

IPCA PHARMACEUTICALS INC., USA

DIRECTORS' REPORT

To
The Members
Ipca Pharmaceuticals Inc.

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March, 2020.

FINANCIAL RESULTS

Particulars	For the year ended 31st March 2020 (Rs. in lacs)	For the year ended 31st March 2019 (Rs. in lacs)
Total Income	574.13	479.77
Total Expenditure	474.65	419.55
Financial Cost	-	-
Depreciation	27.90	34.95
Profit before extraordinary items and tax	71.58	25.27
Less: Provision for taxation		
Current	7.80	11.20
Deferred	--	--
Earlier Year's Tax	--	--
Profit after tax but before extraordinary items	63.78	14.07
Extraordinary Items	--	--
Other Comprehensive Income	1,639.97	95.39
Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period)	1,703.75	109.46
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	(174.71)	(188.78)
Net Profit for the year	63.78	14.07
Less: Transfer to General Reserve	--	--
Balance as at year end	(110.93)	(174.71)

INCORPORATION

The Company was incorporated under the laws of the state of New Jersey in the United States of America on 10th July, 2003. The Company is a wholly owned subsidiary of Ipca Laboratories Limited, India.

Your Company is presently coordinating the development and registration of formulations developed by the parent company in United States of America as well as distribution of Active Pharmaceutical Ingredients (APIs) manufactured by the parent company viz. Ipca Laboratories Limited in the US market.

TRANSFER TO GENERAL RESERVE

During the year under report, the Company has not transferred any amount to General Reserve Account.

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OPERATIONS

The total income for the financial year under report was Rs. 574.13 lacs (Previous year Rs. 479.77 lacs) and the operations have resulted in a net profit of Rs. 63.78 lacs (Previous year net profit of Rs. 14.07 lacs). During the year under report there was no change in the nature of Company's business.

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.

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2020 is Rs.920.20 lacs. During the year Company has issued redeemable preference shares of Rs. 2673.93 lacs. The redeemable preference share capital of the Company as at 31st March, 2020 is Rs.16870.69 lacs, which are held by Ipca Laboratories Ltd., India.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

On October 02nd, 2018, the Company has acquired 80% Share Capital of Bayshore Pharmaceuticals LLC, a New Jersey limited liability company. Bayshore is currently engaged in selling and marketing of FDA approved Generics Drug Products in the USA. The acquisition of the majority stake in Bayshore will add an opportunity to the Company's parent company to commercialize its registered Generics Drug Products in the USA market through this entity.

On January 16th 2018, the Company has acquired 90% common stock of Pisgah Laboratories Inc. (Pisgah) based out of North Carolina, USA. Pisgah was originally founded in the year 1981 as a contract manufacturer and developer of active pharmaceutical ingredients (APIs) and intermediates and has been a chemistry solutions provider for over three decades. This acquisition will help the Company to establish its foothold in the US market (including but not limited to) in the field of research / small volume APIs and intermediates manufacturing. Pisgah will continue to operate out of its North Carolina manufacturing facility under the Pisgah trade name.

The Company does not have any other joint venture or associate companies.

DIVIDEND

In view of the carry forward loss, your Directors do not recommend any dividend for the financial year under report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with 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, 2020 and of the profit of the Company for the year;

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- iii) that your Directors had 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.
- 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.

FIXED DEPOSIT

During the year under review, the Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given guarantees in any other Company. During the year the company has given loan to Bayshore Pharmaceuticals LLC, USA of Rs. 1,513.20 lacs. During the year the company has made Investment in Redeemable Preference shares of Pisgah Laboratories Inc., USA of Rs 1,466.04 lacs.

AUDITORS, AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS:

Virendra K. Jain, Certified Public Accountant, retire as auditors and, being eligible, offer themselves for re-appointment.

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.

PARTICULARS OF EMPLOYEES

Statement required under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

Employed throughout the financial year:

Name	Designation	Qualification	Date of Employment	Exp Yr	Gross Remuneration	Age	Last Employment
Murali Sharma	Director	M COM, ICWA	24/08/2018	41 Yrs	Rs. 277.26 lacs	61 yrs	President (Generic) Ipca Laboratories Ltd., Mumbai

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ACKNOWLEDGEMENTS

Your Directors place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels. Your Directors also place on record their appreciation for the continued co-operation and support extended to the Company by the trade and the customers.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Pranay Godha", written over a horizontal line.

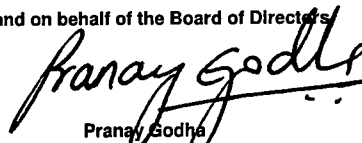
Pranay Godha
Chairman
June 15, 2020

IPCA PHARMACEUTICALS INC., USA
Balance Sheet as at March 31, 2020

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	1 632.82	605.58
(b) Capital work-in-progress	-	-
(c) Goodwill	-	-
(d) Other Intangible assets	-	-
(e) Intangible assets under development	-	-
(f) Financial Assets		
(i) Investments	2 17,171.87	14,449.66
(ii) Loans	3 1,516.86	3.34
(iii) Others	-	-
(g) Other Non-current assets	-	-
	19,321.55	15,058.58
(2) Current Assets		
(a) Inventories	-	-
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	4 166.13	154.22
(iii) Cash and cash equivalents	5 109.89	35.45
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	-
(vi) Others	6 30.26	-
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	7 5.21	1.94
	311.49	191.61
Total Assets	19,633.04	15,250.19
EQUITY & LIABILITIES		
EQUITY		
(a) Share capital	8 17,790.89	15,116.96
(b) Other Equity	9 1,824.88	121.13
Total Equity	19,615.77	15,238.09
LIABILITIES		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	-
(iii) Other financial liabilities	-	-
(b) Provisions	-	-
(c) Deferred tax liabilities (Net)	-	-
(d) Other Non-current liabilities	-	-
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade payables	10 8.95	6.22
(iii) Other financial liabilities	-	-
(b) Other current liabilities	-	-
(c) Provisions	-	-
(d) Current Tax Liabilities (Net)	11 8.32	5.88
	17.27	12.10
Total Equity and Liabilities	19,633.04	15,250.19

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss

For and on behalf of the Board of Directors


Pranay Godha
Chairman/Director

Date: June 15, 2020

IPCA PHARMACEUTICALS INC., USA

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Note	2019-20	2018-19
	Ref.	(₹ Lakhs)	(₹ Lakhs)
I Revenue from operations	12	522.12	467.27
II Other income	13	52.01	12.50
III Total Income (I+II)		574.13	479.77
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-	-
Employee benefits expense	14	302.14	301.80
Finance costs		-	-
Depreciation and amortisation expense	1	27.90	34.95
Other expenses	15	172.51	117.75
Foreign exchange (gain)/loss-net		-	-
Total Expenses (IV)		502.55	454.50
V Profit/(loss) before exceptional items and tax (III-IV)		71.58	25.27
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		71.58	25.27
VIII Tax expense:			
(1) Current tax		7.80	11.20
(2) Deferred tax		-	-
IX Profit/ (loss) for the period from continuing operations (VII-VIII)		63.78	14.07
X Profit/ (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/ (loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/ (loss) for the period (IX+XII)		63.78	14.07
XIV Other Comprehensive Income			
A (I) Items that will not be reclassified to profit or loss		-	-
B (I) Items that will be reclassified to profit or loss			
Exchange difference in translating the financials statement of foreign op		1,639.97	95.39
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		1,639.97	95.39
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising		1,703.75	109.46
XVI Earnings per equity share (for continuing operation) :	17		
(1) Basic (₹)		-	-
(2) Diluted (₹)		-	-
Par Value		No Par Value	No Par Value

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss

For and on behalf of the Board of Directors


Praveen Godha
Chairman/Director

Date: June 15, 2020

IPCA PHARMACEUTICALS INC., USA
Cash flow statement for the year ended 31st March 2020

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit/(loss) before taxation	71.58	25.27
Adjustments for :		
Interest Income	(52.01)	(12.50)
Depreciation	27.90	34.95
	<u>(24.11)</u>	<u>22.45</u>
2. Operating profit/(loss) before working capital changes	<u>47.47</u>	<u>47.72</u>
Decrease/(Increase) in Receivables and Advances	(15.50)	15.97
Increase/(Decrease) in Current Liabilities	<u>2.73</u>	<u>-</u>
	<u>(12.77)</u>	<u>15.97</u>
Movement in Foreign currency translation reserve	328.66	(299.69)
Tax paid	<u>(5.36)</u>	<u>-</u>
3. Cash generated from operation (A)	<u>358.00</u>	<u>(236.00)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	21.75	12.50
Loan Given	(1,513.20)	-
Investment in Pisgah USA Inc.	<u>(1,466.04)</u>	<u>(8,322.36)</u>
Net cash from / (used) In investing activities (B)	<u>(2,957.49)</u>	<u>(8,309.86)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Preference share	2,673.93	8,340.43
	<u>2,673.93</u>	<u>8,340.43</u>
Net cash from / (used) in Financing activities (C)	<u>2,673.93</u>	<u>8,340.43</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	<u><u>74.44</u></u>	<u><u>(205.43)</u></u>
Cash and cash equivalents at beginning of period	35.45	240.88
Cash and cash equivalents at end of period	<u><u>109.89</u></u>	<u><u>35.45</u></u>
Components of Cash and Cash equivalents:		
Balance with Banks	109.89	35.45
Cash in hand	<u>-</u>	<u>-</u>
	<u><u>109.89</u></u>	<u><u>35.45</u></u>

For and on behalf of the Board of Directors


Pranay Godha
Chairman/Director

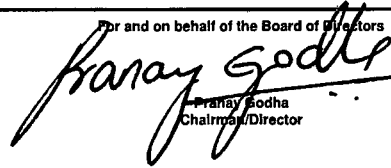
Date: June 15, 2020

IPCA PHARMACEUTICALS INC., USA
Statement of change in equity for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Equity share capital	Redeemable Preference Shares	Reserves & Surplus		Other Reserves	Total
			Retained Earnings	Parent Contribution	Foreign Currency Translation reserve	
Balance as on March 31, 2018	920.20	5,856.33	(188.78)	11.26	189.19	6,788.20
Share issued during the year	-	8,340.43	-	-	-	8,340.43
Profit for the period	-	-	14.07	-	-	14.07
Exchange difference in transalting the financial statement of foreign operation	-	-	-	-	95.39	95.39
Balance as on March 31, 2019	920.20	14,196.76	(174.71)	11.26	284.58	15,238.09
Share issued during the year	-	2,673.93	-	-	-	2,673.93
Profit for the period	-	-	63.78	-	-	63.78
Exchange difference in transalting the financial statement of foreign operation	-	-	-	-	1,639.97	1,639.97
Balance as on March 31, 2020	920.20	16,870.69	(110.93)	11.26	1,924.55	19,615.77

For and on behalf of the Board of Directors


Pranay Godha
Chairman/Director

Date: June 15, 2020

IPCA PHARMACEUTICALS INC.,USA

Statement of Significant Accounting policies and Other Explanatory Notes

ACCOUNTING POLICIES

a) Accounting Convention

The Financial Statements have been prepared to comply in all material respects with the notified Indian accounting standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

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 at least 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.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) Conversion in to Indian Rupees

The translation of financial statements into Indian Rupees is done in accordance with Ind AS 21 (Revised) "Effects of Changes in Foreign Exchange" notified by the Companies (Accounting Standards) Rules 2015. The resultant Foreign Currency Translation Reserve is shown separately under other comprehensive reserves forming part of Other Equity.

The Assets and Liabilities are translated at closing rate except share capital which is translated at the rate as on transaction date. The income and expenditure are translated at a rate nearing the average rate during the year.

c) Property, Plant and Equipment :

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price 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.

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.

The residual useful life of property, plant & equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

Depreciation is being provided based on estimated useful life using straight-line method.

d) Inventories: Inventories are valued on first in first out (FIFO) method at cost or net realizable value (NRV), whichever is

IPCA PHARMACEUTICALS INC.,USA

Statement of Significant Accounting policies and Other Explanatory Notes

ACCOUNTING POLICIES

- e) **Revenue Recognition:** Revenue from sale of goods is recognised net of returns, product expiry claims and discounts. Revenue is recognized on satisfaction of performance obligations upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

To recognize revenues, the company applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied.

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

interest income is recorded using the effective interest rate (EIR).

f) Taxation

Tax expenses comprise Current Tax and Deferred Tax.:

i) **Current Tax:**

Current Tax is calculated as per the income tax law prevailing in USA. Since the Company has accumulated losses, no Income Tax provision has been made for Federal .However, provision for NJ State Tax has been made.

ii) **Deferred Tax:**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

- g) **Cash and Cash Equivalents:** Cash and cash equivalents in the Balance Sheet comprise cash at bank,cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

h) Provisions, Contingent Liabilities and Contingent Assets

- i) A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Contingent Liabilities are not recognised but disclosed in notes to accounts.

m) Foreign Exchange Transactions:

- i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss. In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.
- ii) 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.
- iii) Non Monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

IPCA PHARMACEUTICALS INC., USA

Note 1

Property, Plant and Equipment

(₹ lakhs)

Particulars	Gross Block				Depreciation				Net Block			
	As on 01/04/2019	Additions	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 31/03/2020	As on 01/04/2019	For the year	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019
Office Equipment	3.65	-	-	0.35	4.00	3.65	-	-	0.35	4.00	-	-
Furniture and Fixtures	31.11	-	-	2.93	34.04	30.80	0.32	-	2.92	34.04	-	0.31
Building	712.88	-	-	67.11	779.99	107.61	27.58	-	11.98	147.17	632.82	605.27
Total	747.64	-	-	70.39	818.03	142.06	27.90	-	15.25	185.21	632.82	605.58
Previous Year	705.30	-	-	42.34	747.64	102.02	34.85	-	5.09	142.06	605.58	603.28

IPCA PHARMACEUTICALS INC., USA

Notes to financial statements as at and for the year ended March 31, 2020

Note 2

Investment

(₹ Lakhs)

Sr. No	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%) No of Share		Amount	
			31/03/2020	31/03/2019			31/03/2020	31/03/2019	31/03/2020	31/03/2019
Investment in Equity Shares										
1	Pisgah Laboratories Inc., USA	Subsidiary	82,800	82,800	unquoted	fully paid	90.00%	90.00%	6,704.14	6,127.30
2	Bayshaore Pharmaceuticals, LLC	Subsidiary	800	800	unquoted	fully paid	80.00%	80.00%	7,895.29	7,215.96
Total									14,599.43	13,343.26
Investment in Preference shares										
1	Pisgah Laboratories Inc., USA	Subsidiary	3,400	1,600	unquoted	fully paid			2,572.44	1,106.40

IPCA PHARMACEUTICALS INC.,USA

Notes to financial statements as at and for the year ended March 31, 2020

3 Financial Assets - Loans				
Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Security Deposit		3.66		3.34
Loan given to Byshore		1,513.20		-
Total	-	1,516.86	-	3.34
4 Financial Assets - Trade receivables (Unsecured, at amortised cost)				
Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current		Current	
Unsecured, considered good	166.13		154.22	
Total	166.13		154.22	
5 Financial Assets - Cash & Cash Equivalents				
Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
Balances with banks	109.89		35.45	
Total	109.89		35.45	
6 Other Financial Assets				
Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Interest Receivable from Bayshore Pharma LLC	30.26	-	-	-
Total	30.26	-	-	-
7 Other Non-Financial Assets				
Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Prepaid expenses	5.21	-	1.94	-
Total	5.21	-	1.94	-
8 Share Capital				
Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Equity Share Capital				
Face Value	No Par value		No Par value	
Class of Shares	Equity Shares fully paid		Equity Shares fully paid	
Authorised Capital	1,000		1,000	
Issued & Subscribed & Paid up	1,000	920.20	1,000	920.20
Preference Share Capital				
Face Value	USD 1000		USD 1000	
Class of Shares	Reddemable Preference Shares		Reddemable Preference Shares	
Authorised Capital	20,000		20,000	
Redeemable Preference Shares	24,650	16,870.69	20,850	14,196.76
Total	25,650	17,790.89	21,850	15,116.96

IPCA PHARMACEUTICALS INC.,USA

Notes to financial statements as at and for the year ended March 31, 2020

Disclosures:

i) Reconciliation of Shares

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Ordinary Equity Shares				
Shares outstanding at the beginning of the year	1,000	920.20	1,000	920.20
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,000	920.20	1,000	920.20
Redeemable Preference Shares				
Shares outstanding at the beginning of the year	20,850	14,196.76	9,250	5,856.33
Shares Issued during the year	3,800	2,673.93	11,600	8,340.43
Shares outstanding at the end of the year	24,650	16,870.69	20,850	14,196.76

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31/03/2020		As at 31/03/2019	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
Ipsca Laboratories Ltd - Equity shares	1,000	100.00	1,000	100.00
Ipsca Laboratories Ltd - Redeemable preference shares	24,650	100.00	20,850	100.00

9 Other Equity

Particulars	As at 31/03/2019	As at 31/03/2018
	(₹ Lakhs)	(₹ Lakhs)
Capital Contribution from Parent Company	11.26	11.26
Retained Earnings	(110.93)	(174.71)
Foreign Currency Translation Reserve	1,924.55	284.58
Total	1,824.88	121.13

10 Financial Liabilities - Trade Payables

Particulars	As at 31/03/2020	As at 31/03/2019
	(₹ Lakhs)	(₹ Lakhs)
Trade Payables	-	-
- Micro Small and Medium Enterprises	-	-
- Others	8.95	6.22
Total	8.95	6.22

11 Current Tax Liability

Particulars	As at 31/03/2020	As at 31/03/2019
	(₹ Lakhs)	(₹ Lakhs)
Provision for tax	8.32	5.88
Total	8.32	5.88

IPCA PHARMACEUTICALS INC.,USA

Notes to financial statements as at and for the year ended March 31, 2020

12 Revenue From Operation

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Sale of Service	522.12	467.27
Total	<u>522.12</u>	<u>467.27</u>

13 Other Income

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Interest received	52.01	12.50
Total	<u>52.01</u>	<u>12.50</u>

14 Employee benefits expense

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Salaries	229.36	221.66
Staff Welfare	59.42	56.07
Others	13.36	24.07
Total	<u>302.14</u>	<u>301.80</u>

15 Other Expenses

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Travelling and Boarding expenses	42.18	21.30
Rent	27.36	27.36
Insurance	3.98	1.57
Rates and taxes	19.80	19.92
Repairs & Maintenance		
- Building	5.52	6.04
Vehicle Expenses	12.02	7.45
Communication expenses	5.79	6.87
Professional charges	45.97	18.18
Office Supplies	2.31	0.99
Audit Fees	3.55	3.50
Bank charges	1.01	1.17
Security charges	0.36	0.36
Miscellaneous Expenses	2.66	3.04
Total	<u>172.51</u>	<u>117.75</u>

IPCA PHARMACEUTICALS INC.,USA

Notes to financial statements as at and for the year ended March 31, 2020

16 Disclosure as required by IND AS 24 "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules 2015.

Relationship:	Country
A. Entities where control exists	
Shareholders of Ipca Pharmaceuticals Inc. Ipca Laboratories Limited.	India
B. Subsidiary	
Pisgah Laboratories Inc. USA	USA
Bayshore Pharmaceuticals LLC, USA	USA
C. Key Management Personnel	
Mr. Pranay Godha-Director	India
Mr. Murlī Sarma - Director (from 24th Aug, 2018)	USA

Transactions (₹ lakhs)

Description	Entities where control exists Holding Company	Subsidiary Company	Key Management Personnel	Total
Remuneration				
Hasit Bhatt (Previous Year)	-	-	-	-
Murli Sharma (Previous Year)	-	-	63.16	63.16
	-	-	277.26	277.26
	-	-	165.61	165.61
Total (Previous Year)	-	-	277.26	277.26
	-	-	228.77	228.77
Service Charges Income				
Ipca Laboratories Limited (Previous Year)	522.12 467.27	-	-	522.12 467.27
Interest Income				
Bayshore Pharmaceuticals LLC (Previous Year)	-	52.00	-	52.00
	-	-	-	-
Loan given				
Bayshore Pharmaceuticals LLC (Previous Year)	-	1,513.20	-	1,513.20
	-	-	-	-
Investment made				
Redeemable Preference shares				
Pisgah Laboratories Inc., USA (Previous Year)	-	1,466.04 1,106.40	-	1,466.04 1,106.40
Equity shares				
Bayshore Pharmaceuticals LLC., USA (Previous Year)	-	-	-	-
	-	7,215.96	-	7,215.96
Total (Previous Year)	-	1,466.04 8,322.36	-	1,466.04 8,322.36
	-	-	-	-
Issue of Share Capital				
Redeemable Preference shares				
Ipca Laboratories Limited (Previous Year)	2,673.93 8,340.43	-	-	2,673.93 8,340.43
Balances as on 31st March 2020				
Receivable				
Interest Receivable				
Bayshore Pharmaceuticals LLC (Previous Year)	-	30.26	-	30.26
	-	-	-	-
Loan Receivable				
Bayshore Pharmaceuticals LLC (Previous Year)	-	1,513.20	-	1,513.20
	-	-	-	-
Trade Receivable				
Ipca Laboratories Limited (Previous Year)	166.13 154.22	-	-	166.13 154.22
	-	-	-	-
Total (Previous Year)	166.13 154.22	1,543.46	-	1,709.59 154.22
	-	-	-	-

IPCA PHARMACEUTICALS INC.,USA

Notes to financial statements as at and for the year ended March 31, 2020

17 Earning per share is not given since shares carry no par value.

18 Commitments and contingencies

Particulars	31st March' 2020 (₹ lakhs)	31st March' 2019 (₹ lakhs)
The Company has one lease commitments for its office which expires on 31st March 2021.	25.65	46.45

19 Prior period comparatives

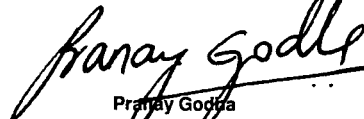
Previous year's figures have been regrouped or rearranged where ever necessary.

20 The annual accounts have been prepared on going concern basis.

21 The Company is 100% subsidiary of Ipca Laboratories Limited. The accounts have been prepared and restated in Indian Rupees for the purpose of attachment to the accounts of the holding company to comply with the provisions of Indian Companies Act.

22 The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Cash Flow Statement, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the year ended on March 31, 2020.

For and on behalf of the Board of Directors


Pranay Godha
Chairman/Director

Date: June 15, 2020