	Advance to suppliers	-	6.87	-	6.14
(vi)	Export benefits receivables	-	25.92	-	35.40
(vii)	Advances to employees	-	2.86	-	2.83
(viii)	Others	0.01	0.37	0.24	0.36
(ix)	Prepaid taxes (net of provisions)	3.39	-	2.45	-
	Total	12.80	146.34	18.54	126.15

Notes to standalone financial statements as at and for the year ended March 31, 2018

6. Inventories

(₹ Crores)

	Particulars	As at March 31, 2018		As at March 31, 2017	
i)	Raw materials				
	In hand	349.77		299.73	
	In transit	23.53	373.30	31.61	331.34
ii)	Packing materials				
	In hand	29.49		31.13	
	In transit	0.29	29.78	0.12	31.25
iii)	Work-in-progress		177.48		185.10
iv)	Finished goods				
	In hand				
	Own	218.37		257.05	
	Traded	45.43	263.80	40.03	297.08
	In transit				
	Own	8.82		10.47	
	Traded	0.83	9.65	3.94	14.41
v)	Stores and spares		19.16		14.36
	Total		873.17		873.54

All the above inventory other than stores & spares are hypothecated to the lenders as security towards short term borrowings.

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

(₹ Crores)

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Amount of inventories recognised as an expense during the period.	1,139.48	1,131.07
(ii)	Amount of write - down of inventories recognised as an expense during the period.	5.79	9.07
	Total	1,145.27	1,140.14

7. Financial Assets - Trade Receivables (Unsecured, At Amortised Cost)

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
Considered good	594.85		502.54	
Considered doubtful	0.01		0.02	
	594.86		502.56	
Less: Allowance for doubtful debts	(0.47)		(0.56)	
Less: Provision for doubtful debts (lifetime credit loss)	(0.01)	594.38	(0.02)	501.98
Total		594.38		501.98

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts.

Particulars	As at March 31, 2018	As at March 31, 2017
Default rate - local	0.16%	0.12%
Default rate - export	0.89%	0.74%

Movement in the expected credit loss allowance

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	0.56	0.63
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit	(0.09)	(0.07)
Provision at the end of the period	0.47	0.56

8. Financial Assets - Cash & Cash Equivalents (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks	12.18	9.56
Cheques, drafts on hand	1.37	1.34
Cash on hand	0.19	0.20
Fixed deposit with bank	116.00	-
Total	129.74	11.10

9. Financial Assets - Bank balances other than (8) above (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid dividend accounts	1.29	1.43
Fixed Deposits	-	5.00
Total	1.29	6.43

10. Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(₹ Crores)	Number of shares	(₹ Crores)
Authorised capital				
Equity shares of ₹ 2 each	28,50,00,000	57.00	28,50,00,000	57.00
Issued & subscribed equity shares of ₹ 2 each				
Issued & subscribed equity shares of ₹ 2 each	12,74,80,204	25.50	12,74,80,204	25.50
Paid up equity shares of ₹ 2 each	12,61,99,109	25.24	12,61,99,109	25.24
Total		25.24		25.24

Of the above 3,22,704 Equity shares of ₹ 2/- each of the Company have been alloted during 2012-13 without payment being received in cash under the scheme of amalgamation of erstwhile Tonira Pharma Limited with the Company.

Disclosures:

i) Reconciliation of Shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,61,99,109	25.24
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	12,61,99,109	25.24	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,70,18,195	21.41%
Kaygee Laboratories Private Limited (Formerly Exon Laboratories Private Limited)	83,21,000	6.59%	83,21,000	6.59%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.53%

iii) Rights and obligations of shareholders

The Company has only one class of share referred as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend is recommended by management which is subject to shareholder's approval at the Annual General Meeting.

Notes to standalone financial statements as at and for the year ended March 31, 2018

11. Other Equity

(₹ Crores)

Particulars		As at March 31, 2018		As at March 31, 2017	
(a)	Capital reserve		0.59		0.59
(b)	Securities premium		43.99		43.99
(c)	Capital redemption reserve		0.26		0.26
(d)	Debenture redemption reserve		-		5.00
(e)	Share option outstanding account		0.32		-
(f)	General reserve		1,310.00		1,305.00
(g)	Retained earnings		1,311.36		1,091.61
(h)	OCI reserve				
	- Cash flow hedging reserve	3.69		3.83	
	- Foreign currency translation reserve	(0.50)	3.19	(0.40)	3.43
Total			2,669.71		2,449.88

The Board of directors in their meeting held on May 29, 2018 have recommended a dividend of ₹ 1/- per equity share (previous year ₹ 1/-) to be approved by the shareholders in the ensuing Annual General Meeting. On approval, this will result in an outflow of ₹ 15.23 crores including dividend tax.

Nature and purpose of each reserve

Capital Reserve

During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. 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. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

Capital Redemption Reserve

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

Debenture Redemption Reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend. This reserve was transferred to general reserve on redemption of debentures.

Share Options Outstanding Account

The Company has established various equity settled share based payment plan for certain categories of employees.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

Retained Earning

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Other items of OCI

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

12 Financial Liabilities - Borrowings

a) Long-term Borrowings - Secured

(₹ Crores)

	Particulars	Non - current portion as at		Current maturities as at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
i.	Debentures	-	-	-	4.99
ii.	Foreign currency term loan	234.01	340.42	141.23	130.00
iii.	Buyers credit	-	6.80	7.93	6.79
Total (a)		234.01	347.22	149.16	141.78

Details of above:- (₹ Crores)

Sr. No.	Name of the Instruments/ Institutions	Non - current portion as at		Current maturities as at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
i.	**Debentures**				
1	9.25% Secured redeemable non-convertible debentures	-	-	-	4.99
	Total (i)	-	-	-	4.99
ii.	**Foreign currency term loans**				
1	BNP PARIBAS, Singapore Branch	25.07	44.90	20.06	19.96
2	DBS BANK, Singapore Branch	-	7.64	7.68	15.20
3	Citibank N.A., Jersey	32.56	-	-	-
4	a) HSBC Bank Mauritius Ltd.	-	14.31	14.48	28.87
	b) HSBC Bank Mauritius Ltd.	-	-	-	14.96
	c) HSBC Bank Mauritius Ltd.	8.14	40.49	32.55	32.33
	d) HSBC Bank Mauritius Ltd.	90.88	107.71	17.68	14.63
5	Standard Chartered Bank- London	44.81	60.80	16.30	4.05
6	United Overseas Bank Ltd.	32.55	64.57	32.48	-
	Total (ii)	234.01	340.42	141.23	130.00
iii.	**Buyers credit**				
1	Standard Chartered Bank	-	6.80	7.93	6.79
	Total (iii)	-	6.80	7.93	6.79
Total (i + ii + iii)		234.01	347.22	149.16	141.78

b) Long-term Borrowings - Unsecured

(i)	Buyers credit	-	4.52	5.35	44.93
Total (a+b)		234.01	351.74	154.51	186.71

c) Details of securities and repayment terms of secured loans stated above

(i) Debentures

Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first charge by way of equitable mortgage charge on immovable properties being land and building situated at Sejavata, Ratlam and Polo Ground, Indore, both in the state of Madhya Pradesh; Village Athal & Village Piparia (Silvassa); plot no. 48, plot no. 142-AB, plot no. 123, plot no. 125 & plot no. 126 ABCD at Kandivli Industrial Estate in Mumbai and at Dehradun in the state of Uttarakhand. Redeemable in 4 equal annual instalments of ₹ 5.00 crores at the end of 2nd year, 3rd year,4th year and 5th year from the date of issue i.e. December 12, 2012.

(ii) Foreign currency term loans

1 BNP PARIBAS, Singapore Branch

Secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future Including Pithampur Plant(Indore). Repayable in 13 equal quarterly instalments from June 30, 2017.

2 DBS BANK, Singapore Branch

Secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future. Repayable in 17 equal quarterly instalments from September 16, 2014.

3 Citibank N.A., Jersey

Secured by first pari passu charge over movable assets of the company except assets at Unit II at Sikkim plant and specific machines at Athal and Ratlam which are financed under buyer credit. Repayable in 16 equal quarterly instalments from June 15, 2019.

4 HSBC Bank Mauritius Ltd.

a. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda. Repayable in 9 equal quarterly instalments from September 26, 2016.

b. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda. Repayable in 13 equal quarterly instalments from November 19, 2014.

c. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda. Repayable in 16 equal quarterly instalments from September 30, 2015.

d. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Baroda. Repayable in 11 half yearly un-equal instalments from December 08, 2016.

5 Standard Chartered Bank- London

Secured by first pari-passu charge on movable fixed assets at company's API plant at Baroda and Formulation plant at SEZ Pithampur and the specific and exclusive charge on the unit II at Sikkim. Repayable in 16 quarterly equal instalments from February 15, 2018.

6 United Overseas Bank Ltd.

Secured by first pari passu charge by way of hypothecation on movable fixed assets both present and future Including Pithampur plant (Indore). Repayable in 4 equal half yearly instalments from June 29, 2018.

(iii) Buyer's credit - Standard Chartered Bank

Exclusive Charge by way of hypothecation on specific movable fixed assets financed through this Buyers' Credit. Repayable 10% at end of 12 months, 45% at end of 24 months and balance 45% at end of 36 months from the date of drawdown.

d) Maturity profile of borrowings other than debentures is as per the original sanction terms without Ind AS effects.

(₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Instalment payable between 1 to 2 years	108.05	152.30
Instalment payable between 2 to 5 years	126.41	200.86
Total	234.46	353.16

e) The long term loans other than non convertible debentures are taken at the following rates.

Particulars	Interest Band
Foreign currency loan	Libor + 0.55% to 2.45%

13. Other Financial Liabilities (₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Deposits from customers	-	1.03	-	1.07
Current maturities of long term debt (refer note no.12)	-	154.51	-	186.71
Interest accrued but not due on borrowings	-	1.36	-	1.71
Unpaid dividends	-	1.29	-	1.43
Amount payable on hedging transactions	-	2.10	-	0.02
Payable for capital goods	-	9.79	-	21.47
Others payables	-	61.53	-	66.82
Total	-	231.61	-	279.23

14. Provisions (₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Gratuity	-	2.12	-	3.39
Provision for leave encashment	25.88	2.59	24.55	2.67
Other employee related provision	-	4.61	-	2.16
Provision for breakage / damage	-	2.78	-	2.38
Provision for product expiry	-	46.11	-	43.46
Provision for sales return	-	9.00	-	6.35
Total	25.88	67.21	24.55	60.41

The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(₹ Crores)

	Particulars	March 31, 2018	March 31, 2017
(i)	**Provision for breakage/damage**		
	Balance at the beginning of the period	2.38	3.45
	Provisions made during the period	2.99	2.49
	Utilisations during the period	(2.59)	(3.56)
	Provision at the end of the period	2.78	2.38
(ii)	**Provision for product expiry**		
	Balance at the beginning of the period	43.46	37.28
	Provisions made during the period	32.40	30.79
	Utilisations during the period	(29.75)	(24.61)
	Provision at the end of the period	46.11	43.46
(iii)	**Provision for sales return**		
	Balance at the beginning of the period	6.35	6.62
	Provisions made during the period	22.37	17.81
	Utilisations during the period	(19.72)	(18.08)
	Provision at the end of the period	9.00	6.35
(iv)	**Provision for wage arrears under negotiation**		
	Balance at the beginning of the period	2.16	5.74
	Provisions made during the period	2.80	8.32
	Utilisations during the period	(0.35)	(11.90)
	Provision at the end of the period	4.61	2.16

14.1(i) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market risk (discount risk)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age , the longevity risk is not very material.

Actuarial risk

Salary Increase Assumption: Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Expense recognised in statement of profit & loss		
Current service cost	7.14	6.13
Interest expense	3.66	3.24
Expected return on plan assets	(3.70)	(3.49)
Benefit paid but pending claim	-	-
Total	7.10	5.88
Expense recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate	(0.58)	(0.17)
Actuarial (gain)/loss due to experience on DBO	(1.71)	4.61
Total	(2.29)	4.44
Present value of funded defined benefit obligation	58.12	54.49
Fair value of plan assets	(56.00)	(51.10)
Funded status	2.12	3.39
Net defined benefit (asset)	2.12	3.39

(₹ Crores)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	54.49	43.20
Current service cost	7.14	6.13
Interest cost	3.66	3.24
Actuarial (gain)/loss	(1.71)	4.61
Benefits paid	(5.46)	(2.69)
Present value of defined benefit obligation at the end of the year	58.12	54.49
Movements in fair value of the plan assets are as follows		
Opening fair value of plan assets	51.10	41.28
Expected returns on plan assets	3.70	3.49
Remeasurement (gains)/losses:		
Actuarial (gain)/loss on plan assets	0.58	0.17
Contribution from employer	6.07	8.85
Benefits paid	(5.46)	(2.69)
Benefit paid but pending claim	-	-
Closing fair value of the plan asset	55.99	51.10
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	(1.71)	4.61
Actuarial (gain)/loss on plan assets	(0.58)	(0.17)
Total actuarial (gain)/loss included in OCI	(2.29)	4.44

The principal assumptions used as at the balance sheet date are used for the purpose of actuarial valuations were as follows:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Financial assumptions		
Discount rate	7.70%	7.25%
Salary increase rate	6.00%	6.00%
Demographic assumptions		
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal rate	5%	5%
Retirement age	58 Years	58 Years

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Defined benefit obligation		
Discount rate		
a. Discount rate - 100 basis points	62.36	60.75
b. Discount rate + 100 basis points	53.67	50.56
Salary increase rate		
a. Rate - 100 basis points	53.83	51.99
b. Rate + 100 basis points	62.09	58.74

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would clear in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(ii) Employee stock option plans

The Company has a stock option plan that provides for the granting of stock options to qualifying permanent employees including Wholetime Non- Promoter Director of the Company. The option plan is summarized below:

The Board of Directors at the meeting held on April 25, 2017 have granted 1,65,000 (One lakh sixty five thousand) option under Ipca Laboratories Limited -Employees Stock Option Scheme- 2014 (ESOS). The Option granted would be vested on completion of 1 year from the date of grant of the option. Therefore, as at the Balance sheet date there were no options exercisable as the balance contractual life was less than one year.

The option granted are pursuant to Ipca laboratories Limited - Employee Stock Option Scheme -2014 (ESOS) and subject to all applicable laws, rules and regulations and also subject to such approvals as may be required under such laws, rules and regulations, as in force from time to time.

The compensation cost for ESOS-2014 has been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method determine by an independent merchant banker.
All the options are granted on a single date, which vest at the expiry of one year and have exercise period of 2 months. However, the decision on exercise of the options is dependent on the expectations of economic gains based on future outlook prevailing at the time by the option grantees. We have considered the expected life of the option as the vesting period plus exercise period from the date of grant.

Particulars	**Year ended March 31, 2018**	
	No. of options	**Exercise price**
Outstanding, beginning of year	-	-
Granted during the year	1,65,000	₹ 300
Exercised during the year	-	-
Forfeited during the year	8,500	₹ 300
Outstanding, end of year	1,56,500	₹ 300

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2018:

Dividend yield	0.11%
Expected volatility	32.16%
Risk-free interest rate	7.72%
Expected life of share options (years)	1.17
Weighted average share price (₹)	₹ 595.40
Model used	Black Scholes
Grant date fair value	₹ 321.14

The Black –Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessarily provide a reliable measurement of fair value of options.

15 Deferred Tax Liabilities (Net) (₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
Deferred tax liabilities on account of :				
Depreciation including on R & D assets, amortisation and impairment		234.09		226.54
Deferred tax asset on account of :				
Leave encashment	9.95		9.42	
Bonus expenses	1.05		2.42	
MAT credit available	64.43		28.00	
Provision for revenue and credit loss	-	75.43	18.06	57.90
Net deferred tax liability		158.66		168.64

16 Other Non-Financial Liabilities (₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Security deposit	1.56	-	1.56	-
Revenue received in advance	-	7.77	-	9.85
Duties & taxes payable	-	17.49	-	21.73
Forward hedging payable	-	0.43	-	-
Other payables	-	4.70	-	4.54
Total	1.56	30.39	1.56	36.12

17 Financial Liabilities - Borrowings (₹ Crores)

Particulars		As at March 31, 2018	As at March 31, 2017
(i)	Secured loans:*		
	Working capital loan from banks	239.04	167.30
(ii)	Unsecured loans:		
	Short term loans from banks	-	10.00
Total		239.04	177.30

* Secured loans are secured by first charge by way of hypothecation of all the stocks, book debts and all other movable current assets of the Company and second charge by way of mortgage of the immovable properties of the Company and hypothecation of plant & machinery of the Company.

18 Financial Liabilities - Trade Payables (₹ Crores)

Particulars		As at March 31, 2018	As at March 31, 2017
a)	Trade payables for goods and services:		
	- Total outstanding dues of micro and small enterprises	2.19	2.63
	- Others	373.75	347.29
b)	Acceptances	38.81	38.14
Total		414.75	388.06

Trade payables and acceptances are non-interest bearing and are normally settled between 0-120 days.

Details of dues to micro and small enterprises as defined under MSMED Act, 2006 (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Principal amount due	2.19	2.63
Interest due on above	-	-
Amount paid in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	3.12	2.98
- Interest paid thereon	0.02	0.02
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	0.02	0.02
Amount of further interest remaining due and payable in the succeeding year	-	-

Notes to standalone financial statements as at and for the year ended March 31, 2018

The company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

19 Current Tax Liabilities (Net)

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation (net of taxes paid)	9.65	5.22
Total	9.65	5.22

20 Revenue from Operations (Gross)

(₹ Crores)

Particulars	2017-18	2016-17
Sale of products (refer note no.36)	3,164.47	3090.72
Sale of services	3.57	3.98
Other operating revenues:		
Export incentives	37.42	47.03
Sundry balances w/back	2.55	2.51
Bad debts recovered	-	0.68
Miscellaneous income	11.20	13.30
Total	3,219.21	3,158.22

21 Other Income

(₹ Crores)

Particulars	2017-18	2016-17
Interest income	10.69	8.79
Interest income on financial asset at amortised cost	4.44	3.93
Profit on sale of investments - current (net)	6.53	5.15
Net gain on financial asset through FVTPL	0.48	0.16
Remeasurement of financial assets	-	0.11
Profit on sale of property, plant & equipment	0.36	0.43
Miscellaneous income*	17.04	2.08
Total	39.54	20.65

* Miscellaneous income of current year includes GST refund of Sikkim Unit.

22 Cost of Materials Consumed

(₹ Crores)

Particulars	2017-18		2016-17	
Raw materials consumed				
Opening stock	331.34		294.27	
Add : Purchases (net of discount)	802.21		802.17	
Add : Raw material conversion charges	16.51		11.42	
	1,150.06		1,107.86	
Less : Closing stock	373.30	776.76	331.34	776.52
Packing materials consumed				
Opening stock	31.25		32.68	
Add : Purchases (net of discount)	160.77		187.89	
	192.02		220.57	
Less : Closing stock	29.78	162.24	31.25	189.32
Neutralisation of duties and taxes on inputs for exports - drawback benefits		(15.80)		(18.53)
Total		923.20		947.31

23. Purchases of Traded Goods (₹ Crores)

Particulars	2017-18	2016-17
Formulations	123.28	142.37
Active Pharmaceutical ingredients/ Intermediates	40.67	16.64
Others	4.35	2.83
Total	168.30	161.84

24. Changes in inventories of Finished Goods(FG), Work-in-progress(WIP) and Traded Goods (₹ Crores)

Particulars	2017-18		2016-17	
Inventory adjustments - WIP				
Stock at commencement	185.10		198.14	
Less: Stock at closing	177.48	7.62	185.10	13.04
Inventory adjustments - FG				
Stock at commencement	267.52		262.96	
Less : Stock at closing	227.19	40.33	267.52	(4.56)
Inventory adjustments - traded goods				
Stock at commencement	43.97		31.12	
Less : Stock at closing	46.26	(2.29)	43.97	(12.85)
Variation in excise duty on : (refer note no.36)				
Closing stock of finished goods	-		24.68	
Less: Opening stock of finished goods	24.68	(24.68)	22.04	2.64
Total		20.98		(1.73)

25. Employee Benefits Expenses (₹ Crores)

Particulars	2017-18	2016-17
Salaries , bonus , perquisites , etc.	638.91	597.46
Contribution to provident and other funds	34.76	32.63
Leave encashment	7.57	11.17
Leave travel assistance	2.02	3.86
Gratuity fund contributions	7.10	5.88
ESOS compensation	0.32	-
Staff welfare expenses	20.24	21.32
Recruitment & training	1.86	2.61
Total	712.78	674.93

26. Finance Cost (₹ Crores)

Particulars	2017-18	2016-17
Interest expense	22.20	19.33
Other borrowing cost	0.59	3.01
Interest on income tax	1.23	1.00
Total	24.02	23.34

27. Depreciation & Amortisation (₹ Crores)

Particulars	2017-18	2016-17
Depreciation on tangible assets	163.22	159.67
Amortisation on intangible assets	11.14	11.33
Total	174.36	171.00

Notes to standalone financial statements as at and for the year ended March 31, 2018

28. Other Expenses

(₹ Crores)

Particulars	2017-18	2016-17
Consumption of stores and spares	32.79	32.72
Power and fuel	153.46	143.60
Water charges	6.43	5.33
Freight, forwarding and transportation	72.03	74.72
Outside manufacturing charges	17.43	19.94
Repairs and maintenance	90.05	85.18
Loss on sale of property, plant & equipment	0.63	1.93
Property, plant & equipment scrapped	0.32	1.54
Commission on sales and brokerage	22.34	19.31
Field staff expenses	77.16	84.13
Sales and marketing expenses	160.56	168.06
Product information catalogue	20.12	19.24
Expenditure on scientific research	26.62	41.68
Laboratory expenses and analytical charges	30.28	31.27
Rent	19.65	18.32
Rates and taxes	13.88	17.14
Travelling expenses	43.37	31.23
Professional charges	59.41	35.49
Printing and stationery	7.61	7.71
Books, subscription and software	9.85	13.47
Product registration expenses	10.72	10.79
Excise duty/ GST Expenses (refer note no. 36)	25.81	56.01
Communication expenses	5.94	6.18
Insurance	12.37	11.02
Intellectual property right expenses	1.76	1.83
Remuneration to auditors	0.54	0.62
Bank charges	3.44	2.65
Provision for doubtful debts/advances	0.64	0.51
Bad debts and other balance w/off	2.57	2.68
CSR expenses	10.17	4.28
Compensation towards failure to supply of goods/services	4.94	1.79
Foreign exchange (gain)/loss-net	(2.36)	(17.34)
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	11.78	10.95
Total	952.31	943.98
Details of:		
1. Repairs and maintenance:		
Building	14.01	13.50
Machinery	72.64	70.16
Others	3.40	1.52
	90.05	85.18
2. Remuneration to auditors:		
Audit fees including limited review	0.44	0.42
Tax matters	0.07	0.10
Certification and other services	0.03	0.07
Out of pocket expenses	-	0.03
	0.54	0.62

Disclosures:

Total expenditure on R & D is included in respective heads of accounts as under: **(₹ Crores)**

Particulars	**2017-18**	**2016-17**
Expenditure on Scientific Research (includes stores and chemicals, bio-availability, bio-equivalence and toxicity studies)	26.61	41.68
Cost of materials consumed	0.62	0.94
Employee benefits expenses	48.70	51.38
Other expenses	23.72	25.55
Depreciation	17.14	16.02
Total	116.79	135.57

29. Tax Expense **(₹ Crores)**

Particulars	**2017-18**	**2016-17**
Current tax	60.01	56.95
Tax expense of previous year	(0.34)	(0.04)
Deferred ttax	(9.98)	13.00
Total	49.69	69.91
i. Reconciliation of current rate of tax and effective rate of tax:		
Profit before Income taxes	282.80	258.20
Enacted tax rates in India (%)	34.61%	34.61%
Computed expected tax expenses	97.87	89.36
Tax effect due to incentives	(67.23)	(1.93)
Accelerated Depreciation	1.31	(45.66)
Effect of exempt income	-	-
Effect of non- deductible expenses	7.12	10.99
Additional deduction on Research and Development Expenses	(23.52)	(38.27)
Others	(0.15)	(14.49)
Income tax expenses - net	15.40	-
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	21.34%	21.34%
Computed tax liability on book profits	60.35	55.10
Tax effect on adjustments:		
Provision for diminution disallowed	-	0.01
Adjustment of OCI	(0.49)	0.95
Others	0.15	0.89
Minimum Alternate Tax on book profit	60.01	56.95

ii. Reconciliation of Deferred Tax

Deferred tax (assets)/ liabilities in relation to: **(₹ Crores)**

Particulars	**As at March 31, 2018**	**Recognised in profit / (loss)**	**As at March 31, 2017**
Property, plant & equipment	234.09	7.55	226.54
MAT credit available	(64.43)	(36.43)	(28.00)
Compensated absences	(9.95)	(0.53)	(9.42)
Revenue losses	-	18.06	(18.06)
Bonus expenses	(1.05)	1.37	(2.42)
Total	158.66	(9.98)	168.64

Notes to standalone financial statements as at and for the year ended March 31, 2018

30. Disclosure as required by Accounting Standard – Ind AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules, 2015.

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

(₹ Crores)

	Particulars	2017-18		2016-17	
i	Profit after tax		233.11		188.29
ii	Profit after tax and exceptional items		233.11		188.29
iii	Closing equity shares outstanding (nos.)				
	Opening equity shares outstanding (nos.)	12,61,99,109		12,61,99,109	
	Add:- issued during the year (nos.)	-		-	
	Closing equity shares outstanding (nos.)		12,61,99,109		12,61,99,109
iv	Weighted avg no. of shares outstanding (nos.) (basic)		12,61,99,109		12,61,99,109
v	Weighted avg no. of shares outstanding (nos.) (diluted)		12,62,08,734		12,61,99,109
vi	Nominal value of equity share (₹)		2.00		2.00
vii	Basic EPS (i / iv) (₹)		18.47		14.92
viii	Diluted EPS (i / v) (₹)		18.47		14.92

31. Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken various residential / godowns / offices premises (including furniture and fittings if any) under leave and license agreements. These generally range between 11 months to 3 years under leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the statement of profit and loss under rent.

The Company has given certain plant and equipment under operating lease and the same is shown separately in property, plant & equipment.

32. Segment Reporting

Disclosure as required by Ind AS 108 "Operating Segment", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in accordance with Ind AS "Operating Segment", the Company has only one reportable operating segment i.e. pharmaceuticals. The additional disclosure is being made in the consolidated financial statements.

33. Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A. List of related parties

Relationships	Country
i. Entities having significant influence	
Shareholders of Ipca Laboratories Ltd	
Kaygee Investments Pvt. Ltd.	India
Subsidiaries	
Ipca Pharmaceuticals, Inc.	USA
Ipca Laboratories (U.K.) Ltd.	United Kingdom
Ipca Pharma (Australia) Pty Ltd.	Australia
Ipca Pharma Nigeria Ltd.	Nigeria
Ipca Pharmaceuticals Ltd.SA de CV	Mexico
Tonira Exports Limited	India

Relationships			Country
	Step-down subsidiaries		
	Ipca Pharma (NZ) Pty. Ltd.		New Zealand
	Pisgah Laboratories Inc (w.e.f.17.01.2018)		USA
	Onyx Scientific Limited		United Kingdom
ii.	**Associates**		
	Trophic Wellness Pvt. Ltd.		India
	Krebs Biochemicals & Industries Ltd.		India
iii.	**Joint venture**		
	Avik Pharmaceutical Ltd.		India
iv.	**Key management personnel**		
	Mr. Premchand Godha	Chairman & Managing Director	Indian
	Mr. Ajit Kumar Jain	Joint Managing Director & CFO	Indian
	Mr. Pranay Godha	Executive Director	Indian
	Mr. Prashant Godha	Executive Director	Indian
	Mr. Babulal Jain	Independent Director	Indian
	Mr. Anand T. Kusre	Independent Director	Indian
	Mr. Dev Parkash Yadava	Independent Director	Indian
	Dr. Ramakanta M. Panda	Independent Director	Indian
	Mrs. Manisha Premnath	Independent Director	Indian
v.	**Other related parties (Entities in which directors or their relatives have significant influence)**		
	Nipra Industries Pvt. Ltd.		India
	Nipra Packaging Pvt. Ltd.		India
	Prabhat Foundation		India
	Vandhara Resorts Pvt. Ltd.		India
	Mexin Medicaments Pvt. Ltd.		India
	Makers Laboratories Ltd.		India

Details of related party transaction are given in statement 1 attached to the financial statement.

34. CSR expenditure:

a. Gross amount required to be spent by the Company during the year ₹ 4.64 crores (previous year ₹ 7.14 crores).

b. i) Amount spent by the Company during the year is as follows:

(₹ Crores)

Sr. No.	Particulars	Paid in cash	Yet to be paid in cash	Total
1	Eradication of poverty, promotion of healthcare, sanitation, drinking water etc.	8.81	-	8.81
2	Promotion of education, vocational training & skill enhancement etc.	1.07	-	1.07
3	Environmental sustainability, animal welfare, natural resource conservation etc.	0.06	-	0.06
4	Promoting of gender equality and empowering women	-	-	-
5	Protection of national heritage, art, culture etc.	0.01	-	0.01
6	Promotion of rural sports	0.02	-	0.02
7	Rural development	0.20	-	0.20
	Total	10.17	-	10.17

ii) Amount spent by the Company during the previous year is as follows: **(₹ Crores)**

Sr. No.	Particulars	Paid in cash	Yet to be paid in cash	Total
1	Eradication of poverty, promotion of healthcare, sanitation, drinking water etc.	0.38	-	0.38
2	Promotion of education, vocational training & skill enhancement etc.	3.67	-	3.67
3	Environmental sustainability, animal welfare, natural resource conservation etc.	0.01	-	0.01
4	Promoting of gender equality and empowering women	0.02	-	0.02
5	Protection of national heritage, art, culture etc.	-	-	-
6	Promotion of rural sports	0.03	-	0.03
7	Rural development	0.17	-	0.17
	Total	4.28	-	4.28

35. Contingent liabilities and Commitments

A. Contingent Liabilities

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company *	22.09	20.43
Amount deposited under protest	(1.23)	(1.80)
Claims against the Company not acknowledged as debts	6.98	13.25
Corporate guarantee given to others	2.28	2.28
Guarantees given by banks in favour of Govt. & others *	12.93	11.31
Total	43.05	45.47

*Note:- It includes ₹ 4.38 crores (Previous year ₹ 4.38 crores) towards interest and penalty demanded by excise department Ankleshwar, relating to erstwhile Tonira Pharma Limited since amalgamated with the Company and is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad. The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a bank guarantee of ₹ 2.00 crores (previous year ₹ 2.00 crores) to the department.

B. Commitments

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible Assets	10.43	14.89
Intangible Assets	27.17	27.68
	37.60	42.57
(b) Other Commitments		
Purchase orders backed by LC opened by bankers.	25.64	34.40
Total	63.24	76.97

36. Goods and Services Tax

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, sales for the year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of excise duty and net of Value Added Tax (VAT) / sales tax. Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT / Central sales tax, excise duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre - GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, figures for the year ended and as on March 31, 2018 such as sales, expenses, elements of working capital (Inventories, other current assets / current liabilities) and ratios in percentage of sales are not comparable with the figures of the previous year.

37. Financial Instruments

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

(₹ Crores)

Particulars	Carrying Value		Fair Value	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
Financial assets				
Amortised cost				
Investments				
- Equity instruments	-	-	-	-
- Preference shares	-	0.05	-	0.05
Loans	112.59	97.34	112.59	97.34
Others	90.24	68.28	90.24	68.28
Trade receivables	594.38	501.98	594.38	501.98
Cash and cash equivalents	131.03	17.53	131.03	17.53
FVTPL				
Equity instruments	-	-	-	-
Mutual funds considered as cash and cash equivalents	69.35	113.57	69.35	113.57
FVTOCI				
Derivative assets	3.69	12.17	3.69	12.17
Total financial assets	1,001.28	810.92	1,001.28	810.92
Financial liabilities				
Amortised cost				
Borrowings	473.05	529.04	473.05	529.04
Trade payables	414.75	388.06	414.75	388.06
Others	229.51	279.21	229.51	279.21
FVTOCI				
Derivative liabilities	2.10	0.02	2.10	0.02
Total financial liabilities	1,119.41	1,196.33	1,119.41	1,196.33

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

38. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ Crores)

Particulars		Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value					
Mutual funds - growth plan	31/03/2018	69.35	-	-	69.35
Derivative financial assets	31/03/2018	-	3.69	-	3.69
Total financial assets		69.35	3.69	-	73.04
Financial liabilities					
Derivative financial liabilities	31/03/2018	-	2.10	-	2.10
Total financial liabilities		-	2.10	-	2.10
Financial assets measured at fair value					
Mutual funds - growth plan	31/03/2017	113.57	-	-	113.57
Derivative financial assets	31/03/2017	-	12.16	-	12.16
Total financial assets		113.57	12.16	-	125.73
Financial liabilities					
Derivative financial liabilities	31/03/2017	-	0.02	-	0.02
Total financial liabilities		-	0.02	-	0.02

39. Financial Risk Factors

The Company's business activities are exposed to a variety of financial risks: market/business risk, credit risk, exchange risk, etc. The Company's focus is to foresee the unpredictability of financial and business risks and seek to minimize potential adverse effects of these risks on its business and financial performance.

i. Business/ Market Risk

The primary business/market risk to the Company is the price risk and its ability to pass on the same to its customers. The Company's operations extend to a number of countries across the globe and its products pricing competitiveness is a primary factor for the acceptability of Company's products in those markets. The Company has a robust procurement process, which ensures that its pricing power is not adversely affected by price changes in the market place for its raw materials. The backward integration into manufacturing of several API's for its own use in the formulations manufacturing also works as a mitigating strategy for price risk faced by the Company.

The other business risk is regulatory risk and regulatory audits of its manufacturing facilities by the regulators to ensure that the manufacturing facilities meet the current Good Manufacturing Practices (cGMP) requirements. The Company is already exposed to certain audit observations from the US FDA for 3 of its manufacturing plants and has taken the necessary corrective measures to redress those US FDA audit observations so as to be able to market all its products once again in the US market. While the stringent regulatory requirements and audits works as a business risk, the successful audit of its facilities by regulators coupled with price competitiveness results in higher business and margins for the Company.

The Company's products are also subjected to product liability claims/litigations. To mitigate these risks, the Company has obtained adequate Product Liability Insurance.

The Company, however, has a reduced risk from dependence on any single customer as no single customer or customer group accounts for more than 10% of Company's annual revenue. The Company also continuously forays into different markets/countries to reduce its dependence on any particular country or customer group. The Company also has a diversified therapeutic product portfolio and therefore no single product account for more than 10% of Company's annual revenue.

ii. Credit risk

The Company has exposure to credit risks associated with sales to various developing markets/countries. To mitigate these credit risks arising out of this, the Company obtains credit insurance on a regular basis after evaluating the credit risk associated with a country/customer. Country/customer where no credit insurance is available, the Company monitors such risk by continuously monitoring its exposure to such country/customer. There was no historically significant credit risk in the domestic market for the Company. Based on the historical data, the Company has made adequate provisions for expected loss because of credit risk, which is neither significant nor material.

iii. Interest risk

The Company has borrowings mainly in foreign currencies which is linked to Libor. The Company mitigates these risks associated with floating Libor rates by entering into interest rate swaps to move them to fixed Libor rates. The domestic interest risk is exposed to the changes in the RBI bank rate. The Company manages this risk by managing its working capital effectively.

iv. Foreign currency risk

The Company continuously manages its risks associated with foreign currency by adopting various hedging strategies in consultation with internal and external experts. The Company has a system of regularly monitoring its currency wise exposures. The significant part of Company's receivables and borrowings are in US Dollars which operates as a natural hedge against each other. The Company has a policy not to borrow in a currency where it has no business exposure.

v. The unhedged foreign currency exposure is as follows:

Sr. no.	Particulars	Currency	As at March 31, 2018		As at March 31, 2017	
			Amount in foreign currency (in millions)	Amount (₹ Crores)	Amount in foreign currency (in millions)	Amount (₹ Crores)
I)	**Unhedged foreign exchange liability**					
a.	ECB term loan & interest	USD	57.88	377.26	72.91	472.86
b.	Buyers credit & interest	USD	-	-	7.01	45.43
		EURO	1.65	13.35	2.64	18.27
c.	Packing credit & interest	USD	17.93	116.89	1.00	6.49
		AUD	-	-	3.47	17.23
		GBP	-	-	2.00	16.19
d.	Trade & other payables incl. advances received	USD	15.47	100.85	14.93	96.83
		EURO	0.32	2.62	0.09	0.65
		GBP	-	0.03	-	0.03
		NZD	-	-	-	0.01
		JPY	-	-	0.14	0.01
		CHF	-	0.01	-	-
II)	**Unhedged receivables in foreign currency**					
a.	Trade & other receivables incl. advances given	USD	38.76	252.60	42.83	277.75
		EUR	4.32	34.88	5.03	34.88
		GBP	5.15	47.55	3.76	30.46
		AUD	3.43	17.14	1.50	7.44
		CAD	2.23	11.32	0.44	2.15
		NZD	2.14	10.11	0.64	2.92
		COP	864.46	2.02	649.63	1.46
b.	Unbilled revenue	USD	0.04	0.26	1.79	11.59
		CAD	0.74	3.74	0.04	0.27

The Company has entered into various derivatives transactions, which are not intended for trading or speculative purpose but to hedge the export receivables including future receivables and foreign currency loan interest rate risks.

40. Capital Management

For the purpose of the Company's capital management, capital includes paid-up equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a gearing ratio, which is net debt divided by its total capital. The Company includes within its net debt the interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings other than convertible preference shares	473.05	529.04
Trade payables	414.75	388.06
Other payables	231.61	279.23
Less: Cash and cash equivalents (C&CE)	(131.03)	(17.53)
Less: Investment in MF (part of C&CE)	(69.35)	(113.57)
Net debt	919.03	1,065.23
Total equity	2,694.95	2,475.12
Capital and net debt gearing ratio	34.10%	43.04%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lending institutions to immediately call back the loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

41. Derivative Financial Instruments

The details of outstanding foreign exchange forward contracts and other derivatives designated as cash flow hedges:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Currency	In million	Currency	In million
Derivatives designated as cash flow hedges	USD	24.00	USD	13.00
Forward contracts exports	STG	6.00	STG	13.00
	EUR	2.00	EUR	-
	AUD	5.00	AUD	1.00
	NZD	0.74	NZD	-
Forward contracts - imports (Maturity more than 3 months less than one year)	-	-	EUR	0.98
Other derivatives: Interest rate swaps (notional O/s)	USD	37.08	USD	49.20

The foreign exchange forward contracts mature within twelve months or more. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at balance sheet date:

Particulars	Currency	As at March 31, 2018 In million	As at March 31, 2017 In million
Not later than one month	USD	6.00	2.50
	STG	0.00	1.50
	AUD	1.00	1.00
	NZD	0.74	-
Later than one month and not later than three months	USD	14.00	7.50
	STG	2.00	4.00
	AUD	2.00	-
Later than three months and not later than one year	USD	4.00	3.00
	STG	4.00	7.50
	AUD	2.00	-
	EUR	2.00	-
Later than one year and not later than two years		NIL	NIL

During the year ended March 31, 2018 the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related transactions for the balance in the cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit and loss . However, as at March 31, 2018 , there are no transactions in the hedge reserve that are required to be reclassified to the revenue in the statement of profit & loss account.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be re-balanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted in the statement of profit and loss at the time of hedge relationship re-balancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2018 is as follows:

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	3.83	(3.84)
Changes in the fair value of effective portion of cash flow hedges	0.78	7.67
Gain/(loss) transferred to the statement of profit & loss on occurrence of forecasted hedge transactions	(0.92)	-
Deferred tax on gain/(loss) transferred to the statement of profit & loss on occurrence of forecasted hedge transactions.	-	-
Balance at the end of the period	3.69	3.83

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. During the year, the Company has not settled any such transactions.

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset / liability	3.69	-	3.83	-
Amount set-off	-	-	-	-
Net amount presented in balance sheet	3.69	-	3.83	-

Notes to standalone financial statements as at and for the year ended March 31, 2018

42. The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the company for the year ended March 31, 2018.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Statement 1 (refer Note No. 33)

Related Party Disclosure as required by Indian Accounting Standard – IND AS 24 "Related Party Transactions" of the Companies (Accounting Standards) Rule 2015.

Transactions with Related Parties-Standalone accounts

(₹ Crores)

Description	Entities where control exists Subsidiaries		Key Management Personnel		Associates		Joint Venture		Other Related Parties		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Purchase of goods and services												
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	6.92	8.18	6.92	8.18
Ipca Pharmaceuticals, Inc. USA	4.00	4.96	-	-	-	-	-	-	-	-	4.00	4.96
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	20.32	18.02	-	-	20.32	18.02
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	-	-	3.79	3.47	3.79	3.47
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	-	-	1.57	1.73	1.57	1.73
Krebs Biochemicals & Industries Ltd.	-	-	-	-	36.35	5.87	-	-	-	-	36.35	5.87
Khanvel Resort	-	-	-	-	-	-	-	-	0.75	0.56	0.75	0.56
Total	4.00	4.96	-	-	36.35	5.87	20.32	18.02	13.03	13.94	73.70	42.79
Sales of goods and services												
Ipca Pharma Nigeria Ltd.	2.28	10.41	-	-	-	-	-	-	-	-	2.28	10.41
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	1.39	2.52	1.39	2.52
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.92	0.81	-	-	0.92	0.81
Krebs Biochemicals & Industries Ltd.	-	-	-	-	3.72	-	-	-	-	-	3.72	-
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.62	0.59	-	-	-	-	0.62	0.59
Total	2.28	10.41	-	-	4.34	0.59	0.92	0.81	1.39	2.52	8.93	14.33
Rent income												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.43	0.41	-	-	0.43	0.41
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	0.19	-	0.19	-
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.29	0.13	-	-	-	-	0.29	0.13
Total	-	-	-	-	0.29	0.13	0.43	0.41	0.19	-	0.91	0.54
Interest income												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	1.66	1.78	-	-	1.66	1.78
Krebs Biochemicals & Industries Ltd.	-	-	-	-	4.49	6.20	-	-	-	-	4.49	6.20
Others	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Total	-	0.05	-	-	4.49	6.20	1.66	1.78	-	-	6.15	8.03
Sale of fixed assets												
Trophic Wellness Pvt. Ltd.	-	-	-	-	-	0.33	-	-	-	-	-	0.33
Total	-	-	-	-	-	0.33	-	-	-	-	-	0.33
Rent and other expenses												
Ipca Pharma (Australia) Pty Ltd. Australia	0.20	0.28	-	-	-	-	-	-	-	-	0.20	0.28
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	0.03	0.20	0.03	0.20
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.24	0.02	-	-	0.24	0.02
Krebs Biochemicals & Industries Ltd.	-	-	-	-	1.28	1.20	-	-	-	-	1.28	1.20
Tonira Exports Ltd	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Ipca Pharmaceuticals Ltd. SA de CV	0.08	0.03	-	-	-	-	-	-	-	-	0.08	0.03
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.00	0.02	-	-	-	-	0.00	0.02
Total	0.30	0.33	-	-	1.28	1.22	0.24	0.02	0.03	0.20	1.85	1.77
Excise duty reimbursements												
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	-	0.65	-	0.65
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	-	0.65	-	-	-	0.65
Krebs Biochemicals & Industries Ltd.	-	-	-	-	(1.26)	(0.75)	-	-	-	-	(1.26)	(0.75)
Total	-	-	-	-	(1.26)	(0.75)	-	0.65	-	0.65	(1.26)	0.55
Net loans and advances given/(recovered)												
Ipca Laboratories (U.K.) Ltd.	-	(2.88)	-	-	-	-	-	-	-	-	-	(2.88)
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	(0.45)	(1.13)	-	-	(0.45)	(1.13)
Krebs Biochemicals & Industries Ltd.	-	-	-	-	12.36	23.57	-	-	-	-	12.36	23.57
Total	-	(2.88)	-	-	12.36	23.57	(0.45)	(1.13)	-	-	11.91	19.56
Deposit given/ (refund)												
Tonira Exports Ltd	(0.11)	-	-	-	-	-	-	-	-	-	(0.11)	-
Total	(0.11)	-	-	-	-	-	-	-	-	-	(0.11)	-
Investments Made / (redemption)												
Ipca Laboratories (U.K.) Ltd.	(10.26)	-	-	-	-	-	-	-	-	-	(10.26)	-
Ipca Pharmaceuticals, Inc. USA	58.56	-	-	-	-	-	-	-	-	-	58.56	-
Trophic Wellness Pvt. Ltd.	-	-	-	-	-	3.40	-	-	-	-	-	3.40
Total	48.30	-	-	-	-	3.40	-	-	-	-	48.30	3.40

(₹ Crores)

Description	Entities where control exists Subsidiaries		Key Management Personnel		Associates		Joint Venture		Other Related Parties		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration to directors												
Mr. Premchand Godha	-	-	7.66	5.21	-	-	-	-	-	-	7.66	5.21
Mr. Ajit Kumar Jain	-	-	3.71	2.56	-	-	-	-	-	-	3.71	2.56
Mr. Pranay Godha	-	-	2.39	1.19	-	-	-	-	-	-	2.39	1.19
Mr. Prashant Godha	-	-	2.41	1.08	-	-	-	-	-	-	2.41	1.08
Total	-	-	16.17	10.04	-	-	-	-	-	-	16.17	10.04
Provident fund to directors												
Mr. Premchand Godha	-	-	0.44	0.44	-	-	-	-	-	-	0.44	0.44
Mr. Ajit Kumar Jain	-	-	0.16	0.16	-	-	-	-	-	-	0.16	0.16
Mr. Pranay Godha	-	-	0.08	0.08	-	-	-	-	-	-	0.08	0.08
Mr. Prashant Godha	-	-	0.08	0.07	-	-	-	-	-	-	0.08	0.07
Total	-	-	0.76	0.75	-	-	-	-	-	-	0.76	0.75
Post employment benefits of directors												
Mr. Ajit Kumar Jain	-	-	0.28	0.23	-	-	-	-	-	-	0.28	0.23
Mr. Pranay Godha	-	-	0.05	0.09	-	-	-	-	-	-	0.05	0.09
Mr. Prashant Godha	-	-	0.02	0.09	-	-	-	-	-	-	0.02	0.09
Total	-	-	0.35	0.41	-	-	-	-	-	-	0.35	0.41
Sitting fee to non-executive director												
Mr. Anand T kusre	-	-	0.06	0.05	-	-	-	-	-	-	0.06	0.05
Mr. Babulal Jain	-	-	0.07	0.05	-	-	-	-	-	-	0.07	0.05
Mr. Dev Prakash Yadava	-	-	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Mrs. Manisha Premnath	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Dr. Ramakanta M. Panda	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Total	-	-	0.22	0.19	-	-	-	-	-	-	0.22	0.19
Donation												
Prabhat Foundation	-	-	-	-	-	-	-	-	0.75	0.15	0.75	0.15
Total	-	-	-	-	-	-	-	-	0.75	0.15	0.75	0.15
Balance at year end												
Trade receivables												
Ipca Pharma Nigeria Ltd.	1.37	7.52	-	-	-	-	-	-	-	-	1.37	7.52
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.16	0.11	-	-	0.16	0.11
Krebs Biochemicals & Industries Ltd.	-	-	-	-	3.17	-	-	-	-	-	3.17	-
Tonira Exports Ltd	-	0.11	-	-	-	-	-	-	-	-	-	0.11
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.19	0.50	-	-	-	-	0.19	0.50
Ipca Pharmaceuticals Ltd. SA de CV	-	-	-	-	-	-	-	-	-	-	-	-
Loan given												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	47.33	34.97	-	-	-	-	47.33	34.97
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	14.62	15.07	-	-	14.62	15.07
Deposit given												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	45.00	45.00	-	-	-	-	45.00	45.00
Interest receivable												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	7.35	2.86	-	-	-	-	7.35	2.86
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.62	-	-	-	0.62	-
Total	1.37	7.63	-	-	103.04	83.33	15.40	15.18	-	-	119.81	106.14
Directors remunerations payable												
Mr. Premchand Godha	-	-	3.66	0.89	-	-	-	-	-	-	3.66	0.89
Mr. Ajit Kumar Jain	-	-	1.51	0.36	-	-	-	-	-	-	1.51	0.36
Mr. Pranay Godha	-	-	1.33	0.14	-	-	-	-	-	-	1.33	0.14
Mr. Prashant Godha	-	-	1.36	0.14	-	-	-	-	-	-	1.36	0.14
Trade payable												
Ipca Pharmaceuticals, Inc. USA	1.70	0.15	-	-	-	-	-	-	-	-	1.70	0.15
Krebs Biochemicals & Industries Ltd.	-	-	-	-	-	0.30	-	-	-	-	-	0.30
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	1.00	1.89	1.00	1.89
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	-	-	0.19	0.20	0.19	0.20
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	-	-	0.43	0.38	0.43	0.38
Khanvel Resort	-	-	-	-	-	-	-	-	0.30	0.26	0.30	0.26
Total	1.70	0.15	7.86	1.53	-	0.30	-	-	1.92	2.73	11.48	4.71

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IPCA LABORATORIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IPCA LABORATORIES LIMITED (the Holding Company) and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the Group),its joint venture and its associates comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with rules made thereunder and the relevant provisions of the Act. The respective Board of Directors of the entities included in the Group and of its joint venture and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors of the subsidiaries, associates and joint venture, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture and its associates as at March 31, 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of six subsidiaries (including five foreign subsidiaries), whose financial statements reflect total assets of ₹ 237.99 crores as at March 31, 2018, total revenue of ₹ 89.53 crores and net cash outflows amounting to ₹ 0.35 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. The consolidated financial statements also include the Group's share of the net loss of ₹ 3.89 crores for the year ended March 31, 2018, as considered in the preparation of the consolidated financial statements, in respect two associates and one joint venture. These financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the management. The management of the Company has also certified the details of adjustments that are required in case of financial statements of five foreign subsidiaries so as to make these financial statements fit for consolidation. Our opinion on the Statement, in so far as it relates to aforesaid subsidiaries, associates and joint venture, is based solely on the report of such other auditors.

In addition, we did not audit the financial statements of three foreign subsidiaries, whose financial statements reflect total assets of ₹ 0.83 crores as at March 31, 2018, total revenue of ₹ 0.18 crores and net cash outflows amounting to ₹ 0.16 crores for the year ended on that date, as considered in the preparation of the consolidated financial statements. The financial statements and financial information of these subsidiaries are unaudited and have been certified by the management. Our opinion on the Statement in so far as it relates to these three subsidiaries is based solely on such management certified unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements are not material to the Group.

The financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who expressed an unmodified opinion on those statements on May 28, 2017.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors of subsidiaries, associates and joint venture, as noted in the "other matter" paragraph, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to 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, Consolidated Cash Flow Statement and the Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account, workings and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, joint venture and associates incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act. Since the provision of section 164(2) of the Act do not apply to entities incorporated outside india, no comments are made in respect of such overseas entities.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, subsidiary, joint venture and its associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors of subsidiaries, associates and joint venture as noted in the 'other matter' paragraph,

  i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture. Refer Note no. 34 to the consolidated financial statements;

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

  iii. There has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary, joint venture and associates incorporated in India.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Mumbai,
May 29, 2018

Annexure A referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of the Ipca Laboratories Limited (the Holding Company) on the consolidated financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Ipca Laboratories Limited (hereinafter referred to as 'the Holding Company') and its subsidiary, joint venture and associates which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary, joint venture and associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting (the Guidance Note) 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary, joint venture and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143 (3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates to a subsidiary, joint venture and associates which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No. 104767W

Atul Shah
Partner
Membership No. 39569

Mumbai,
May 29, 2018

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IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Consolidated Balance Sheet as at March 31, 2018

Particulars		Note ref.	As at Mar 31, 2018 (₹ Crores)	As at Mar 31, 2017 (₹ Crores)
	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant & equipment	1	1,853.61	1,913.40
	(b) Capital work-in-progress		41.79	62.10
	(c) Goodwill on consolidation		23.59	23.59
	(d) Goodwill on acquisition	1A	23.61	23.61
	(e) Other intangible assets	1B	52.15	22.67
	(f) Intangible assets under development		31.21	32.54
	(g) Financial assets			
	(i) Investments	2A	-	0.05
	(ii) Loans	3	110.48	95.36
	(iii) Others	4	3.32	3.60
	(h) Investment accounted for using the equity method	2	17.52	22.19
	(i) Deferred tax assets (net)	15	1.74	-
	(j) Other non-current assets	5	12.80	18.58
			2,171.82	2,217.69
2.	**Current assets**			
	(a) Inventories	6	880.59	882.22
	(b) Financial assets			
	(i) Investments	2B	69.35	113.57
	(ii) Trade receivables	7	602.27	500.16
	(iii) Cash and cash equivalents	8	149.28	29.42
	(iv) Bank balances other than (iii) above	9	1.29	6.43
	(v) Loans	3	2.87	2.05
	(vi) Others	4	92.75	80.46
	(c) Current tax assets (net)		-	-
	(d) Other current assets	5	147.08	127.50
			1,945.48	1,741.81
	(e) Non Current assets held for sale		-	0.01
	Total Assets		4,117.30	3,959.51
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	10	25.24	25.24
	(b) Other equity	11	2,663.33	2,430.02
	Total Equity		2,688.57	2,455.26
	Liabilities			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	234.01	351.74
	(ii) Other financial liabilities	13	-	-
	(b) Provisions	14	25.88	24.55
	(c) Deferred tax liabilities (net)	15	159.71	170.47
	(d) Other non-current liabilities	16	1.56	1.56
			421.16	548.32
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17	239.04	177.30
	(ii) Trade payables	18	423.47	396.54
	(iii) Other financial liabilities	13	233.87	279.28
	(b) Other current liabilities	16	32.88	37.13
	(c) Provisions	14	67.21	60.41
	(d) Current tax liabilities (net)	19	11.10	5.27
			1,007.57	955.93
	Total Equity and Liabilities		4,117.30	3,959.51

Statement of significant accounting policies and other explanatory notes form part of the financial statements.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note ref		2017-18 (₹ Crores)		2016-17 (₹ Crores)
I	Revenue from operations	20		3,283.57		3,212.20
II	Other income	21		41.80		21.01
III	**Total income (I + II)**			3,325.37		3,233.21
IV	**Expenses:**					
	Cost of materials consumed	22		932.37		953.87
	Purchase of stock-in-trade	23		168.91		161.84
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		23.51		(5.52)
	Employee benefit expenses	25		735.88		695.98
	Finance cost	26		24.02		24.08
	Depreciation & amortisation	27		177.73		172.95
	Other expenses	28		968.19		959.69
	Total expenses (IV)			3,030.61		2,962.89
V	Share of profits/(loss) from investment in associates			(4.23)		(8.26)
VI	**Profit before exceptional items and tax (III-IV-V)**			290.53		262.06
VII	Exceptional items			-		-
VIII	**Profit before tax (VI-VII)**			290.53		262.06
IX	Tax expense					
	1. Current tax		61.35		53.30	
	2. Short / (excess) provision of taxes for earlier years		0.72		(0.04)	
	3. Deferred tax liability / (asset) incl. MAT credit		(10.96)	51.11	14.26	67.52
X	**Profit for the period (VIII-IX)**			239.42		194.54
XI	**Other comprehensive income**					
A	(i) Items that will not be reclassified to profit or loss					
	Actuarial gain and (loss)			2.30		(4.44)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			(0.49)		0.95
B	(i) Items that will be reclassified to profit or loss					
	Exchange difference in translating the financial statement of foreign operation			7.52		(3.93)
	Gain/(loss) on cash flow hedge			(0.14)		7.67
	(ii) Income tax relating to items that will be reclassified to profit or loss					
	Share of OCI from investment in associates			(0.44)		1.28
	Other comprehensive income for the year, net of tax			8.75		1.53
XII	**Total comprehensive income for the year (X+XI)**			248.17		196.07
XIII	Earnings per equity share (for continuing operations):	30				
	Basic (in ₹)			18.97		15.42
	Diluted (in ₹)			18.97		15.42

Statement of significant accounting policies and other explanatory notes form part of the financial statements.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Consolidated Cash Flow Statement for the year ended March 31, 2018

			2017-18 (₹ in Crores)			2016-17 (₹ in Crores)	
A.	**Cash Flow from Operating Activities**						
1)	**Net profit before taxation and extraordinary item**			290.53			262.06
	Adjustments for :						
	Depreciation, amortisation and impairment expense		177.73			172.95	
	(Profit) / loss on sale of property, plant & equipment		0.14			1.48	
	(Profit) / loss on mutual fund investments		(6.53)			(5.15)	
	Share of profits/(loss) from investment in associates		4.23			8.26	
	Net gain on financial asset through FVTPL		(0.32)			(0.16)	
	Interest income on financial asset at amortised cost		(4.44)			(3.93)	
	Remeasurement of financial assets		-			(0.11)	
	Property, plant & equipment scrapped		0.32			1.53	
	Sundry balances written (back)		(2.55)			(2.51)	
	Provision for doubtful debts / advances		0.64			0.51	
	Bad debts w/off		2.57			2.68	
	Bad debts recovered		-			(0.68)	
	ESOS compensation		0.32			-	
	Unrealised foreign exchange (gain) / loss		2.69			(15.30)	
	Interest income		(10.69)			(8.79)	
	Interest expense		24.02	188.13		24.08	174.86
2)	**Operating profit before working capital changes**			478.66			436.92
	Decrease / (increase) in inventories		1.63			(44.80)	
	Decrease / (increase) in trade receivables		(95.26)			(54.23)	
	Decrease / (increase) in other financial assets		(1.28)			(12.86)	
	Decrease / (increase) in other assets		(16.13)			(20.26)	
	Increase / (decrease) in trade payables		26.35			38.39	
	Increase / (decrease) in other financial liabilities		(0.08)			(3.96)	
	Increase / (decrease) in other liabilities		(4.27)			(9.75)	
	Increase / (decrease) in provisions		8.98	(80.06)		3.74	(103.73)
3)	**Cash generated from operation**			398.60			333.19
	Income tax paid (net)			(57.47)			(51.28)
	Net cash from operating activities			341.13			281.91
B.	**Cash flow from investing activities**						
	Purchase of property, plant & equipment including capital WIP		(136.73)			(136.33)	
	Investment in associate		-			(3.40)	
	Loan given to associate		(12.36)			(23.57)	
	Repayment of loan by Joint venture		0.44			-	
	Sale of investment - others		0.05			-	
	Purchase of mutual funds	(2,456.04)			(2,100.00)		
	Redemption of mutual funds	2,462.57	6.53		2,105.15	5.15	
	Proceeds from sale of property,plant and equipment		1.15			1.88	
	Movement in other bank balances		5.09			0.45	
	Interest received		0.43			7.00	
	Net cash from / (used) in investing activities			(135.40)			(148.82)
C.	**Cash flow from financing activities**						
	ESOS commitment deposit		0.02			-	
	Increase / (decrease) in short term borrowings		61.39			(4.65)	
	Proceeds from long-term borrowings		32.76			67.70	
	Repayment of long-term borrowings		(181.78)			(193.35)	
	Repayment of debentures		(5.00)			(5.00)	
	Interest paid		(22.48)			(23.59)	
	Dividend & dividend tax paid		(15.32)			(0.24)	
	Net cash from (used in) financing activities			(130.41)			(159.13)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)			75.32			(26.04)
	Cash and cash equivalents at beginning of year			142.83			168.87
	Cash and cash equivalents at end of year			218.15			142.83
	Components of cash & cash equivalents :						
	Cash and cheques on hand			1.60			1.56
	Balance with banks			147.68			27.86
	Mutual funds		69.35			113.57	
	Less : Fair value (gain)/ loss on mutual funds		(0.48)	68.87		(0.16)	113.41
				218.15			142.83

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

IPCA LABORATORIES LIMITED. CIN L24239MH1949PLC007837

Consolidated Statement of changes in equity for the year ended March 31, 2018

(A) Equity Share Capital

Particulars	Note No.	No. of shares	(₹ Crores)
Equity share capital of face value ₹ 2.00 each			
Balance as at March 31, 2016	10	12,61,99,109	25.24
Changes in equity share capital during the year		-	-
Balance as at March 31, 2017	10	12,61,99,109	25.24
Changes in equity share capital during the year		-	-
Balance as at March 31, 2018	10	12,61,99,109	25.24

(B) Other equity (₹ Crores)

Particulars	Other equity									Total
	Reserves and surplus							Other comprehensive income		
								Items that will be reclassified to P&L		
	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedges	Foreign currency translation reserve	
Balance as on March 31, 2016	0.59	43.99	0.26	5.00	-	1,306.05	881.71	(3.84)	0.19	2,233.95
Profit for the period	-	-	-	-	-	-	202.80	-	-	202.80
Share of profits / (loss) from investment in associates	-	-	-	-	-	-	(8.26)	-	-	(8.26)
Other Comprehensive Income for the year	-	-	-	-	-	-	*(2.21)	7.67	(3.93)	1.53
Balance as on March 31, 2017	0.59	43.99	0.26	5.00	-	1,306.05	1,074.04	3.83	(3.74)	2,430.02
Transfer to general reserve	-	-	-	(5.00)	-	5.00	-	-	-	-
Profit for the year	-	-	-	-	-	-	243.65	-	-	243.65
Share of profits / (loss) from investment in associates	-	-	-	-	-	-	(4.23)	-	-	(4.23)
Dividend	-	-	-	-	-	-	(12.62)	-	-	(12.62)
Tax on dividend	-	-	-	-	-	-	(2.56)	-	-	(2.56)
Share option outstanding account	-	-	-	-	0.32	-	-	-	-	0.32
Other Comprehensive Income for the year	-	-	-	-	-	-	*1.37	(0.14)	7.52	8.75
Balance as on March 31, 2018	0.59	43.99	0.26	-	0.32	1,311.05	1,299.65	3.69	3.78	2,663.33

* Represents remeasurement of defined benefit Plans & share of OCI from investment in associates Net of tax.

Statement of significant accounting policies and other explanatory notes form part of the financial statements

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

(A) Corporate Information

Incorporated in the year 1949, Ipca Laboratories Limited is a integrated pharmaceutical company manufacturing and marketing over 350 formulations and 80 API's covering various therapeutic segments. The products of the Company are now sold in over 120 countries across the globe. The Company has 17 manufacturing units in India manufacturing API's and formulations for the world market.

Authorization of consolidated financial statement

The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on May 29, 2018.

(B) Principles of Consolidation

The consolidated financial statements relates to Ipca Laboratories Ltd. and its Subsidiary Companies, Associates and Joint ventures (referred to as Group). The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement", Indian Accounting Standard - 28 "Investment in Associate and Joint ventures" of the Companies (Indian Accounting Standard) Rules 2015. The consolidated financial statements have been prepared on the following basis: -

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 "Investment in Associate and Joint venture". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

The consolidated financial statements of the Subsidiaries, Associate and Joint ventures used in consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March.

The difference between the cost to the Company of its investments in the subsidiary / associates / joint venture over the Company's portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

The list of subsidiary companies, associates and joint ventures included in consolidation and Company's holding therein are as under: -

Name of the companies	Relationship	Country of incorporation	% of ultimate holding	
			2017-18	2016-17
Ipca Pharmaceuticals, Inc. USA	Subsidiary	USA	100.00	100.00
Ipca Laboratories (U.K.) Ltd.	Subsidiary	UK	100.00	100.00
Ipca Pharma Nigeria Ltd.	Subsidiary	Nigeria	100.00	100.00
Ipca Pharma (Australia) Pty.Ltd.	Subsidiary	Australia	100.00	100.00
Ipca Pharmaceuticals Ltd.,SA de CV	Subsidiary	Mexico	100.00	100.00
Tonira Exports Ltd.	Subsidiary	India	100.00	100.00
Onyx Scientific Ltd. (Subsidiary of Ipca Laboratories (U.K.) Ltd.)	Step down Subsidiary	UK	100.00	100.00
Pisgah Laboratories Inc.(Subsidiary of Ipca Laboratories Inc, USA) (w.e.f 17.01.18)	Step down Subsidiary	USA	100.00	-
Ipca Pharma (NZ) Pty. Ltd. (Subsidiary of Ipca Pharma (Australia) Pty.Ltd.)	Step down Subsidiary	New Zealand	100.00	100.00
Avik Pharmaceutical Ltd.	Joint venture	India	49.02	49.02
CCPL Software Private Ltd.#	Associate	India	28.95	28.95
Trophic Wellness Pvt. Ltd.	Associate	India	19.26	19.26
Krebs Biochemicals & Industries Ltd.	Associate	India	29.83	29.83

cost fully written off in the books.

(C) Significant Accounting Policies

I) Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

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

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

b) defined benefit plans - plan assets measured at fair value

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of judgments, estimates and assumption

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

a. Judgments

In the process of applying the company's accounting policies, management has made judgments, which have significant effect on the amounts recognised in the separate financial statements.

b. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

III) Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(a) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment

(i) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. Revalued assets are recorded at revalued amounts.

(ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

(iii) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalisation.

(iv) Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for its intended use.

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

(vi) The residual useful life of Property, Plant and Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

(vii) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on straight line method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The management's estimated useful life/useful life as per schedule II whichever is lower for the various tangible assets are as follows:

Assets	Estimated useful life (years)
Leasehold land	Period of Lease
Buildings	28 to 58
Roads	3 to 10
Plant and equipment and R&D equipments	9 to 20
Office and other equipments	5
Computers	3 to 6
Furniture and fixtures	10
Vehicles	6 to 8
Leasehold improvements	Period of Lease

(c) Goodwill

Goodwill on acquisition

Goodwill on acquisition represents excess of consideration paid for acquisition of business over the fair value of net assets. Goodwill is not amortised but is tested for impairment at each reporting date.

Goodwill on consolidation

Goodwill on consolidation represents excess cost of investment over the company's share of equity that is carried in balance sheet and is tested for impairment at each reporting date.

(d) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

The management has estimated the economic useful life for the various intangible assets as follows:

Assets	Estimated useful life (years)
Brands and trademarks	4
Technical know how	4 to 10
Software for internal use	4

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(e) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(f) Impairment of assets

Carrying amount of Tangible assets, Intangible assets, Investments in Subsidiaries, Joint venture and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value as given below.

Raw Materials and Packing Materials	Lower of cost and Net realisable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First In First Out basis.
Work-in-process and Finished Goods	At lower of cost including material cost net of CENVAT/GST, labour cost and all overheads other than selling and distribution overheads and net realisable value. Excise duty is considered as cost for finished goods wherever applicable.
Stores and Spares	Stores and spare parts are valued at lower of purchase cost computed on First In First Out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of purchase cost and net realisable value.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities in the balance sheet.

(i) Provisions, contingent liabilities & contingent assets

Provision

A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(j) Retirement and other benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/ period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(k) Foreign currencies

Transactions and balances:

(i) The functional currency of the company is the Indian rupee. These consolidated financial statements are presented in Indian rupees.

(ii) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement /negotiation during the year is recognised in the statement of profit and loss.

(iii) Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.

(iv) Non monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

(v) The overseas trading offices are non-integral operations and the overseas non trading offices are integral operations and are accounted accordingly.

(l) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(m) Financial instruments

(i) Financial assets & financial liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 7 details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial instruments

A financial asset is de-recognised only when:

* The Company has transferred the rights to receive cash flows from the financial asset or
* Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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

A financial liability (or a part of a financial liability) is de-recognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Statement of Profit and Loss.

Cash flow hedge

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

(n) Revenue recognition

(i) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales for the year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of excise duty and net of Value Added Tax (VAT) / sales tax. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT / central sales tax, excise duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of Ind AS 18 on "Revenue".

(ii) In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

(iii) The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

(iv) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

(v) Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

(vi) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

(vii) Dividend from associates / joint ventures is recognised in the statement of profit and loss in separate consolidated financial statements when the parent company's right to receive the dividend is established.

(o) Taxes

Tax expenses comprise current tax and deferred tax:

(i) Current Tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

(iii) MAT credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

(p) Leases

Operating lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis in accordance with Ind AS 17.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(q) Research and development

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

(r) Earnings per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(s) Dividend distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

(t) Share-based payment transactions

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

(u) Business combinations:

i) The Group accounts for business combination by applying the acquisition method. The acquisition date is the date on which control is acquired by the Group. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

ii) Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

iii) The difference between the fair value of the consideration transferred as of the applicable acquisition date, including the recognized amount of non-controlling interest in the acquiree, if any, less the net recognized amount of the identifiable tangible and intangible assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed is recognized as goodwill or capital reserve, as the case may be.

iv) Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of contingent consideration, if any. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

v) Goodwill, if any, that arises on account of such business combination is tested annually for impairment.

vi) Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(v) Recent accounting pronouncements

i) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

ii) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is being ascertained.

Notes to consolidated financial statements as at and for year ended March 31,2018

1. Property, Plant & Equipment

(₹ Crores)

	Freehold land	Leasehold land	Building	Plant & equipment	Plant & equipment (given on lease)	Office & other equipment	Effluent treatment plant	Furniture & fixture	Vehicles	R&D building	R&D equip-ment	R&D furniture	Total
Gross Block													
As on April 1, 2016	50.28	47.89	484.74	1,239.11	3.60	16.18	69.98	45.00	15.65	14.32	106.42	2.34	2,095.51
Additions	-	-	34.98	85.07	-	2.51	7.68	3.28	1.46	-	5.28	0.33	140.59
Adjustments/Disposals	-	-	(2.14)	(5.06)	0.10	(0.10)	-	(0.04)	(0.77)	-	(0.22)	-	(8.23)
As on March 31, 2017	50.28	47.89	517.58	1,319.12	3.70	18.59	77.66	48.24	16.34	14.32	111.48	2.67	2,227.87
Additions	6.21	0.27	16.39	60.00	-	2.02	1.30	1.73	1.15	-	17.84	0.16	107.07
Adjustments/Disposals	0.11	-	(0.05)	(1.32)	0.01	(0.08)	-	0.01	(0.74)	0.01	(0.48)	-	(2.53)
As on March 31, 2018	56.60	48.16	533.92	1,377.80	3.71	20.53	78.96	49.98	16.75	14.33	128.84	2.83	2,332.41
Accumulated Deprecation /Amortisation													
As on April 1, 2016	-	0.96	17.48	101.87	0.45	3.74	5.08	5.23	3.77	0.62	14.17	0.25	153.62
For the year 2016-17	-	0.96	17.72	107.88	0.43	3.73	6.35	5.51	3.62	0.62	14.52	0.31	161.65
Adjustments/Disposals	-	-	(0.05)	(0.38)	-	(0.03)	-	(0.01)	(0.25)	-	(0.08)	-	(0.80)
As on March 31, 2017	-	1.92	35.15	209.37	0.88	7.44	11.43	10.73	7.14	1.24	28.61	0.56	314.47
For the year 2017-18	-	0.97	18.81	110.23	0.41	3.82	6.57	5.52	2.83	0.61	15.56	0.31	165.64
Adjustments/Disposals	-	-	-	(0.48)	0.01	(0.07)	-	0.02	(0.50)	-	(0.28)	(0.01)	(1.31)
As on March 31, 2018	-	2.89	53.96	319.12	1.30	11.19	18.00	16.27	9.47	1.85	43.89	0.86	478.80
Net Block as on Mar 31, 2017	50.28	45.97	482.43	1,109.75	2.82	11.15	66.23	37.51	9.20	13.08	82.87	2.11	1,913.40
Net Block as on Mar 31, 2018	56.60	45.27	479.96	1,058.68	2.41	9.34	60.96	33.71	7.28	12.48	84.95	1.97	1,853.61

Notes:

1. Buildings include cost of shares in co-operative societies.
2. Out of depreciation and amortisation for the year of ₹ 177.73 crore (previous year ₹ 172.95 crore), depreciation of Nil (previous year ₹ 0.03 crore) relating to project under execution for the period before start of production is transferred to project expenses pending allocation.
3. Cost of Borrowing of ₹ Nil (previous year ₹ 0.50 crore) is capitalised to the project.

1A : Goodwill

The Goodwill represents the excess of the consideration paid over the fair value of assets and liabilities of industrial undertaking situated at Mahad, Aurangabad and Pithampur. This Goodwill is being tested for impairment at each balance sheet date.

1B : Other Intangible Assets

(₹ Crores)

	Software	Brand / Trade Mark	Know-How	Software - R&D	Total
Gross Block					-
As on April 1, 2016	21.91	5.90	4.51	1.92	34.24
Additions	3.19	-	5.21	0.51	8.91
Disposals/Adjustments	-	-	-	-	-
As on March 31, 2017	25.10	5.90	9.72	2.43	43.15
Additions	2.58	-	37.87	0.45	40.90
Disposals/Adjustments	-	-	0.67	-	0.67
As on March 31, 2018	27.68	5.90	48.26	2.88	84.72
Accumulated Deprecation /Amortisation					
As on April 1, 2016	5.87	1.76	1.06	0.46	9.15
For the year 2016-17	6.77	1.76	2.24	0.56	11.33
Disposals/Adjustments	-	-	-	-	-
As on March 31, 2017	12.64	3.52	3.30	1.02	20.48
For the year 2017-18	6.24	1.76	3.43	0.66	12.09
Disposals/Adjustments	-	-	-	-	-
As on March 31, 2018	18.88	5.28	6.73	1.68	32.57
Net Block as on March 31, 2017	12.46	2.38	6.42	1.41	22.67
Net Block as on March 31, 2018	8.80	0.62	41.53	1.20	52.15

2 Financial Assets - Investments

Investments in joint venture / associate at cost

(₹ Crores)

Sr. no.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Equity instrument in joint venture	4.47	3.35
2	Equity instrument in associates	13.05	18.84
	Total	17.52	22.19
2A	**Other non-current investments**		
	Investment in equity	-	-
	Investment in preference shares	-	0.05
	Total	-	0.05
2B	**Current investments**		
	Investment in mutual fund	69.35	113.57
	Total	69.35	113.57

Notes to consolidated financial statements as at and for the year ended March 31,2018

2 Investment in Joint venture / Associate

Sr. no.	Name of the Body Corporate	Relationship	Face value	Extent of holding (%) no. of shares		(₹ Crores)	
				31/3/2018	31/3/2017	31/3/2018	31/3/2017
Non-current investment							
Investments at cost							
(1)	**Unquoted equity shares**						
	Investment in equity instruments (at cost)						
1	Avik Pharmaceutical Ltd.	Joint venture	₹100	49.02%	49.02%	4.47	3.35
				5,00,000	5,00,000		
2	CCPL Software Pvt.Ltd. #	Associate	₹100	28.95%	28.95%	-	-
				55,000	55,000		
3	Trophic Wellness Pvt. Ltd.						
		Associate	₹10	19.26%	19.26%	6.89	6.59
				7,80,000	7,80,000		
	Total					11.36	9.94
(2)	**Quoted equity shares**						
	Investment in equity instruments (at cost)						
1	Krebs Biochemicals & Industries Ltd.	Associate	₹10	29.83%	29.83%	6.16	12.25
				41,00,100	41,00,100		
	Total quoted investments					6.16	12.25
	Total FVTPL non current investments (1+2)					17.52	22.19

Cost fully written off in books

i) Aggregate value of investments

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate book value of quoted investments	6.16	12.25
Aggregate market value of quoted investments	67.28	41.06
Aggregate book value of unquoted investments	11.36	9.94

ii) Details of Investments in joint venture / associate (at cost)

a) Avik Pharmaceutical Ltd.

During the year 2013-14 the Company had acquired 49.02% of shares in Avik Pharmaceutical Ltd. Avik is manufacturing API's, primarily Cortico Steroids and Hormones since 1980. Avik is pioneer in the manufacturing of steroids in India. Avik's two manufacturing facilities are located at Vapi, Gujarat.

b) Trophic Wellness Pvt. Ltd.

Trophic Wellness Pvt. Ltd. was incorporated in 2010 and is headquartered in Mumbai, India. The Company has acquired shareholding to the extent of 19.26 % in Trophic Wellness Pvt. Ltd. during the year 2010-11. Trophic Wellness Pvt. Ltd. is engaged in the manufacturing and marketing of neutraceuticals with its manufacturing unit situated in Sikkim.

c) Krebs Biochemicals & Industries Ltd.

Krebs Biochemicals and Industries Ltd. was established in 1991. During the financial year 2014-15, Krebs Biochemicals and Industries Ltd. became an associate company. The Company is presently holding 29.83% shares in this company. Krebs undertakes both contract manufacturing for large pharmaceutical and multinational companies and develops products for sale in global markets. Krebs is listed on NSE and BSE and is headquartered in Vishakapatnam, India with manufacturing plants in Nellore and Vizag. Expertise and infrastructure in the areas of chemical synthesis, fermentation and enzymatic technologies along with a focus on cost and quality makes Krebs a logical partner of the Company for the development and supply of products made using one or more of these technologies.

2A Other Long term Investments

Sr. no.	Name of the Body Corporate	Relationship	Face Value	No. of shares		(₹ Crores)	
				31/3/2018	31/3/2017	31/3/2018	31/3/2017
Investments at fair value through P&L (fully paid)							
Unquoted equity shares							
1	Gujarat Industrial Co-Op Bank Ltd.	Others	₹ 50	140	140	-	-
2	Narmada Clean Tech Ltd. (NCTL) (formerly known as Bharuch Eco Aqua Infrastructure Ltd.)	Others	₹ 10	35,000	35,000	-	-
	Unquoted preference shares						
3	Enviro Infrastructure Company Limited	Others	₹ 10	-	45,000	-	0.05
	Total					-	0.05

Aggregate value of investments (₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	-	0.05

2B Current Investment

Sr. no.	Name of the mutual fund scheme	No. of units		(₹ Crores)	
		31/3/2018	31/3/2017	31/3/2018	31/3/2017
Quoted investment					
Investments at fair value through P&L (fully paid)					
A.	**Investment in mutual fund**				
	Invesco India liquid Fund- Growth	1,05,029	-	25.04	-
	Kotak Low Duration Fund	1,16,320	1,48,069	25.48	30.07
	Kotak Floater Short Term Fund	66,179	1,25,499	18.83	33.43
	Reliance Liquid Fund	-	75,908	-	30.01
	Reliance Medium Term Fund	-	57,82,392	-	20.06
	Total current investments	2,87,528	61,31,868	69.35	113.57

Aggregate value of investments (₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Aggregate book value of quoted investments	69.35	113.57
Aggregate market value of quoted investments	69.35	113.57

Notes to consolidated financial statements as at and for the year ended March 31,2018

Details of loans given, investments made, guarantees given and security provided covered under section 186(4) of the Companies Act,2013 are given hereunder:

(₹ Crores)

Sr. no.	Name of the party	Nature	Relation	Purpose	March 31, 2018	March 31, 2017
1	Krebs Biochemicals & Industries Ltd	Loan Given	Associate	Loan (ICD) given to Associate for business purpose	12.36	23.57
2	Trophic Wellness Pvt. Ltd.	Investment	Associate	Partly paid up shares converted to fully paid up shares	-	3.40
	Total				12.36	26.97

The disclosure under section 186(4) is made at transaction value before Ind AS effects.

The associates and joint ventures of the Company and the ownership interest are as follows: -

Name of the Associate	CCPL Software Pvt. Ltd.	Trophic Wellness Pvt. Ltd.	Krebs Biochemicals & Industries Ltd	Avik Pharmaceutical Ltd.	Total (₹ Crores)
% of Share held	28.95%	19.26%	29.83%	49.02%	-
Original cost of Investment	1.31	12.34	21.96	6.51	42.12
(Goodwill)/Capital Reserve	(0.79)	1.73	(16.31)	(10.84)	-
Accumulated Profit/ (Loss) up to 01/04/2017	(0.51)*	(5.78)	(11.05)	(3.16)	(19.99)
Accumulated Other comprehensive income up to 01/04/2017	-	0.03	1.34	-	1.37
% of Share held for 2017-18	28.95%	19.26%	29.83%	49.02%	-
Share of profit / (loss) for the year 2017-18 plus proportionate dividend received by associates	*	0.29	(5.66)	1.14	(4.23)
Share of other comprehensive income 2017-18		0.01	(0.43)	(0.02)	(0.44)
Dividend received from associates	-	-	-	-	-
Less: - Disposal of investment	-	-	-	-	-
Carrying value of investment as on 31/03/2018	NIL**	6.89	6.16	4.47	17.52

*No effect of share of loss from CCPL is taken since 01.04.2004, as the Company has no further commitment towards its share of loss in the Associate.

**Balance cost is fully written off in books.

3. Financial Assets - Loans (₹ Crores)

Particulars		As at March 31, 2018		As at March 31, 2017	
		Non current	Current	Non current	Current
(a)	Deposits with others				
	Considered good	47.96	1.25	44.82	0.77
	Considered doubtful	0.02	-	0.02	-
		47.98	1.25	44.84	0.77
	Less : Provision for doubtful deposits	(0.02)	-	(0.02)	-
		47.96	1.25	44.82	0.77
(b)	Loans to related parties	61.95	-	50.03	-
	(Unsecured, considered good)				
(c)	Others (Unsecured, considered good)				
	Loans given to employees	0.57	1.62	0.51	1.28
	Total	110.48	2.87	95.36	2.05

Disclosures:

a) Details of loans and advances in the nature of loan to associates etc. as required under Schedule V(A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

(₹ Crores)

Sr. no.	Name of the company and Relationship	Balance as at Mar 31, 2018	Maximum outstanding during the year 2017-18	Balance as at Mar 31, 2017	Maximum outstanding during the year 2016-17
i)	Krebs Biochemicals & Industries Limited - Associate	47.33	47.33	34.97	34.97
ii)	Avik Pharmaceutical Limited - joint venture	14.62	15.06	15.06	16.19

The disclosure in this para is made of transaction value and not the figures after application of Ind AS.

b) Investment by the loanee in the shares of the Company:

None of the loanees have, per se , made investments in the shares of the Company.

c) Details of Loans and advances to related parties.

(₹ Crores)

Sr. no.	Name of the company and relationship	Balance as at Mar 31, 2018	Balance as at Mar 31, 2017
i)	Krebs Biochemicals & Industries Limited - associate	47.33	34.97
ii)	Avik Pharmaceutical Limited - joint venture	14.62	15.06
	Total	61.95	50.03

d) Deposit includes ₹ 45.00 crores (previous year ₹ 45.00 crores) given as lease deposit for two manufacturing facilities of Krebs Biochemicals & Industries Limited taken on lease by the Company. The figures stated are at transaction value before Ind AS effects.

Notes to consolidated financial statements as at and for the year ended March 31,2018

4. Financial Assets - Others (₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Advances to employees				
- Considered good	-	0.56	-	0.79
- Considered doubtful	-	1.30	-	0.60
	-	1.86	-	1.39
Less : Provision for doubtful advances	-	(1.30)	-	(0.60)
	-	0.56	-	0.79
Other income receivables	0.06	14.22	-	3.41
Claim receivables	-	6.04	-	1.65
Unbilled revenue	-	4.00	-	11.86
Forward contract gain receivable	-	-	-	8.33
Hedging gain receivable	-	3.69	-	3.83
Deposit with other	0.82	-	1.36	-
Duties and taxes refundable	0.15	64.24	-	50.59
Term deposits with banks kept as margin money #	2.29	-	2.24	-
Total	3.32	92.75	3.60	80.46

#Term deposits are lying with government authorities and / or as margin for guarantees issued by banks to various authorities (also refer note no. 34)

5. Other Non-Financial Assets (₹ Crores)

	Particulars	As at March 31, 2018		As at March 31, 2017	
		Non current	Current	Non current	Current
(i)	Capital advances	4.53	-	6.86	-
	(Unsecured, considered good)				
(ii)	Prepaid expenses	4.87	16.77	8.99	14.25
(iii)	Deposits with Govt. departments				
	- Considered good	-	1.25	-	3.70
(iv)	Unutilised indirect tax credit	-	93.01	-	64.29
(v)	Advance to suppliers	-	6.90	-	6.17
(vi)	Export benefits receivables	-	25.92	-	35.40
(vii)	Advances to employees	-	2.86	-	2.85
(viii)	Others	0.01	0.37	0.24	0.84
(ix)	Prepaid taxes (net of provisions)	3.39	-	2.49	-
	Total	12.80	147.08	18.58	127.50

6. Inventories

(₹ Crores)

	Particulars	As at March 31, 2018		As at March 31, 2017	
i)	Raw materials				
	In hand	351.34		300.25	
	In transit	23.53	374.87	31.61	331.86
ii)	Packing materials				
	In hand	29.49		31.13	
	In transit	0.29	29.78	0.12	31.25
iii)	Work-in-progress		182.75		187.70
iv)	Finished goods				
	In hand				
	Own	219.23		261.45	
	Traded	45.43	264.66	40.03	301.48
	In transit				
	Own	8.81		11.63	
	Traded	0.56	9.37	3.94	15.57
v)	Stores and spares		19.16		14.36
	Total		880.59		882.22

All the above inventory other than stores & spares are hypothecated to the lenders as security towards short term borrowings.

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

(₹ Crores)

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Amount of inventories recognised as an expense during the period	1,152.99	1,113.85
(ii)	Amount of write - down of inventories recognised as an expense during the period	5.79	30.33
	Total	1,158.78	1,144.18

7. Financial Assets - Trade receivables (Unsecured, at amortised cost)

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
Considered good	602.75		500.72	
Considered doubtful	0.01		0.03	
	602.76		500.75	
Less: Allowance for doubtful debts	(0.48)		(0.56)	
Less: Provision for doubtful debts (lifetime credit loss)	(0.01)	602.27	(0.03)	500.16
Total		602.27		500.16

The Holding Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Holding Company estimates the following matrix at the reporting date which is calculated on overdue amounts.

Particulars	As at March 31, 2018	As at March 31, 2017
Default rate - local	0.16%	0.12%
Default rate - export	0.89%	0.74%

Notes to consolidated financial statements as at and for the year ended March 31,2018

Movement in the expected credit loss allowance

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	0.56	0.63
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.08)	(0.07)
Provision at the end of the period	0.48	0.56

8. Financial Assets - Cash & Cash Equivalents (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks	25.94	25.93
Cheques, drafts on hand	1.37	1.34
Cash on hand	0.23	0.22
Fixed deposit with bank	121.74	1.93
Total	149.28	29.42

9. Financial Assets - Bank balances other than (8) above (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid dividend accounts	1.29	1.43
Fixed deposits	-	5.00
Total	1.29	6.43

10. Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(₹ Crores)	Number of shares	(₹ Crores)
Authorised capital				
Equity shares of ₹ 2 each	28,50,00,000	57.00	28,50,00,000	57.00
Issued, subscribed and paid up capital				
Issued & subscribed equity shares of ₹ 2 each	12,74,80,204	25.50	12,74,80,204	25.50
Paid up equity shares of ₹ 2 each	12,61,99,109	25.24	12,61,99,109	25.24
Total		25.24		25.24

Of the above 3,22,704 Equity shares of ₹ 2/- each of the Company have been alloted during 2012-13 without payment being received in cash under the scheme of amalgamation of erstwhile Tonira Pharma Limited with the Company.

Disclosures:

i) Reconciliation of shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	Numbers	(₹ Crores)	Numbers	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,61,99,109	25.24
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	12,61,99,109	25.24	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.41%	2,70,18,195	21.41%
Kaygee Laboratories Private Limited (Formerly Exon Laboratories Private Limited)	83,21,000	6.59%	83,21,000	6.59%
Chandurkar Investments Private Limited	69,78,005	5.53%	69,78,005	5.53%

iii) Rights and obligations of shareholders

The Company has only one class of share referred as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend is recommended by management which is subject to shareholder's approval at the Annual General Meeting.

11 Other Equity **(₹ Crores)**

Particulars		As at March 31, 2018		As at March 31, 2017	
(a)	Capital reserve		0.59		0.59
(b)	Securities premium		43.99		43.99
(c)	Capital redemption reserve		0.26		0.26
(d)	Debenture redemption reserve		-		5.00
(e)	Share option outstanding account		0.32		-
(f)	General reserve		1,311.05		1,306.05
(g)	Retained earnings		1,299.65		1,074.04
(h)	OCI reserve				
	- Cash flow hedging reserve	3.69		3.83	
	- Foreign currency translation reserve	3.78	7.47	(3.74)	0.09
	Total		2,663.33		2,430.02

The Board of Directors in their meeting held on May 29, 2018 have recommended a dividend of ₹ 1/- per equity share (previous year ₹ 1/-) to be approved by the shareholders in the ensuing Annual General Meeting. On approval, this will result in an outflow of ₹ 15.23 crores including dividend tax.

Nature and purpose of each reserve

Capital Reserve

During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. 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. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

Capital Redemption Reserve

The Holding Company has recognised Capital Redemption Reserve on buy-back of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

Debenture Redemption Reserve

The Holding Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend. This reserve was transferred to general reserve on redemption of debentures.

Share Options Outstanding Account

The Holding Company has established various equity settled share based payment plan for certain categories of employees.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.

Retained Earning

Retained earnings are the profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves, debenture redemption reserve etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Other items of OCI

This reserve represents exchange differences arising on account of conversion of foreign operations to Company's functional currency.

12 Financial Liabilities - Borrowings

a) Long-term Borrowings - Secured

(₹ Crores)

Particulars	Non - current portion as at		Current maturities as at	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
i. Debentures	-	-	-	4.99
ii. Foreign currency term loan	234.01	340.42	141.23	130.00
iii. Buyers credit	-	6.80	7.93	6.79
Total (a)	234.01	347.22	149.16	141.78

Details of above:-

(₹ Crores)

Sr. No.	Name of the instruments/institutions	Non - current portion as at		Current maturities as at	
		Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
i.	**Debentures**				
1	9.25% Secured redeemable non-convertible debentures	-	-	-	4.99
	Total (i)	-	-	-	4.99
ii.	**Foreign currency term loans**				
1	BNP PARIBAS, Singapore Branch	25.07	44.90	20.06	19.96
2	DBS BANK, Singapore Branch	-	7.64	7.68	15.20
3	Citibank N.A., Jersey	32.56	-	-	-
4	a) HSBC Bank Mauritius Ltd.	-	14.31	14.48	28.87
	b) HSBC Bank Mauritius Ltd.	-	-	-	14.96
	c) HSBC Bank Mauritius Ltd.	8.14	40.49	32.55	32.33
	d) HSBC Bank Mauritius Ltd.	90.88	107.71	17.68	14.63
5	Standard Chartered Bank- London	44.81	60.80	16.30	4.05
6	United Overseas Bank Ltd.	32.55	64.57	32.48	-
	Total (ii)	234.01	340.42	141.23	130.00
iii.	**Buyers credit**				
1	Standard Chartered Bank	-	6.80	7.93	6.79
	Total (iii)	-	6.80	7.93	6.79
Total (i + ii + iii)		234.01	347.22	149.16	141.78

b) Long-term Borrowings - Unsecured

(i)	**Buyers credit**	-	4.52	5.35	44.93
Total (a+b)		234.01	351.74	154.51	186.71

c) Details of securities and repayment terms of secured loans stated above

(i) Debentures

Secured by first mortgage and pari-passu charge over Company's office premises at Ahmedabad, Gujarat and first charge by way of equitable mortgage charge on immovable properties being land and building situated at Sejavata, Ratlam and Polo Ground, Indore, both in the state of Madhya Pradesh; Village Athal & Village Piparia (Silvassa); plot no. 48, plot no. 142-AB, plot no. 123, plot no. 125 & plot no. 126 ABCD at Kandivli Industrial Estate in Mumbai and at Dehradun in the state of Uttarakhand.

Redeemable in 4 equal annual instalments of ₹ 5.00 crores at the end of 2nd year, 3rd year, 4th year and 5th year from the date of issue i.e. December 12, 2012.

(ii) Foreign Currency Term Loans

1 BNP PARIBAS, Singapore Branch

Secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future Including Pithampur Plant(Indore).

Repayable in 13 equal quarterly instalments from June 30, 2017

2 DBS BANK, Singapore Branch

Secured by first pari passu charge by way of hypothecation of all the movable fixed assets both present and future.

Repayable in 17 equal quarterly instalments from September 16, 2014.

3 Citibank N.A., Jersey

Secured by first pari passu charge over movable assets of the company except assets at Unit II at Sikkim plant and specific machines at Athal and Ratlam which are financed under buyer credit.

Repayable in 16 equal quarterly instalments from June 15, 2019.

4 HSBC Bank Mauritius Ltd.

a. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

Repayable in 9 equal quarterly instalments from September 26, 2016.

b. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

Repayable in 13 equal quarterly instalments from November 19, 2014.

c. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Pithampur, Indore and at Baroda.

Repayable in 16 equal quarterly instalments from September 30, 2015.

d. Secured by first pari-passu charge over current and future movable fixed assets of the Company except assets at Baroda.

Repayable in 11 half yearly un-equal instalments from December 08, 2016.

5 Standard Chartered Bank- London

Secured by first pari-passu charge on movable fixed assets at company's API plant at Baroda and Formulation plant at SEZ Pithampur and the specific and exclusive charge on the unit II at Sikkim.

Repayable in 16 quarterly equal instalments from February 15, 2018.

6 United Overseas Bank Ltd.

Secured by first pari passu charge by way of hypothecation on movable fixed assets both present and future Including Pithampur plant (Indore).

Repayable in 4 equal half yearly instalments from June 29, 2018.

(iii) Buyer's Credit - Standard Chartered Bank

Exclusive Charge by way of hypothecation on specific movable fixed assets financed through this buyer's credit.

Repayable 10% at the end of 12 months, 45% at the end of 24 months and balance 45% at the end of 36 months from the date of drawdown.

d) Maturity Profile of Borrowings other than Debentures is as per the original sanction terms without Ind AS effects.

(₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Installment payable between 1 to 2 years	108.05	152.30
Installment payable between 2 to 5 years	126.41	200.86
Total	234.46	353.16

e) The long term loans other than non convertible debentures are taken at the following rates.

Particulars	Interest Band
Foreign currency loan	Libor + 0.55% to 2.45%

13 Other Financial Liabilities

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Deposits from customers	-	1.03	-	1.07
Current maturities of long term debt	-	154.51	-	186.71
Interest accrued but not due on borrowings	-	1.36	-	1.71
Unpaid dividends	-	1.29	-	1.43
Amount payable on hedging transactions	-	2.10	-	0.02
Payable for capital goods	-	9.79	-	21.47
Dividend payable	-	2.27	-	-
Other payable	-	61.52	-	66.87
Total	-	233.87	-	279.28

14 Provisions

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Gratuity	-	2.12	-	3.39
Provision for leave encashment	25.88	2.59	24.55	2.67
Other employee related provision	-	4.61	-	2.16
Provision for breakage/damage	-	2.78	-	2.38
Provision for product expiry	-	46.11	-	43.46
Provision for sales return	-	9.00	-	6.35
Total	25.88	67.21	24.55	60.41

The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(₹ Crores)

	Particulars	March 31, 2018	March 31, 2017
(i)	**Provision for breakage/damage**		
	Balance at the beginning of the period	2.38	3.50
	Provisions made during the period	2.99	2.49
	Utilisations during the period	(2.59)	(3.61)
	Provision at the end of the period	2.78	2.38
(ii)	**Provision for product expiry**		
	Balance at the beginning of the period	43.46	37.28
	Provisions made during the period	32.40	30.79
	Utilisations during the period	(29.75)	(24.61)
	Provision at the end of the period	46.11	43.46
(iii)	**Provision for sales return**		
	Balance at the beginning of the period	6.35	6.62
	Provisions made during the period	22.37	17.81
	Utilisations during the period	(19.72)	(18.08)
	Provision at the end of the period	9.00	6.35
(iv)	**Provision for wage arrears under negotiation**		
	Balance at the beginning of the period	2.16	5.74
	Provisions made during the period	2.80	8.32
	Utilisations during the period	(0.35)	(11.90)
	Provision at the end of the period	4.61	2.16

14.1(i) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

Gratuity

The Holding Company provides gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These plans typically expose the Holding Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market risk (discount risk)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence, the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Actuarial Risk -

The following table summarizes the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Particulars	As at Mar 31, 2018 (₹ Crores)	As at Mar 31, 2017 (₹ Crores)
Expense recognised in statement of profit & loss		
Current service cost	7.14	6.13
Interest expense	3.66	3.24
Expected return on plan assets	(3.70)	(3.49)
Total	7.10	5.88
Expense recognised in other comprehensive income		
Return on plan assets (greater)/less than discount rate	(0.58)	(0.17)
Actuarial (gain)/loss due to experience on DBO	(1.71)	4.61
Total	(2.29)	4.44
Present value of funded defined benefit obligation	58.12	54.49
Fair value of plan assets	(56.00)	(51.10)
Funded status	2.12	3.39
Net defined benefit (asset)	2.12	3.39
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	54.49	43.20
Current service cost	7.14	6.13
Interest cost	3.66	3.24
Actuarial (gain)/loss	(1.71)	4.61
Benefits paid	(5.46)	(2.69)
Present value of defined benefit obligation at the end of the year	58.12	54.49
Movements in fair value of the plan assets are as follows		
Opening fair value of plan assets	51.10	41.28
Expected returns on plan assets	3.70	3.49
Remeasurement (gains)/losses:		
Actuarial (gain)/loss on plan assets	0.58	0.17
Contribution from employer	6.07	8.85
Benefits paid	(5.46)	(2.69)
Closing fair value of the plan asset	55.99	51.10
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	(1.71)	4.61
Actuarial (gain)/loss on plan assets	(0.58)	(0.17)
Total Actuarial (Gain)/Loss included in OCI	(2.29)	4.44

The principal assumptions used as at the balance sheet date are used for the purpose of actuarial valuations were as follows

Particulars	As at Mar 31, 2018	As at Mar 31, 2017
Financial assumptions		
Discount rate	7.70%	7.25%
Salary increase rate	6.00%	6.00%
Demographic assumptions		
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal rate	5%	5%
Retirement age	58 years	58 years

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Defined Benefit Obligation		
Discount rate		
a. Discount rate - 100 basis points	62.36	60.75
b. Discount rate + 100 basis points	53.67	50.56
Salary increase rate		
a. Rate - 100 basis points	53.83	51.99
b. Rate + 100 basis points	62.09	58.74

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would clear in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(ii) Employee Stock Option Plans

The Holding Company has a stock option plan that provides for the granting of stock options to qualifying permanent employees including Wholetime Non- Promoter Director of the Company. The option plan is summarized below:

The Board of Directors at the meeting held on April 25, 2017 have granted 1,65,000 (One Lakh Sixty Five Thousand) option under Ipca Laboratories Limited -Employees Stock option Scheme- 2014 (ESOS).

The Option granted would be vested on completion of 1 year from the date of grant of the option. Therefore, as at the Balance sheet date there were no options exercisable as the balance contractual life was less than one year.

The option granted are pursuant to Ipca laboratories Limited - Employee Stock Option Scheme -2014 (ESOS) and subject to all applicable laws, rules and regulations and also subject to such approvals as may be required under such laws, rules and regulations, as in force from time to time.

The compensation cost for ESOS-2014 has been recognized based on the fair value at the date of grant in accordance with the Black-Scholes method determine by an independent merchant banker.

All the options are granted on a single date, which vest at the expiry of one year and have exercise period of 2 months. However, the decision on exercise of the options is dependent on the expectations of economic gains based on future outlook prevailing at the time by the option grantees. We have considered the expected life of the option as the vesting period plus exercise period from the date of grant.

Notes to consolidated financial statements as at and for the year ended March 31,2018

Particulars	Year ended March 31, 2018	
	No. of options	Exercise price
Outstanding, beginning of year	-	-
Granted during the year	1,65,000	₹ 300
Exercised during the year	-	-
Forfeited during the year	8,500	₹ 300
Outstanding, end of year	1,56,500	₹ 300

The following table summarises the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2018

Dividend yield	0.11%
Expected volatility	32.16%
Risk-free interest rate	7.72%
Expected life of share options (years)	1.17
Weighted average share price (₹)	₹595.40
Model used	Black-Scholes
Grant date fair value	₹321.14

The Black-Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measurement of fair value of options.

15 Deferred Tax Liabilities (Net)

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
Deferred tax liabilities on account of :				
Depreciation including on R & D assets, amortisation and impairment		232.46		228.38
Deferred tax asset on account of :				
Leave encashment	9.95		9.42	
Bonus expenses	1.05		2.42	
MAT Credit available	61.75		28.00	
Provision for revenue and credit loss	-		18.06	
Other tax disallowance	-	72.75	0.01	57.91
Net deferred tax liability		159.71		170.47

Deferred Tax Assets (Net)

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets of subsidiaries	1.74	-
Net deferred tax asset	1.74	-

16 Other Non-financial liabilities

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non current	Current	Non current	Current
Security deposit	1.56	-	1.56	-
Revenue received in advance	-	7.77	-	9.85
Duties & taxes payable	-	18.50	-	22.73
Forward hedging payable	-	0.43	-	-
Other payables	-	6.18	-	4.55
Total	1.56	32.88	1.56	37.13

17 Financial Liabilities - Borrowings

(₹ Crores)

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Secured loans:*		
	Working capital loan from banks	239.04	167.30
(ii)	Unsecured loans:		
	Short term loans from banks	-	10.00
	Total	239.04	177.30

* Secured loans are secured by first charge by way of hypothecation of all the stocks, book debts and all other movable current assets of the Holding Company and second charge by way of mortgage of the immovable properties of the Holding Company and hypothecation of plant & machinery of the Holding Company.

18 Financial Liabilities - Trade Payables

(₹ Crores)

	Particulars	As at March 31, 2018	As at March 31, 2017
a)	Trade payables for goods and services:		
	- Total outstanding dues of micro and small enterprises	2.19	2.63
	- Others	382.47	355.77
b)	Acceptances	38.81	38.14
	Total	423.47	396.54

Trade payables and acceptances are non-interest bearing and are normally settled between 0-120 days.

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Principal amount due	2.19	2.63
Interest due on above	-	-
Amount paid in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	3.12	2.98
- Interest paid thereon	0.02	0.02
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	0.02	0.02
Amount of further interest remaining due and payable in the succeeding year	-	-

Notes to consolidated financial statements as at and for the year ended March 31,2018

The Holding Company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

19 Current Tax Liabilities (Net)

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation (net of taxes paid)	11.10	5.27
Total	11.10	5.27

20 Revenue from Operations (Gross)

(₹ Crores)

Particulars	2017-18	2016-17
Sale of products (refer note No.35)	3,175.83	3,094.94
Sale of services	56.57	53.74
Other operating revenues:		
Export incentives	37.42	47.03
Sundry balances w/back	2.55	2.51
Bad debts recovered	-	0.68
Miscellaneous income	11.20	13.30
Total	3,283.57	3,212.20

21 Other Income

(₹ Crores)

Particulars	2017-18	2016-17
Interest income	10.69	8.79
Interest income on financial asset at amortised cost	4.44	3.93
Profit on sale of investments - current (net)	6.53	5.15
Net gain on financial asset through FVTPL	0.48	0.16
Remeasurement of financial assets	-	0.11
Profit on sale of property, plant & equipment	0.51	0.45
Miscellaneous income	17.55	2.42
Royalty income	1.60	-
Total	41.80	21.01

22 Cost of Materials Consumed

(₹ Crores)

Particulars	2017-18		2016-17	
Raw materials consumed				
Opening stock	331.86		294.90	
Add : Purchases (net of discount)	812.42		808.62	
Add : Raw material conversion charges	16.51		11.42	
	1,160.79		1,114.94	
Less : Closing stock	374.87	785.92	331.86	783.08
Packing materials consumed				
Opening stock	31.25		32.68	
Add : Purchases (net of discount)	160.77		187.89	
	192.02		220.57	
Less : Closing stock	29.78	162.24	31.25	189.32
Neutralisation of duties and taxes on inputs for exports - drawback benefits		(15.80)		(18.53)
Total		932.37		953.87

23 Purchases of Traded Goods (₹ Crores)

Particulars	2017-18	2016-17
Formulations	123.89	142.37
Active Pharmaceutical ingredients/ Intermediates	40.67	16.64
Others	4.35	2.83
Total	168.91	161.84

24 Changes in inventories of Finished Goods(FG), Work-in-progress(WIP) and Traded Goods (₹ Crores)

Particulars	2017-18		2016-17	
Inventory adjustments - WIP				
Stock at commencement	187.92		201.23	
Less: - Stock at closing	182.75	5.17	187.70	13.53
Inventory adjustments - FG				
Stock at commencement	273.08		264.71	
Less : Stock at closing	228.04	45.04	273.08	(8.37)
Inventory adjustments - traded goods				
Stock at commencement	43.97		31.12	
Less : Stock at closing	45.99	(2.02)	43.97	(12.85)
Variation in excise duty on : (refer note no.35)				
Closing stock of finished goods	-		24.21	
Less: Opening stock of finished goods	24.68	(24.68)	22.04	2.17
Total		23.51		(5.52)

25 Employee Benefits Expenses (₹ Crores)

Particulars	2017-18	2016-17
Salaries, bonus, perquisites, etc.	658.57	615.36
Contribution to provident and other funds	37.37	35.09
Leave encashment	7.57	11.17
Leave travel assistance	2.02	3.86
Gratuity fund contributions	7.10	5.88
ESOS compensation	0.32	-
Staff welfare expenses	20.99	21.89
Recruitment & training	1.94	2.73
Total	735.88	695.98

26 Finance Cost (₹ Crores)

Particulars	2017-18	2016-17
Interest expense	22.20	20.07
Other borrowing cost	0.59	3.01
Interest on income tax	1.23	1.00
Total	24.02	24.08

27 Depreciation & Amortisation (₹ Crores)

Particulars	2017-18	2016-17
Depreciation on tangible assets	165.64	161.62
Amortisation on intangible assets	12.09	11.33
Total	177.73	172.95

Notes to consolidated financial statements as at and for the year ended March 31,2018

28 Other Expenses

(₹ Crores)

Particulars	2017-18	2016-17
Consumption of stores and spares	33.99	33.99
Power and fuel	155.49	145.67
Water charges	6.43	5.33
Freight, forwarding and transportation	72.54	76.22
Outside manufacturing charges	17.43	19.94
Repairs and maintenance	93.97	88.32
Loss on sale of property, plant & equipment	0.65	1.93
Property, plant & equipment scrapped	0.32	1.53
Commission on sales and brokerage	22.34	19.31
Field staff expenses	77.16	85.12
Sales and marketing expenses	157.68	164.18
Product information catalogue	20.12	19.24
Expenditure on scientific research	26.62	41.68
Laboratory expenses and analytical charges	32.66	31.27
Rent	20.94	19.49
Rates and taxes	14.05	17.31
Travelling expenses	45.09	32.50
Professional charges	60.76	38.91
Printing and stationery	7.67	7.77
Books, subscription and software	10.22	13.81
Product registration expenses	10.82	11.01
Excise duty/ GST Expenses (refer note no. 35)	25.81	56.01
Communication expenses	6.29	6.52
Insurance	13.09	11.66
Intellectual property right expenses	1.76	1.83
Remuneration to auditors	0.54	0.62
Remuneration to components' auditors	0.13	0.13
Bank charges	3.55	2.83
Provision for doubtful debts/advances	0.64	0.51
Bad debts and other balance w/off	2.57	2.68
CSR expenses	10.17	4.28
Compensation towards failure to supply of goods/services	4.94	1.79
Foreign exchange (gain)/loss-net	(0.48)	(15.22)
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	12.23	11.52
Total	968.19	959.69

Details of:

1.	**Repairs and maintenance:**		
	Building	17.87	13.62
	Machinery	72.64	73.11
	Others	3.46	1.59
		93.97	88.32
2.	**Remuneration to auditors:**		
	Audit fees including limited review	0.44	0.42
	Tax matters	0.07	0.10
	Certification and other services	0.03	0.07
	Out of pocket expenses	-	0.03
		0.54	0.62

Disclosures:

Total expenditure on R & D is included in respective heads of accounts as under: **(₹ Crores)**

Particulars	2017-18	2016-17
Expenditure on scientific research (includes stores and chemicals, bio-availability, bio-equivalence and toxicity studies)	26.61	41.68
Cost of materials consumed	0.62	0.94
Employee benefits expenses	48.70	51.38
Other expenses	23.72	25.55
Depreciation	17.14	16.02
Total	116.79	135.57

29 Tax Expense **(₹ Crores)**

Particulars	2017-18	2016-17
Current Tax	61.35	53.30
Tax expense of previous year	0.72	(0.04)
Deferred Tax	(10.96)	14.26
Total	51.11	67.52
Reconciliation of current rate of tax and effective rate of tax:		
Profit before Income taxes	290.53	262.06
Enacted tax rates in India (%)	34.61%	34.61%
Computed expected tax expenses	100.55	90.70
Tax effect due to incentives	(66.45)	(1.93)
Accelerated depreciation	1.47	(4.53)
Effect of exempt income	(0.02)	(2.98)
Effect of non- deductible expenses	7.12	10.99
Effect of differential overseas tax rates	(1.28)	(32.71)
Additional deduction on research and development expenses	(24.66)	(40.17)
Trading loss brought forward	(0.12)	(2.55)
Others	0.15	(16.81)
Income tax expenses - net	16.76	-
Tax liability as per Minimum Alternate Tax on book profits of holding company and income tax of group company		
Minimum Alternate Tax rate	21.34%	21.34%
Computed tax liability on book profits	61.95	55.93
Tax effect on adjustments:		
Provision for diminution disallowed	-	0.01
Adjustment of OCI	(1.26)	0.95
Others	0.66	(3.59)
Minimum Alternate Tax on book profit of holding company and Income tax of group company	61.35	53.30

Notes to consolidated financial statements as at and for the year ended March 31,2018

30 Disclosure as required by Accounting Standard – Ind AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules, 2015.

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

(₹ Crores)

	Particulars	2017-18		2016-17	
i	Profit after tax		239.42		194.54
ii	Profit after tax and exceptional items		239.42		194.54
iii	Closing equity shares outstanding (nos.)				
	Opening equity shares outstanding (nos.)	12,61,99,109		12,61,99,109	
	Add:- issued during the year (nos.)	-		-	
	Closing equity shares outstanding (nos.)		12,61,99,109		12,61,99,109
iv	Weighted avg no. of shares outstanding (nos.) (basic)		12,61,99,109		12,61,99,109
v	Weighted avg no. of shares outstanding (nos.) (diluted)		12,62,08,734		12,61,99,109
vi	Nominal value of equity share (₹)		2.00		2.00
vii	Basic EPS (I / iv) (₹)		18.97		15.42
viii	Diluted EPS (I / v) (₹)		18.97		15.42

31 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Holding Company has taken various residential / godowns / offices premises (including furniture and fittings if any) under leave and license agreements. These generally range between 11 months to 3 years under leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognised in the statement of profit and loss under rent.

The Holding Company has given certain plant and equipment under operating lease and the same is shown separately in property, plant & equipment.

The following operating lease payments are committed to be paid as under by Group :

(₹ Crores)

	As at March 31, 2018	As at March 31, 2017
Expiring:		
Within one year	0.02	0.02
Between one and five years	1.40	0.91
	1.42	0.93

32 Segment Reporting

Disclosure as required by Ind AS 108 "Operating Segment", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in accordance with Ind AS "Operating Segment", the Company has only one reportable operating segment i.e. pharmaceuticals. The additional disclosure is being made in the consolidated financial statements.

Additional disclosure required as per Ind AS 108

(₹ Crores)

	Particulars	2017-18	2016-17
(i)	The revenue from Geographical region		
	India	1,616.97	1,596.48
	Outside India	1,666.60	1,615.72
	Total	3,283.57	3,212.20

Of the above, revenue from sales to United Kingdom amounts to ₹ 152.08 crores (previous year ₹ 281.65 crores).

The non-current assets attributable to any particular geographical segment is not material for disclosure.

(ii) No single customer or customer group accounts for more than 10% of the revenue.

33 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

A. List of related parties

Relationships		Country
i. Entities having significant influence		
Shareholders of Ipca Laboratories Ltd		
Kaygee Investments Pvt.Ltd.		India
ii. Associates		
Trophic Wellness Pvt.Ltd.		India
Krebs Biochemicals & Industries Ltd.		India
iii. Joint venture		
Avik Pharmaceutical Ltd.		India
iv. Key management personnel		
Mr. Premchand Godha	Chairman & Managing Director	Indian
Mr. Ajit Kumar Jain	Joint Managing Director & CFO	Indian
Mr. Pranay Godha	Executive Director	Indian
Mr. Prashant Godha	Executive Director	Indian
Mr. Babulal Jain	Independent Director	Indian
Mr. Anand T. Kusre	Independent Director	Indian
Mr. Dev Parkash Yadava	Independent Director	Indian
Dr. Ramakanta M. Panda	Independent Director	Indian
Mrs. Manisha Premnath	Independent Director	Indian
v. Other related parties		
(Entities in which directors or their relatives have significant influence)		
Nipra Industries Pvt.Ltd.		India
Nipra Packaging Pvt. Ltd.		India
Prabhat Foundation		India
Vandhara Resorts Pvt. Ltd.		India
Mexin Medicaments Pvt. Ltd.		India
Makers Laboratories Ltd.		India

Details of related party transaction are given in statement 1 attached to the financial statement.

34 Contingent liabilities and Commitments

A. Contingent Liabilities

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company *	22.09	20.43
Amount deposited under protest	(1.23)	(1.80)
Claims against the Company not acknowledged as debts	6.98	13.25
Corporate guarantee given to others	2.28	2.28
Guarantees given by banks in favour of Govt. & others *	12.93	11.31
Total	43.05	45.47

*Note:- It includes ₹ 4.38 crores (Previous year ₹ 4.38 crores) towards interest and penalty demanded by excise department Ankleshwar, relating to erstwhile Tonira Pharma Limited since amalgamated with the Company and is not payable in accordance with the order passed by the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad. The Department had moved the Hon'ble Gujarat High Court against the said CESTAT order and as per the order of the said Hon'ble High Court, the Company has furnished a bank guarantee of ₹2.00 crores (previous year ₹2.00 crores) to the department.

Notes to consolidated financial statements as at and for the year ended March 31,2018

B. Commitments (₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible Assets	11.22	15.46
Intangible Assets	27.17	27.68
	38.39	43.14
(b) Other Commitments		
Purchase orders backed by LC opened by bankers.	25.64	34.40
Total	64.03	77.54

35 Goods and Service Tax (GST)

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT) / Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT / Central Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly, the same is not recognised as part of sales in terms of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, figures for the year ended and as on March 31, 2018 such as sales, expenses, elements of working capital (Inventories, other current assets / current liabilities) and ratios in percentage of sales are not comparable with the figures of the previous year.

36 Financial Instruments

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

(₹ Crores)

Particulars	Carrying Value		Fair Value	
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
Financial assets				
Amortised cost				
Investments				
- Equity Instruments	-	-	-	-
- Preference Shares	-	0.05	-	0.05
Loans	113.35	97.41	113.35	97.41
Others	92.38	71.90	92.38	71.90
Trade receivables	602.27	500.16	602.27	500.16
Cash and cash equivalents	150.57	35.85	150.57	35.85
FVTPL				
Equity Instruments	-	-	-	-
Mutual funds considered as Cash and cash equivalents	69.35	113.57	69.35	113.57
FVTOCI				
Derivative Assets	3.69	12.16	3.69	12.16
Total Financial Assets	1,031.61	831.10	1,031.61	831.10
Financial liabilities				
Amortised cost				
Borrowings	473.05	529.04	473.05	529.04
Trade payables	423.47	396.54	423.47	396.54
Others	231.77	279.26	231.77	279.26
FVTOCI				
Derivative Liabilities	2.10	0.02	2.10	0.02
Total Financial Liabilities	1,130.39	1,204.86	1,130.39	1,204.86

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

37 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ Crores)

		Fair Value measurement using			
Particular	**Date of Valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets measured at fair value					
Mutual funds - Growth plan	31/03/2018	69.35	-	-	69.35
Derivative financial assets	31/03/2018	-	3.69	-	3.69
Total financial assets		69.35	3.69	-	73.04
Financial liabilities					
Derivative financial liabilities	31/03/2018	-	2.10	-	2.10
Total financial liabilities		-	2.10	-	2.10
Financial assets measured at fair value					
Mutual funds - Growth plan	31/03/2017	113.57	-	-	113.57
Derivative financial assets	31/03/2017	-	12.16	-	12.16
Total financial assets		113.57	12.16	-	125.73
Financial liabilities					
Derivative financial liabilities	31/03/2017	-	0.02	-	0.02
Total financial liabilities		-	0.02	-	0.02

38 Financial Risk Factors

The Company's business activities are exposed to a variety of financial risks: Market/Business risk, credit risk, Exchange risk, etc. The Company's focus is to foresee the unpredictability of financial and business risks and seek to minimize potential adverse effects of these risks on its business and financial performance.

i. Business/Market Risk

The primary business/market risk to the Company is the price risk and its ability to pass on the same to its customers. The Company's operations extend to a number of countries across the globe and its products pricing competitiveness is a primary factor for the acceptability of Company's products in those markets. The Company has a robust procurement process, which ensures that its pricing power is not adversely affected by price changes in the market place for its raw materials. The backward integration into manufacturing of several API's for its own use in the formulations manufacturing also works as a mitigating strategy for price risk faced by the Company.

The other business risk is regulatory risk and regulatory audits of its manufacturing facilities by the regulators to ensure that the manufacturing facilities meet the current Good Manufacturing Practices (cGMP) requirements. The Company is already exposed to certain audit observations from the US FDA for 3 of its manufacturing plants and has taken the necessary corrective measures to redress those US FDA audit observations so as to be able to market all its products once again in the US market. While the stringent regulatory requirements and audits works as a business risk, the successful audit of its facilities by regulators coupled with price competitiveness results in higher business and margins for the Company.

The Company's products are also subjected to product liability claims/litigations. To mitigate these risks, the Company has obtained adequate Product Liability Insurance.

The Company, however, has a reduced risk from dependence on any single customer as no single customer or customer group accounts for more than 10% of Company's annual revenue. The Company also continuously forays into different markets/countries to reduce its dependence on any particular country or customer group. The Company also has a diversified therapeutic product portfolio and therefore no single product account for more than 10% of Company's annual revenue.

ii. Credit Risk

The Company has exposure to credit risks associated with sales to various developing markets/countries. To mitigate these credit risks arising out of this, the Company obtains credit insurance on a regular basis after evaluating the credit risk associated with a country/customer. Country/customer where no credit insurance is available, the Company monitors such risk by continuously monitoring its exposure to such country/customer. There was no historically significant credit risk in the domestic market for the Company. Based on the historical data, the Company has made adequate provisions for expected loss because of credit risk, which is neither significant nor material.

iii. Interest Risk

The Company has borrowings mainly in foreign currencies which is linked to Libor. The Company mitigates these risks associated with floating Libor rates by entering into interest rate swaps to move them to fixed Libor rates. The domestic interest risk is exposed to the changes in the RBI bank rate. The Company manages this risk by managing its working capital effectively.

iv. Foreign Currency Risk

The Company continuously manages its risks associated with foreign currency by adopting various hedging strategies in consultation with internal and external experts. The Company has a system of regularly monitoring its currency wise exposures. The significant part of Company's receivables and borrowings are in US Dollars which operates as a natural hedge against each other. The Company has a policy not to borrow in a currency where it has no business exposure.

v. The unhedged foreign currency exposure is as follows:

Sr. no	Particulars	Currency	As at March 31, 2018		As at March 31, 2017	
			Amount in foreign currency (in millions)	Amount (₹ in crores)	Amount in foreign currency (in millions)	Amount (₹ in crores)
I)	**Unhedged foreign exchange liability**					
a.	ECB term loan & interest	USD	57.88	377.26	72.91	472.86
b.	Buyers credit & interest	USD	-	-	7.01	45.43
		EURO	1.65	13.35	2.64	18.27
c.	Packing credit & interest	USD	17.93	116.89	1.00	6.49
		AUD	-	-	3.47	17.23
		GBP	-	-	2.00	16.19
d.	Trade & other payables incl. advances received	USD	15.47	100.85	14.92	96.74
		EURO	0.32	2.62	0.09	0.65
		GBP	-	0.03	0.89	7.22
		NZD	-	-	-	0.01
		JPY	-	-	0.14	0.01
		CHF	-	0.01	-	-

Sr. no	Particulars	Currency	As at March 31, 2018		As at March 31, 2017	
			Amount in foreign currency (in millions)	Amount (₹ in crores)	Amount in foreign currency (in millions)	Amount (₹ in crores)
II)	**Unhedged receivables in foreign currency**					
a.	Trade & Other receivables incl. advances given	USD	38.79	252.83	41.72	270.51
		EUR	4.32	34.88	5.03	34.88
		GBP	5.15	47.55	4.43	35.87
		AUD	3.43	17.14	1.50	7.44
		CAD	2.23	11.32	0.44	2.15
		NZD	2.14	10.11	0.64	2.92
		COP	864.46	2.02	649.63	1.46
b	Unbilled Revenue	USD	0.04	0.26	1.79	11.59
		CAD	0.74	3.74	0.04	0.27

The Group has entered into various derivatives transactions, which are not intended for trading or speculative purpose but to hedge the export receivables including future receivables and foreign currency loan interest rate risks.

39 Capital Management

For the purpose of the Groups capital management, capital includes paid-up equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares. The Group monitors capital using a gearing ratio, which is net debt divided by its total capital. The Group includes within its net debt the interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings other than convertible preference shares	473.05	529.04
Trade payables	423.47	396.54
Other payables	233.87	279.28
Less: Cash and cash equivalents (C&CE)	(150.57)	(35.85)
Less: Investment in MF (part of C&CE)	(69.35)	(113.57)
Net debt	910.47	1,055.44
Total equity	2,688.57	2,455.26
Capital and net debt gearing ratio	33.86%	42.99%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lending institutions to immediately call back the loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

40 Derivative Financial Instruments

The details of outstanding foreign exchange forward contracts and other derivatives designated as cash flow hedges:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Currency	In million	Currency	In million
Derivatives designated as cash flow hedges	USD	24.00	USD	13.00
Forward contracts exports	STG	6.00	STG	13.00
	EUR	2.00	EUR	-
	AUD	5.00	AUD	1.00
	NZD	0.74	NZD	-
Forward contracts - imports (Maturity more than 3 months less than one year)	-	-	EUR	0.98
Other derivatives: Interest rate swaps (notional O/s)	USD	37.08	USD	49.20

The foreign exchange forward contracts mature within twelve months or more. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at balance sheet date:

Particulars	Currency	As at March 31, 2018	As at March 31, 2017
		In million	In million
Not later than one month	USD	6.00	2.50
	STG	-	1.50
	AUD	1.00	1.00
	NZD	0.74	-
Later than one month and not later than three months	USD	14.00	7.50
	STG	2.00	4.00
	AUD	2.00	-
Later than three months and not later than one year	USD	4.00	3.00
	STG	4.00	7.50
	AUD	2.00	-
	EUR	2.00	-
Later than one year and not later than two years		NIL	NIL

During the year ended March 31, 2018 the Holding Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related transactions for the balance in the cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit and loss . However, as at March 31,2018 , there are no transactions in the hedge reserve that are required to be reclassified to the revenue in the statement of profit & loss account.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be re-balanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedged ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted in the statement of profit and loss at the time of hedge relationship re-balancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2018 is as follows:

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	3.83	(3.84)
Changes in the fair value of effective portion of cash flow hedges	0.78	7.67
Gain/(Loss) transferred to the Statement of Profit & Loss on occurrence of forecasted hedge transactions	(0.92)	-
Balance at the end of the period	3.69	3.83

The Holding Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Holding Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. During the year the Company has not settled any such transactions.

(₹ Crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset / liability	3.69	-	3.83	-
Amount set-off	-	-	-	-
Net amount presented in balance sheet	3.69	-	3.83	-

41 Disclosure of Interest in Other entities as per Ind AS 112

I Consolidated financial statements comprises the financial statements of Ipca Laboratories Limited, its subsidiaries, associates and joint venture as listed below:

Sr. no.	Name of entity	Principal place of business	Proportion of ownership (%) as at March 31, 2018	Proportion of ownership (%) as at March 31, 2017
(i)	**Subsidiary companies**			
1	Ipca Pharmaceuticals, Inc. USA	USA	100.00	100.00
2	Ipca Laboratories (U.K.) Ltd.	UK	100.00	100.00
3	Ipca Pharma Nigeria Ltd.	Nigeria	100.00	100.00
4	Ipca Pharma (Australia) Pty.Ltd.	Australia	100.00	100.00
5	Ipca Pharmaceuticals Ltd.,SA de CV	Mexico	100.00	100.00
6	Tonira Exports Ltd.	India	100.00	100.00
(ii)	**Step down subsidiary companies**			
1	Onyx Scientific Ltd. (subsidiary of Ipca Laboratories (U.K.) Ltd.)	UK	100.00	100.00
2	Ipca Pharma (NZ) Pty. Ltd. (subsidiary of Ipca Pharma (Australia) Pty.Ltd.)	New Zealand	100.00	100.00
3	Pisgah Labs Inc, USA (subsidiary of Ipca Pharmaceuticals, Inc., USA)	USA	100.00	-
(iii)	**Joint ventures**			
1	Avik Pharmaceutical Ltd.	India	49.02	49.02
(iv)	**Associates**			
1	CCPL Software Private Ltd.	India	28.95	28.95
2	Trophic Wellness Pvt. Ltd.	India	19.26	19.26
3	Krebs Biochemicals & Industries Ltd.	India	29.83	29.83

Notes to consolidated financial statements as at and for the year ended March 31,2018

II Information about Associates and Joint venture

The consolidated financial statements of the Group include:

Sr. no.	Name of Entity	Nature of Relationship	Principal Activities	Principal place of business	Proportion of ownership (%) as at March 31, 2018	Proportion of ownership (%) as at March 31, 2017
1	Avik Pharmaceutical Ltd.	Joint venture	Manufacturing	India	49.02	49.02
2	Trophic Wellness Pvt. Ltd.	Associate	Manufacturing & Marketing	India	19.26	19.26
3	Krebs Biochemicals & Industries Ltd.	Associate	Manufacturing	India	29.83	29.83

III Investments in Associates and Joint venture are measured using the Equity Method.

IV Summarised financial information for individually non-material associates and joint venture **(₹ Crores)**

Description	March 31, 2018	March 31, 2017
Share of Profit / (loss) in associates(net)- Non - Material	(5.79)	(6.15)
Share of Profit / (loss) in joint venture (net)- Non - Material	1.12	(0.83)
Total Share of loss in associates and joint venture	(4.67)	(6.98)

V Carrying amount of immaterial entities **(₹ Crores)**

Description	March 31, 2018	March 31, 2017
Carrying amount of interests in the Associate	13.05	18.84
Carrying amount of interests in the Joint venture	4.47	3.35

VI Financial information about the entities investments in aggregate for all individually immaterial Joint venture

(₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Profit or (loss) from continuing operations	1.14	(0.77)
Post-tax profit / (loss) from discontinued operations	-	-
Other Comprehensive Income	(0.02)	(0.06)
Total Comprehensive Income	1.12	(0.83)

VII Financial information about the entities investments in aggregate for all individually immaterial Associate

(₹ Crores)

Particulars	March 31, 2018	March 31, 2017
Profit or (loss) from continuing operations	(5.37)	(7.49)
Post-tax profit / (loss) from discontinued operations	-	-
Other Comprehensive Income	(0.42)	1.34
Total Comprehensive Income	(5.79)	(6.15)

VIII Contingent Liabilities for Associates and Joint venture **(₹ Crores)**

Description	March 31, 2018	March 31, 2017
Contingent liabilities - bank guarantees given	0.09	0.07
Commitments	-	0.45

42 Disclosure under schedule III of the companies Act, 2013 relating to consolidated financial statements are given in statement 2 attached to the financial statements.

43 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date attached
For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No. 104767W

Atul Shah
Partner
Membership No. 39569
Mumbai,
May 29, 2018

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Statement 1 (refer Note No. 33)

Related Party Disclosure as required by Indian Accounting Standard – Ind AS 24 "Related Party Transactions" of the Companies (Accounting Standards) Rule, 2015.

Transactions with Related Parties-Consolidated accounts

Description	Key Management Personnel		Associates		Joint venture		Other Related Parties		Total (₹ Crores)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Purchase of goods and services										
Makers Laboratories Ltd.	-	-	-	-	-	-	6.92	8.18	6.92	8.18
Avik Pharmaceutical Ltd.	-	-	-	-	20.32	18.02	-	-	20.32	18.02
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	3.79	3.47	3.79	3.47
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	1.57	1.73	1.57	1.73
Krebs Biochemicals & Industries Ltd.	-	-	36.35	5.87	-	-	-	-	36.35	5.87
Khanvel Resort	-	-	-	-	-	-	0.75	0.56	0.75	0.56
Total	-	-	36.35	5.87	20.32	18.02	13.03	13.94	69.70	37.83
Sales of goods and services										
Makers Laboratories Ltd.	-	-	-	-	-	-	1.39	2.52	1.39	2.52
Avik Pharmaceutical Ltd.	-	-	-	-	0.92	0.81	-	-	0.92	0.81
Krebs Biochemicals & Industries Ltd.	-	-	3.72	-	-	-	-	-	3.72	-
Trophic Wellness Pvt. Ltd.	-	-	0.62	0.59	-	-	-	-	0.62	0.59
Total	-	-	4.34	0.59	0.92	0.81	1.39	2.52	6.65	3.92
Rent income										
Avik Pharmaceutical Ltd.	-	-	-	-	0.43	0.41	-	-	0.43	0.41
Makers Laboratories Ltd.	-	-	-	-	-	-	0.19	-	0.19	-
Trophic Wellness Pvt. Ltd.	-	-	0.29	0.13	-	-	-	-	0.29	0.13
Total	-	-	0.29	0.13	0.43	0.41	0.19	-	0.91	0.54
Interest income										
Avik Pharmaceutical Ltd.	-	-	-	-	1.66	1.78	-	-	1.66	1.78
Krebs Biochemicals & Industries Ltd.	-	-	4.49	6.20	-	-	-	-	4.49	6.20
Total	-	-	4.49	6.20	1.66	1.78	-	-	6.15	7.98
Sale of fixed assets										
Trophic Wellness Pvt. Ltd.	-	-	-	0.33	-	-	-	-	-	0.33
Total	-	-	-	0.33	-	-	-	-	-	0.33
Rent and other expenses										
Makers Laboratories Ltd.	-	-	-	-	-	-	0.03	0.20	0.03	0.20
Avik Pharmaceutical Ltd.	-	-	-	-	0.24	0.02	-	-	0.24	0.02
Krebs Biochemicals & Industries Ltd.	-	-	1.28	1.20	-	-	-	-	1.28	1.20
Trophic Wellness Pvt. Ltd.	-	-	-	0.02	-	-	-	-	-	0.02
Total	-	-	1.28	1.22	0.24	0.02	0.03	0.20	1.55	1.44
Excise duty reimbursements										
Makers Laboratories Ltd.	-	-	-	-	-	-	-	0.65	-	0.65
Avik Pharmaceutical Ltd.	-	-	-	-	-	0.65	-	-	-	0.65
Krebs Biochemicals & Industries Ltd.	-	-	(1.26)	(0.75)	-	-	-	-	(1.26)	(0.75)
Total	-	-	(1.26)	(0.75)	-	0.65	-	0.65	(1.26)	0.55

Notes to consolidated financial statements as at and for the year ended March 31,2018

Description	Key Management Personnel		Associates		Joint venture		Other Related Parties		Total (₹ Crores)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Net loans and advances given/(recovered)										
Avik Pharmaceutical Ltd.	-	-	-	-	(0.45)	(1.13)	-	-	(0.45)	(1.13)
Krebs Biochemicals & Industries Ltd.	-	-	12.36	23.57	-	-	-	-	12.36	23.57
Total	-	-	12.36	23.57	(0.45)	(1.13)	-	-	11.91	22.44
Investments made / (redemption)										
Trophic Wellness Pvt. Ltd.	-	-	-	3.40	-	-	-	-	-	3.40
Total	-	-	-	3.40	-	-	-	-	-	3.40
Remuneration to directors										
Mr. Premchand Godha	7.66	5.21	-	-	-	-	-	-	7.66	5.21
Mr. Ajit Kumar Jain	3.71	2.56	-	-	-	-	-	-	3.71	2.56
Mr. Pranay Godha	2.39	1.19	-	-	-	-	-	-	2.39	1.19
Mr. Prashant Godha	2.41	1.08	-	-	-	-	-	-	2.41	1.08
Total	16.17	10.04	-	-	-	-	-	-	16.17	10.04
Provident fund to directors										
Mr. Premchand Godha	0.44	0.44	-	-	-	-	-	-	0.44	0.44
Mr. Ajit Kumar Jain	0.16	0.16	-	-	-	-	-	-	0.16	0.16
Mr. Pranay Godha	0.08	0.08	-	-	-	-	-	-	0.08	0.08
Mr. Prashant Godha	0.08	0.07	-	-	-	-	-	-	0.08	0.07
Total	0.76	0.75	-	-	-	-	-	-	0.76	0.75
Post employment benefits of directors										
Mr. Ajit Kumar Jain	0.28	0.23	-	-	-	-	-	-	0.28	0.23
Mr. Pranay Godha	0.05	0.09	-	-	-	-	-	-	0.05	0.09
Mr. Prashant Godha	0.02	0.09	-	-	-	-	-	-	0.02	0.09
Total	0.35	0.41	-	-	-	-	-	-	0.35	0.41
Sitting Fee to non-executive director										
Mr. Anand T kusre	0.06	0.05	-	-	-	-	-	-	0.06	0.05
Mr. Babulal Jain	0.07	0.05	-	-	-	-	-	-	0.07	0.05
Mr. Dev Prakash Yadava	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Mrs. Manisha Premnath	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Dr. Ramakanta M. Panda	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Total	0.22	0.19	-	-	-	-	-	-	0.22	0.19
Donation										
Prabhat Foundation	-	-	-	-	-	-	0.75	0.15	0.75	0.15
Total	-	-	-	-	-	-	0.75	0.15	0.75	0.15
Balance at year end										
Trade receivables										
Avik Pharmaceutical Ltd.	-	-	-	-	0.16	0.11	-	-	0.16	0.11
Krebs Biochemicals & Industries Ltd.	-	-	3.17	-	-	-	-	-	3.17	-
Trophic Wellness Pvt. Ltd.	-	-	0.19	0.50	-	-	-	-	0.19	0.50
Loan Given										
Avik Pharmaceutical Ltd.	-	-	-	-	14.62	15.07	-	-	14.62	15.07
Krebs Biochemicals & Industries Ltd.	-	-	47.33	34.97	-	-	-	-	47.33	34.97
Deposit Given										
Krebs Biochemicals & Industries Ltd.	-	-	45.00	45.00	-	-	-	-	45.00	45.00
Interest Receivable										
Avik Pharmaceutical Ltd.	-	-	-	-	0.62	-	-	-	0.62	-
Krebs Biochemicals & Industries Ltd.	-	-	7.35	2.86	-	-	-	-	7.35	2.86
Total	-	-	103.04	83.33	15.40	15.18	-	-	118.44	98.51
Directors remuneration payables										
Mr. Premchand Godha	3.66	0.89	-	-	-	-	-	-	3.66	0.89
Mr. Ajit Kumar Jain	1.51	0.36	-	-	-	-	-	-	1.51	0.36
Mr. Pranay Godha	1.33	0.14	-	-	-	-	-	-	1.33	0.14
Mr. Prashant Godha	1.36	0.14	-	-	-	-	-	-	1.36	0.14
Trade payable										
Krebs Biochemicals & Industries Ltd.	-	-	-	0.30	-	-	-	-	-	0.30
Makers Laboratories Ltd.	-	-	-	-	-	-	1.00	1.89	1.00	1.89
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	0.19	0.20	0.19	0.20
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	0.43	0.38	0.43	0.38
Khanvel Resort							0.30	0.26	0.30	0.26
Total	7.86	1.53	-	0.30	-	-	1.92	2.73	9.78	4.56

Statement 2 (refer Note No. 42)

Disclosure under Schedule III of the Companies Act ,2013 relating to consolidated financial statements.

(₹ Crores)

Name of the entity in the	2017-18								2016-17							
	Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income		Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated profit or (loss)	Amount
Parent																
- Ipca Laboratories Limited	100.01	2,688.72	98.64	236.16	18.07	1.58	93.48	237.74	100.33	2463.43	93.43	181.76	246.64	3.78	94.63	185.54
Subsidiaries in India																
- Tonira Exports Limited	0.01	0.20	0.06	0.13	-	-	0.06	0.13	-	0.02	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Subsidiaries out of India																
- Ipca Pharmaceuticals, Inc , USA	0.04	0.98	(1.51)	(3.62)	20.26	1.77	(0.74)	(1.85)	(0.29)	(7.06)	(2.16)	(4.21)	(11.74)	(0.18)	(2.24)	(4.39)
-Pisgah Laboratories, Inc, USA	(0.05)	(1.30)	(1.00)	(2.40)	12.55	1.10	(0.52)	(1.30)	-	-	-	-	-	-	-	-
- Ipca Laboratories (UK) Ltd.	0.58	15.60	5.15	12.35	53.34	4.67	9.05	17.02	(0.03)	(0.68)	7.31	14.23	(153.99)	(2.36)	6.05	11.87
- Ipca Pharma (Australia) Pty. Ltd.	-	0.01	(0.06)	(0.14)	0.08	-	(0.06)	(0.14)	-	0.09	0.07	0.13	(1.30)	(0.02)	0.06	0.11
- Ipca Pharma (NZ) Pty. Ltd.	-	-	-	-	-	0.01	-	0.01	-	-	-	-	-	-	-	-
- Ipca Pharma Nigeria Ltd.	0.10	2.57	0.52	1.25	0.76	0.07	0.52	1.32	0.52	12.84	5.62	10.93	(63.29)	(0.97)	5.08	9.96
- Ipca Pharmaceuticals Ltd SA de CV , Mexico	(0.04)	(1.19)	(0.04)	(0.09)	(0.01)	-	(0.03)	(0.09)	(0.05)	(1.11)	(0.02)	(0.04)	(0.54)	(0.01)	(0.02)	(0.04)
Associates (Investment as per the equity method)																
Indian																
- Trophic Wellness Pvt. Ltd.	0.19	5.17	0.12	0.29	0.10	-	0.22	0.29	0.20	4.89	(1.38)	(2.69)	0.06	-	(1.37)	(2.69)
- Krebs Biochemicals & Industries Limited	(0.59)	(15.80)	(2.36)	(5.66)	(4.88)	(0.43)	(2.42)	(6.09)	(0.40)	(9.72)	(2.46)	(4.79)	88.09	1.35	(1.75)	(3.44)
- Avik Pharmaceutical Ltd.	(0.24)	(6.39)	0.48	1.14	(0.27)	(0.02)	0.44	1.12	(0.31)	(7.49)	(0.40)	(0.77)	(3.91)	(0.06)	(0.42)	(0.83)
Total	100.00	2,688.57	100.00	239.42	100.00	8.75	100.00	248.17	100.00	2,455.21	100.00	194.54	100.00	1.53	100.00	196.08

Form AOC-I

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

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

Part "A": Subsidiaries

₹ in Lacs

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Total Income/ Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Ipca Pharma Nigeria Ltd., Nigeria	Nigerian Naira	188.94	216.30	959.94	959.94	-	1,394.08	38.88	7.84	31.04	-	100%
2	Ipca Pharmaceuticals, Inc. USA	USD	6,776.53	11.67	6,794.07	6,794.07	5,774.63	398.61	36.28	-	36.28	-	100%
3	Ipca Pharmaceuticals Ltd. SA de CV, Mexico	Maxican Peso	115.15	(119.30)	18.47	18.47	-	-	(8.72)	-	(8.72)	-	100%
4	Ipca Pharma (Australia) Pty. Ltd., Australia	AUD	12.98	40.58	63.32	63.32	0.04	17.73	(14.04)	(0.03)	(14.01)	-	100%
5	Ipca Pharma (NZ) Pty. Ltd., New Zealand	AUD	0.04	(0.01)	1.35	1.35	-	-	-	-	-	-	100%
6	Ipca Laboratories (UK) Ltd., UK	STG £	3,513.22	2,070.79	5,586.50	5,586.50	4,513.79	1,679.89	1,671.59	(3.10)	1,674.69	-	100%
7	Onyx Scientific Ltd., UK	STG £	249.63	2,546.45	3,899.30	3,899.30	665.10	5,296.47	1,387.96	137.76	1,250.20	-	100%
8	Pisgah Laboratories Inc., USA	USD	58.90	6,250.58	6,539.78	6,539.78	-	167.60	(90.89)	-	(90.89)		100%
9	Tonira Exports Limited	INR	10.00	9.71	19.94	19.94	-	16.00	15.60	0.41	15.19	-	100%

1) Financials reporting period of all subsidiaries is 31st March.
2) Exchange rate considerd as on 31st March 2018: 1 USD= ₹ 65.17, 1 STG £= ₹ 92.2547, 1 N(Negerian Naira) = ₹ 0.2134, 1 AUD $ = ₹ 50.0375, 1 MXN (Maxican Peso)= ₹ 3.5856.
3) The Company own 100% interest in all the above subsidiaries.
4) Ipca Pharma (NZ) Pty. Ltd., New Zealand which is a 100% subsidiary of Ipca pharma (Australia) Pty. Ltd.
5) Onyx Scientific Ltd., UK is wholly owned subsidiary of Ipca Laboratories (UK) Ltd., UK.
6) During the year 2017-18, Ipca Pharmaceuticals, Inc. USA acquired 90 % and Onyx Scientific Ltd., UK acquired 10 % share capital of Pisgah Laboratories Inc. USA.

For and on behalf of the Board of Directors

Premchand Godha
Chairman & Managing Director (DIN 00012691)

Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)

Prashant Godha
Executive Director (DIN 00012759)

Harish P. Kamath
Company Secretary (ACS - 6792)

Mumbai,
May 29, 2018

Part "B": Associates and Joint ventures

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

Particulars	Associate			Joint venture
Name of Associate/ Joint venture	**Trophic wellness pvt. ltd.**	*** CCPL software private ltd.**	**Krebs biochemicals & industries ltd.**	**Avik pharmaceutical ltd.**
1. Latest Audited Balance Sheet Date	31st March, 2018	-	31st March, 2018	31st March, 2018
2. Shares of the Associate/ Joint venture held by Ipca Laboratories Limited as at March 31, 2018				
- Number of Shares	7,80,000	55,000	41,00,100	5,00,000
- Amount of Investment in Associates/ Joint venture	₹ 1234 Lacs	*	₹ 2196 Lacs	₹ 651 Lacs
- Extent of Holding %	19.26 %	28.95 %	29.83%	49%
3. Description of how there is Significant Influence	Company promoted and managed with other promoters	Percentage of shareholding	Company under joint management control	Significant shareholding and joint management control
4. Reason why the associate/joint venture is not consolidated	-	-	-	-
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 1046.99 Lacs	-	₹ (530.35 Lacs)	₹ (253.01 Lacs)
6. Profit/ (Loss) for the Year				
i. considered in consolidation	₹ 29.72 Lacs	*	₹ (6.09 Lacs)	₹ 111.50 Lacs
ii. not considered in consolidation	-	-	-	-

* Cost fully written off in books. No effect of share of loss / profit from CCPL Software Pvt. Ltd. is taken since 01.04.2004, as the Company has no further commitment towards its share either of loss / profit in this company.

For and on behalf of the Board of Directors
Premchand Godha
Chairman & Managing Director (DIN 00012691)
Ajit Kumar Jain
Joint Managing Director & CFO (DIN 00012657)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Mumbai,
May 29, 2018

Ipca Laboratories Limited

Regd Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067; Phone: 022-6647 4444, Fax: 022-6210 5005
CIN: L24239MH1949PLC007837; Email: investors@ipca.com ; Website: www.ipca.com

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A dose of life

ATTENDANCE SLIP

68th ANNUAL GENERAL MEETING ON THURSDAY, 9th AUGUST, 2018 AT 3.30 P.M.

Folio/D.P. & Client I.D. No. :
Name :
Address :
Joint Holder (s) :
No. of Equity shares held :

I/ We hereby record my/ our presence at the 68th ANNUAL GENERAL MEETING of the Company at Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Near Railway Station, Kandivli (West), Mumbai – 400 067 on Thursday, 9th August, 2018 at 3.30 p.m.

____________________________ ____________________________

Member's/Proxy's name in Block Letters Member's/Proxy's Signature

NOTE: Please complete and sign this Attendance Slip and hand it over at the attendance verification counter at the entrance of the meeting hall.

Ipca Laboratories Limited

Regd Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067; Phone: 022-6647 4444, Fax: 022-6210 5005
CIN: L24239MH1949PLC007837; Email: investors@ipca.com; Website: www.ipca.com

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]

Name of the member (s) :
Registered address :
No. of Shares held :
Folio No/ DP Id & Client Id :
E-mail Id :

I/We being a member(s) of ………..…. shares of the above named company hereby appoint:

1. Name .... Address ....
   Email Id .... Signature .... or failing him;

2. Name .... Address ....
   Email Id .... Signature .... or failing him;

3. Name .... Address ....
   Email Id .... Signature ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 68th Annual General Meeting of the company to be held at Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Near Railway Station, Kandivli (West), Mumbai – 400 067 on Thursday, 9th August, 2018 at 3.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (AGAINST)
	Ordinary Business:			
1.	a) Adoption of Audited Financial Statements for the financial year ended 31st March, 2018, Reports of the Board of Directors and Auditors thereon			
	b) Adoption of Audited Consolidated Financial Statements for the financial year ended on 31st March, 2018 and Report of the Auditors thereon			
2.	Declaration of dividend on equity shares			
3.	Re-appointment of Mr. Ajit Kumar Jain (DIN 00012657), who retires by rotation, as a Director.			
4.	Re-appointment of Mr. Pranay Godha (DIN 00016525), who retires by rotation, as a Director.			
5.	Ratification to Auditors Appointment.			
	Special Business:			
6.	Re-appointment of Mr. Premchand Godha (DIN 00012691) as the Managing Director of the Company for a further period of 5 years and remuneration payable to him.			
7.	Remuneration payable to Cost Auditors.			

Signature of shareholder(s) …………………………………… Signed this ……….. day of ……….………….., 2018

₹ 1
REVENUE
STAMP

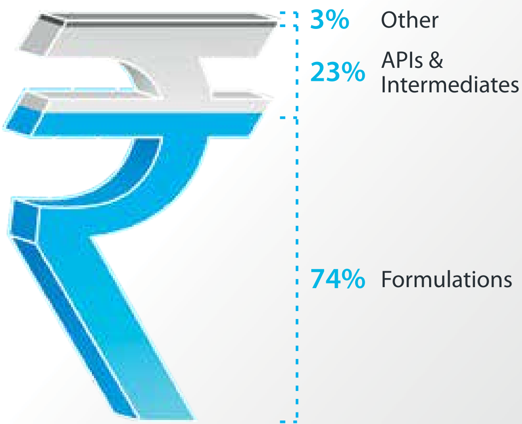
Signature of Proxy holder ……………………………….

Note:

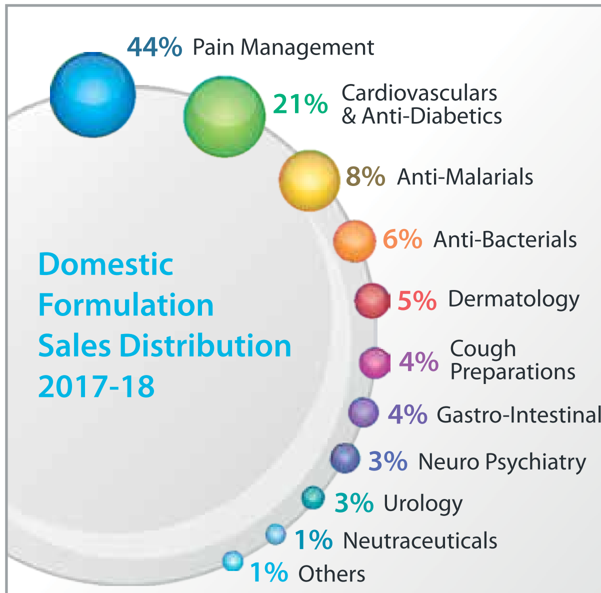
1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 68th Annual General Meeting.

Notes

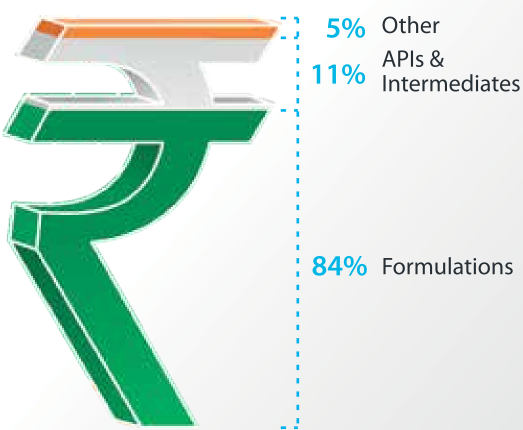
Total Income 2017-18
₹ 3258.75 Crores



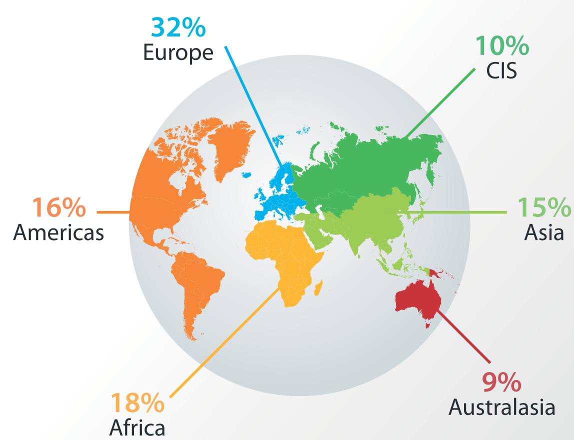
Domestic Formulation Sales Distribution 2017-18



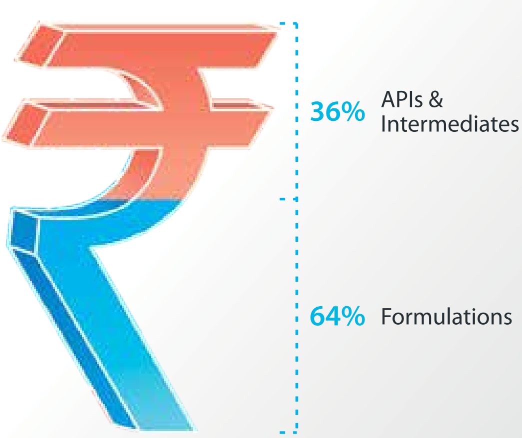
Domestic Income 2017-18
₹ 1694.54 Crores



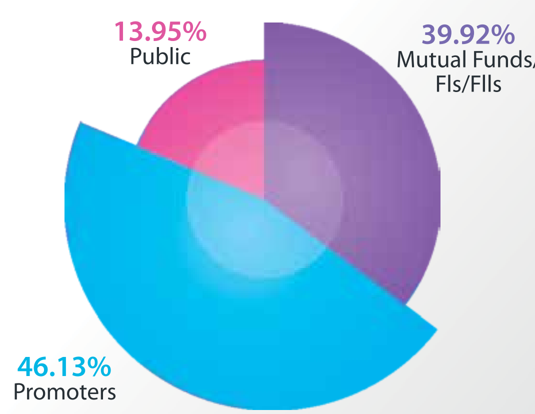
Continent Wise Exports (%)



Export Income 2017-18
₹ 1564.21 Crores



Distribution of Shareholding as on 31st March, 2018



International Subsidiaries

Australia
Ipca Pharma (Australia) Pty. Ltd.
6, Morotai Avenue, Ashburton
VIC 3147, Melbourne, Australia
T: + 613 98856172
F: + 613 98856173
E: ipca.australia@ipca.com

Nigeria
Ipca Pharma Nigeria Ltd.
17, Osolo Way, Ajao Estate
Isolo, Lagos, Nigeria
T: + 2341 7926460 / 4528738
F: + 2341 4521146
E: ipca.nigeria@ipca.com

USA
Ipca Pharmaceuticals, Inc.
51, Cragwood Road, Suite No. 307
South Plainfield, NJ 07080, USA
T: + 1 908 412 6561/63
F: + 1 908 412 6564
E: ipca.usa@ipca.com

Mexico
Ipca Pharmaceuticals Ltd. SA de CV
Presa La Angostura 116, Colonia Irrgación
Delegación Miguel Hidalgo, C. P. 11500
Alvaro Obregon, Mexico D. F.
T: + 52 55 53952590
E: ipca.mexico@ipca.com

UK
Ipca Laboratories (UK) Ltd.
Units 97-98, Silverbriar
Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
T: + 44 191 516 6 517
F: + 44 191 516 6 526
E: ipca.uk@ipca.com

USA
Pisgah Labs, Inc.
3222, Old Hendersonville Highway,
Pisgah Forest, NC 28768, USA
T: + 1 828 884 2789
F: + 1 828 884 5540
E: ipca.usa@ipca.com

New Zealand
Ipca Pharma (NZ) Pty. Ltd.
3-A, St. Oswalds Road
Greenlane
Auckland 1061, New Zealand
T: + 64 2136 0880
E: ipca.newzealand@ipca.com

UK
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Silverbriar
Sunderland Enterprise Park East
Sunderland SR5 2TQ, UK
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Regd. Office: 48, Kandivli Industrial Estate, Kandivli (West), Mumbai 400 067, India
T: +91 22 6647 4444 F: +91 22 6210 5005 E: investors@ipca.com
CIN: L24239MH1949PLC007837

Information as per Section 197 of the Companies Act 2013 and forming part of the DIRECTORS' REPORT for the year ended 31st March, 2018

SR. NO.	NAME OF THE EMPLOYEE	DESIGNATION	AGE (YEARS)	QUALIFICATION	DATE OF JOINING	REMUNERATION [₹]	% OF EQUITY SHARES HELD	EXPERIENCE [YEARS]	LAST EMPLOYMENT HELD BEFORE JOINING THE COMPANY	PERIOD OF LAST EMPLOYMENT [YEARS]
A	**EMPLOYED THROUGHOUT THE YEAR**									
1	MR. PREMCHAND GODHA	CHAIRMAN & MANAGING DIRECTOR	70	B.COM,A.C.A.	31/10/1975	4,84,17,258	2.13	45	PROFESSIONAL PRACTICE	-
2	MR. AJIT KUMAR JAIN	JT. MANAGING DIRECTOR	62	B.Sc,A.C.A.	02/04/1980	2,66,27,473	0.05	37	INDUSTRIAL OXYGEN CO.PVT.LTD.-MANAGEMENT ACCOUNTANT.	1
3	DR. SANJAY U KAPADIA	PRESIDENT - CORPORATE QUALITY ASSURANCE	56	M.SC, PHD	10/08/2015	1,86,29,194	Nil	33	APOTEX RESEARCH PVT LTD. - HEAD - QUALITY & COMPLIANCE	11
4	DR. ASHOK KUMAR	PRESIDENT - R& D(CHEMICALS)	64	M.SC,P.HD	06/09/2000	1,82,44,610	0.03	35	LUPIN LAB. LTD. - DEPUTY DIRECTOR	6
5	DR. GOUTAM MUHURI	PRESIDENT - R&D (FORMULATIONS)	59	M PHARM, PGDBM P HD	01/02/2017	1,68,76,568	Nil	34	AIVIVA BIOPHARMA	1
6	MR. SUNIL GHAI	PRESIDENT - DOMESTIC MARKETING	55	M.SC	04/02/2002	1,44,75,236	0.03	31	CROSLANDS RANBAXY LABORATORIES - SALES MANAGER	1
7	MR. PRANAY GODHA	EXECUTIVE DIRECTOR	45	B SC, MBA	16/04/2003	1,23,34,028	0.65	20	-	-
8	MR. PRASHANT GODHA	EXECUTIVE DIRECTOR	43	B.COM, PGDBM	16/08/2011	1,22,71,219	0.60	19	MAKERS LABORATORIES LIMITED. - EXECUTIVE DIRECTOR .	12
9	MR. A P MURALIKRISHNAN SARMA	PRESIDENT - GENERIC	59	M COM, ICWA	07/04/1986	1,10,91,675	0.01	39	GRIFFON LABS	6
10	MR. E J BABU	PRESIDENT - GLOBAL BUSINESS (API)	54	B.A., DMM	01/01/1993	1,09,45,997	0.01	31	TATA PHARMA	1
11	MR. PABITRA KUMAR BHATTACHARYA	PRESIDENT - OPERATIONS (API)	49	B SC, B TECH (CHEM)	23/05/2013	1,08,45,105	Nil	24	SUN PHARMA - V P - API OPERATIONS & PROCESS ENGINEERING	19
12	MR. SANJAY KUMAR SINHA	PRESIDENT - OPERATIONS (FORMULATIONS)	59	M PHARM	26/03/2014	1,03,37,337	Nil	33	FAMY CARE	1
13	MR. HARISH P KAMATH	CORPORATE COUNSEL & COMPANY SECRETARY	58	M.COM-1, LLB, ACS	20/09/1993	1,01,12,151	0.01	36	VICKERS SYSTEMS INTERNATIONAL LIMITED - SR. OFFICER - SECRETARIAL SERVICES	4
B	**EMPLOYED FOR THE PART OF THE YEAR**									
1	MR. JEEVANLAL NAGORI	PRESIDENT - PROJECTS	57	B.COM,A.C.A.	27/09/1983	1,75,03,324	0.05	33	WIN LABORATORIES PVT.LTD. - FINANCE MANAGER	6
2	MR. N GUHAPRASAD	PRESIDENT - INTERNATIONAL MARKETING	54	B.SC, B.SC(TECH),MMS	04/05/2005	95,55,354	0.04	28	WOCKHARDT LTD - VP - PHARMA BUSINESS	1

Notes:

1. All the employees have adequate experience to discharge the responsibilities assigned to them.
2. Nature of employment is contractual for all employees.
3. Except Mr. Premchand Godha, Mr. Pranay Godha and Mr. Prashant Godha, Directors who are related to each other, none of the other employees are related to any Director of the company.
4. Remuneration includes Salary,Commission,Allowances,Leave Travel Assistance,Ex-Gratia,Leave Encashment, Medical Reimbursement,Gratuity,Company's contribution to the employees' Provident Fund, National pension scheme, Family Pension Fund and Superannuation Funds.
5. Perquisites are valued as per Income Tax Rules.

For and on behalf of the Board

Mumbai
29th May, 2018

Premchand Godha
Chairman & Managing Director