THRU ONLINE FILING

July 15, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
27th Floor, Dalal Street
Mumbai 400 023

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Flr, Plot # C/1
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

Dear Sirs,

Sub: Annual Report – 2018-19

We are enclosing herewith copy of our Annual Report for the financial year ended 31st March, 2019 for your perusal and record.

Kindly acknowledge the receipt.

Thanking you

Yours faithfully
For Ipca Laboratories Limited

Harish P. Kamath
Corporate Counsel & Company Secretary

ipca
A dose of life



Ipca Laboratories Ltd.

Annual Report 2018-19

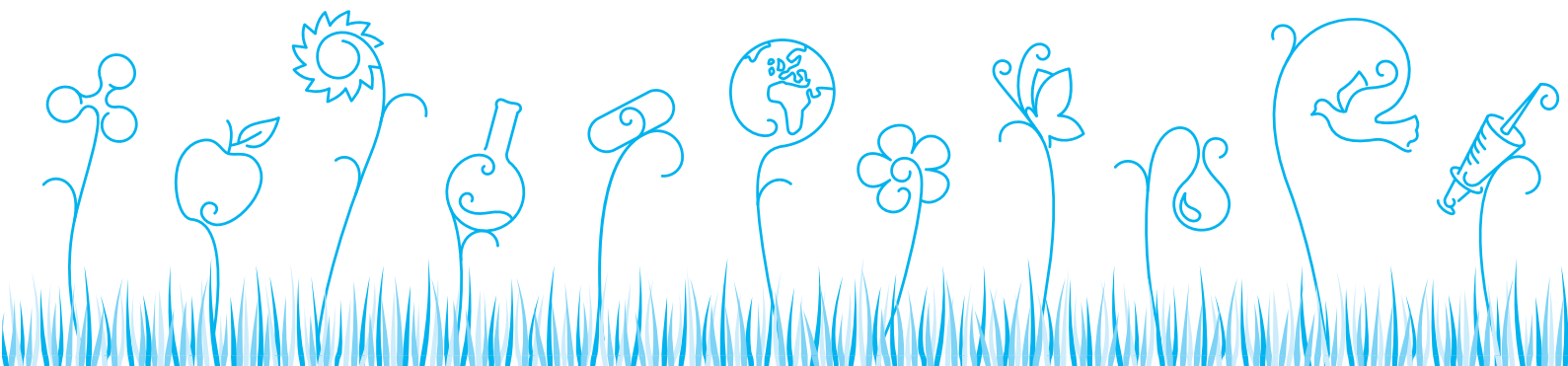
Ten Years' Highlights

(₹ Crores)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Total Income	1565.50	1889.61	2342.98	2797.08	3256.25	3120.40	2870.73	3178.87	3258.75	3687.74
Domestic Income	759.42	864.43	941.01	1081.00	1190.23	1367.54	1440.88	1617.13	1694.54	1956.90
Export Income	806.08	1025.18	1401.97	1716.08	2066.02	1752.86	1429.85	1561.74	1564.21	1730.84
Earning before Interest, Depreciation & Tax #	344.65	384.24	526.40	639.95	826.66	556.27	341.81	435.20	478.82	765.26
Profit before Tax	271.73	343.70	368.94	461.37	629.09	357.73	111.45	258.20	282.80	557.39
Net Profit after Tax	209.19	255.37	280.17	331.39	477.37	256.11	92.52	188.29	233.11	454.91
Share Capital	25.04	25.14	25.23	25.24	25.24	25.24	25.24	25.24	25.24	25.27
Reserves & Surplus	849.82	1028.72	1237.04	1544.61	1956.37	2196.57	2257.81	2449.88	2669.71	3111.39
Net Worth	874.86	1053.86	1262.27	1569.85	1981.61	2221.81	2283.05	2475.12	2694.95	3136.66
Net Block	674.75	792.57	1007.33	1204.50	1471.01	2019.91	2105.51	2040.84	1927.84	1806.06
Dividend (%)	140%	160%	160%	200%	250%	50%	-	50%	50%	150%
Earnings per share (₹)	16.75	20.36	22.23	26.27	37.83	20.29	7.33	14.92	18.47	36.01
Book Value per share (₹)	69.86	83.84	100.06	124.39	157.02	176.05	180.91	196.12	213.55	248.25

Before Foreign Exchange Gain /Loss

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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
Anand T. Kusre (DIN 00818477)	Independent Director
Dev Parkash Yadava (DIN 00778976)	Independent Director
Dr. (Mrs.) Manisha Premnath (DIN 05280048)	Independent Director
Kamal Kishore Seth (DIN 00194986)	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 - Marketing
Harish P. Kamath	Corporate Counsel & Company Secretary
E. J. Babu	President - Global Business
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)
Kavita Sehwani	President - Generics
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 6000
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 69th ANNUAL GENERAL MEETING of Ipca Laboratories Limited (CIN L24239MH1949PLC007837) will be held at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai – 400 064 on Tuesday, 13th August, 2019 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, 2019 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, 2019 together with the Report of the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Prashant Godha (DIN 00012759) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Premchand Godha (DIN 00012691) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, 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. Pranay Godha (DIN 00016525) as the Executive Director of the Company for a further period of 5 years commencing 11th November, 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 21st September, 2018 entered into between the Company and Mr. Pranay 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."

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, 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. Ajit Kumar Jain (DIN 00012657) as the Joint Managing Director of the Company for a further period of 5 years commencing 21st August, 2019 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 29th May, 2019 entered into between the Company and Mr. Ajit Kumar Jain, 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 a Special Resolution :

   "RESOLVED that Mr. Kamal Kishore Seth (DIN 00194986) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29th March, 2019 and who holds office upto the date of this annual general meeting under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kamal Kishore Seth (DIN 00194986) a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and SEBI (LODR) Regulations and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from 29th March, 2019 to 28th March, 2024.

RESOLVED FURTHER THAT pursuant to the SEBI (Listing Obligations and Disclosures Requirement)(Amendment) Regulations, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/ GN/ 2018/ 10 dated 9th May, 2018 and all other applicable provisions of Listing Regulations, the Companies Act, 2013 and Rules framed thereunder and such other applicable laws, rules, regulations, guidelines (other applicable laws) (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the Company do hereby approve continuation of directorship till 28th March, 2024 of Mr. Kamal Kishore Seth (DIN 00194986) Independent Director of the Company, even after his attaining the age of 75 (seventy five) years on 12th May, 2020."

8. 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 2019-20 be paid remuneration of ₹ 6,00,000/- (Rupees Six Lacs Only) plus service 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 Thursday, 8th August, 2019 to Tuesday, 13th August, 2019 (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 Wednesday, 7th August, 2019 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 / Registrar and Share Transfer Agents viz Link Intime India Pvt. Ltd. on or before Wednesday, 7th August, 2019.

(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 2011-12 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, 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) During Fiscal 2019, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1st April 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required.

(8) 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.

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

(10) Electronic copy of the Notice of the 69th 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 69th 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.

(11) Members may also note that the Notice of 69th 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 investors e-mail id investors@ipca.com.

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

(13) 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 at the 69th 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 Saturday, 10th August, 2019 (9:00 am) and ends on Monday, 12th August, 2019 (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 7th August, 2019, 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 instructions for e-voting are as under:

The details of the process and manner for remote e-voting are explained herein 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 are 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 phone.
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 e-services 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.
   d. Members can also use the OTP (one time password) base login for casting the votes on the e-voting system of NSDL.
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 are 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 the 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 Members

1. Institutions, Companies, Trusts, Societies, etc. are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. with the 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. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/ PIN for casting your vote.

VII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

VIII. 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 7th August, 2019.

IX. 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. 7th August, 2019 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 following Toll Free No: 1800 222 990.

X. 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.

XI. 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.

XII. 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.

XIII. 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.

XIV. 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, 2019

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. 5

At the meeting of the Board of Directors of the Company held on 21st September, 2018, as recommended by the Nomination and Remuneration Committee, Mr. Pranay Godha (DIN 00016525) was re-appointed as the Executive Director of the Company for a further period of 5 (five) years with effect from 11th November, 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. Pranay Godha, Executive Director on 21st September, 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. Pranay Godha, aged 47 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 nearly two decades of 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 of the Company w.e.f. 1st November, 2004. He was further promoted as President – Generics Business of the Company 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 Pvt. Ltd.	2. Mexin Medicaments Pvt. Ltd.
3. Kaygee Investments Pvt. Ltd.	4. Gudakesh Investment & Traders Pvt. Ltd.
5. Paranthapa Investments & Traders Pvt. Ltd.	6. Paschim Chemicals Pvt. Ltd.

He is also Director of 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.

Mr. Pranay Godha is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

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.

The Agreement referred to in the resolution at item 5 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Pranay Godha upon his re-appointment as the Executive Director.

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 11th November, 2018.
2. The Executive 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 in the interest of the Company.
3. The Executive 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 confirm to and comply with the directions and regulations made by the Board, and shall use his best endeavors to promote interests of the Company.
4. During the period of his employment the Executive 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 Executive Director during the continuance of this Agreement, the following remuneration :
   a) Salary of ₹ 7,00,000/- (Rupees Seven Lacs only) per month with such increments as may be decided by the Board subject to a ceiling of ₹12,00,000/- (Rupees Twelve 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 profit 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 Sections 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 Executive 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 Executive Director shall be entitled to the following perquisites:
   i) Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Executive Director will be subject to a maximum of fifty per cent of the salary. In case no accommodation is provided by the Company, the Executive Director shall be entitled to the house rent allowance subject to the said ceiling of 50% of the salary.

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 Executive Director.

ii) Medical, hospitalization and health-care expenses: Actual expenses incurred for the Executive Director and his family including mediclaim insurance policy premium to be paid by the Company.

iii) Leave travel concession: For the Executive 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) Contribution to National Pension Scheme / Super Annuation Fund: Company's contribution to any national pension scheme and superannuation fund shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company.

viii) 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.

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

x) Company maintained car with driver.

xi) Land line telephone(s) at the residence and mobile phone(s) for official use.

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

7. The Executive 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.

8. As long as Mr. Pranay Godha functions as the Executive Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committees thereof.

9. As long as Mr. Pranay Godha functions as Executive Director, he shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company except with the consent of the Company accorded by a special resolution.

10. The Executive 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 Executive 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 Executive 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 Executive Director or to

which the Executive Director has, at any time access shall, at the time of the termination of his employment be delivered by the Executive Director to the Company or as it shall direct and the Executive 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. If the Executive Director shall at any time be prevented by ill health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably required and if he shall be unable by reasons of ill health or accident or disability for a period of 180 days in any period of twelve consecutive calendar months, to perform his duties hereunder the Company may forthwith terminate his employment hereunder.
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. In case of death of the Executive Director in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
15. If the Executive 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 Executive Director or of any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Executive Director desirable, the Company by not less than sixty days notice in writing to the Executive Director determine this Agreement and upon the expiration of such notice the Executive Director shall cease to be the Director of the Company.
16. 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 Executive Director shall cease to be the Director of the Company. Provided that the aforesaid notice may be waived mutually by the parties hereto.
17. The terms and conditions including the remuneration payable to the Executive Director for 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.
18. This Agreement represents the entire agreement, between the parties hereto on the subject matter thereof.

Except Mr. Pranay Godha himself, his father Mr. Premchand Godha, Chairman and Managing Director and his brother, Mr. Prashant Godha, Executive Director 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. 5 of the accompanying notice for the approval of the members by way of an ordinary resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

Item No. 6

At the meeting of the Board of Directors of the Company held on 29th May, 2019, as recommended by the Nomination and Remuneration Committee, Mr. Ajit Kumar Jain (DIN 00012657) was re-appointed as the Joint Managing Director of the Company for a further period of 5 (five) years with effect from 21st August, 2019. 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. Ajit Kumar Jain, Joint Managing Director on 29th May, 2019.

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. Ajit Kumar Jain aged 64 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 67,200 equity shares in the Company.

Mr. A. K. Jain is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

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.

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. Ajit Kumar Jain upon his re-appointment as the Joint Managing Director.

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 21st August, 2019.
2. The Joint 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 Joint 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 endeavors to promote interests of the Company.
4. During the period of his employment the Joint Managing Director shall whenever required by the Company undertake such traveling 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 Joint Managing Director during the continuance of this Agreement, the following remuneration:
    a) Salary of ₹ 15,00,000/- (Rupees Fifteen Lacs only) per month with such annual increments as may be decided by the Board subject to a ceiling of ₹ 25,00,000/- (Rupees Twenty Five 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 Joint 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 Joint Managing Director shall be entitled to the following perquisites:

i) Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director will be subject to a maximum of sixty per cent of the salary. In case no accommodation is provided by the Company, the Joint Managing Director shall be entitled to the house rent allowance subject to the said ceiling of 60% of the salary.

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 Joint Managing Director.

ii) Medical, hospitalization and health-care expenses: Actual expenses incurred for the Joint Managing Director and his family including mediclaim policy premium to be paid by the Company.

iii) Leave travel concession: For the Joint 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) Contribution to National Pension Scheme: Company's contribution to any superannuation fund and national pension scheme shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company.

Contribution to provident fund, superannuation fund and national pension scheme will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.

viii) 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.

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

x) Company maintained car with driver.

xi) 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.

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

8. The Joint 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. Ajit Kumar Jain functions as Joint Managing Director, he shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

10. As long as Mr. Ajit Kumar Jain functions as Joint Managing Director, he shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company except with the consent of the Company accorded by a special resolution.

11. The Joint 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 Joint 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 Joint 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.
12. 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 Joint Managing Director or to which the Joint Managing Director has, at any time access shall, at the time of the termination of his employment be delivered by the Joint Managing Director to the Company or as it shall direct and the Joint 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.
13. The Company may forthwith terminate the employment, if the Joint Managing Director shall at anytime be prevented by ill-health or accident from performing his duties.
14. The Company shall be entitled to forthwith terminate the agreement if the Joint Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
15. In the case of death of the Joint Managing Director in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.
16. If the Joint 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 Joint Managing Director or of any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Joint Managing Director desirable, the Company by not less than sixty days notice in writing to the Joint Managing Director determine this Agreement and upon the expiration of such notice the Joint Managing Director shall cease to be the Director of the Company.
17. 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 Joint Managing Director shall cease to be the Director of the Company. Provided that the aforesaid notice may, be waived mutually by the parties hereto.
18. The terms and conditions including the remuneration payable to the Joint Managing Director for 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.
19. This Agreement represents the entire agreement, between the parties hereto on the subject matter thereof.

Except Mr. A. K. Jain himself and his 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 recommend the resolution set out at Item No. 6 of the accompanying notice for the approval of the members by way of an ordinary resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

Item 7

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Kamal Kishore Seth as an Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 consecutive years from 29th March, 2019 upto 28th March, 2024.

Pursuant to the provisions of Section 161(1) of the Act and Article 104 of the Articles of Association of the Company, Mr. Kamal Kishore Seth holds office of the Director up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

Mr. Kamal Kishore Seth, aged 74 years, is a Commerce and Law Graduate, Fellow of the Institute of Chartered Accountants of India, a qualified Company Secretary and also has diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies.

He has nearly 4 decades of experience in multi-national companies like Wyeth, Hindustan Unilever and Reliance Group in leadership positions in the functional areas such as Finance, Commercial, Marketing, Risk Management, Business Management, Investment and General Management with profit centre responsibilities in multiple sectors including Drugs & Pharmaceuticals, FMCG, Fiber & Petrochemicals, Energy, Infrastructure and Real Estate. Mr. Seth has travelled extensively and has a wide range of international exposure in dealing with Fortune 500 companies.

He is a Director of Indo-Vietnamese Chamber of Commerce and Industry. He does not hold directorship in any other listed company.

His knowledge and experience in multiple sectors in leadership positions will be of immense benefit to the Company.

He holds 850 equity shares of the Company.

Mr. Kamal Kishore Seth is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in the Corporate Governance Report annexed herewith.

The Company has received declaration from Mr. Kamal Kishore Seth that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

In the opinion of the Board, Mr. Kamal Kishore Seth fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations, the appointment of Mr. Kamal Kishore Seth as an Independent Director is now being placed before the Members for their approval.

Copy of the letter for appointment of Mr. Kamal Kishore Seth as an Independent Director setting out terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on any working day except Saturday. The same is also available on the Company's website www.ipca.com.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Kamal Kishore Seth as an Independent Director. Accordingly, the Board recommends the special resolution (since he will be completing the age of 75 years on 12th May, 2020) in relation to appointment of Mr. Kamal Kishore Seth as a Director / Independent Director for the approval by the shareholders of the Company.

Except Mr. Kamal Kishore Seth being an appointee himself and his relatives 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.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

Item 8

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 2019-20. 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 (11.00 am to 1.00 pm) 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. 8.

The Board of Directors accordingly recommend the resolution set out at Item No. 8 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, 2019

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

Harish P. Kamath
Corporate Counsel & Company Secretary
ACS 6792

ROUTE MAP OF AGM

Address: Aspee Auditorium, Laxminarayan Mandir Complex, Marve Road, Next to Nutan School, Malad West, Mumbai, Maharashtra 400 064

Maps Icons

- ASPEE Auditorium Malad
- Malad Railway Station

Distance from

- Malad Station - 1.2 km



TO THE MEMBERS

Your Directors have pleasure in presenting the 69th Annual Report and Audited Financial Statements for the year ended 31st March, 2019.

STANDALONE FINANCIAL RESULTS		
	(₹ crores)	
	For the year ended 31.3.2019	For the year ended 31.3.2018
Sales and other Income	**3687.74**	**3258.75**
Profit before finance cost & depreciation	747.76	481.18
Less : Finance cost	18.49	24.02
Depreciation and Amortisation	171.88	174.36
Profit before tax	**557.39**	**282.80**
Less : Provision for taxation		
Current Tax	119.90	60.01
Short / (Excess) provision of taxes for earlier years	(5.02)	(0.34)
Deferred Tax Asset	(12.40)	(9.98)
Net Profit	**454.91**	**233.11**

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the general reserve out of the amount available for appropriation.

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 Rs. 1140 crores.

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Development

The global pharmaceutical market is now estimated to be about US$ 1.3 trillion and is growing at a CAGR of about 4%. Though, the pharmaceutical industry is developing at a rapid pace, this growth won't come easily for the industry heavily influenced by healthcare reforms, cost pressure, price and value based health care models, economic and political fluidity, public demand for lower cost treatment, economic consolidation, increased competition and changing regulatory landscape with increased scrutiny. The market for pharmaceuticals is growing persistently led by 1% plus annual global increase in the population and ageing at the same time. The increasing urbanization and growing middle income population making drugs available and affordable for more people has also lead to this market growth. As population ages, more and more people require pharmaceuticals to treat their chronic illness, spurring demand for industry products.

The global generic drug market is also expected to reach a size of about US$ 350 billions by 2020. The market for generic drugs has been accelerated by increasing number of patent expiries and governmental initiatives to reduce healthcare cost. The prevalence of chronic diseases and emerging markets as well as decreasing cost of generic drugs is acting as most important factor for growth of generic market. However, high competition and market consolidation can restrict the growth of generic market.

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

The Indian pharmaceuticals industry is globally respected and is one of the most successful industries in the country. It has contributed significantly to global healthcare by ensuring quality, accessible and affordable medicines around the globe. It has also immensely contributed to India's economic growth. World Class capabilities and favourable global pharmaceutical market condition over many years have ensured that India continues to be one of the most lucrative pharma market in the world.

Although economic woes of certain geographies 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 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 $ 17 billion in 2018 is expected to reach a size of about US$ 20 billion by 2020. India today is the largest provider of vaccines and generic drugs in the global market.

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 ₹ 3687.74 crores as against ₹ 3258.75 crores in the previous year, a growth of 13%.

The Company's formulations manufacturing sites at Silvassa and SEZ Indore and APIs manufacturing site at Ratlam continue to be under US FDA import alert.

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. Except US FDA import alert on three of its manufacturing sites, none of the Company's manufacturing sites have any outstanding regulatory or compliance issues with any other regulatory agency.

During the financial year under report, the Earnings before interest, depreciation and taxation amounted to ₹ 747.76 crores as against ₹ 481.18 crores in the previous financial year. The operations have resulted in a net profit of ₹ 454.91 crores during the financial year under report as against ₹ 233.11 crores in the previous financial year, a growth of 95%.

Break-up of Sales (₹ Crores)

	2018-19				2017-18			
	Domestic	Exports	Total	Growth	Domestic	Exports	Total	Growth
Formulations	1646.83	1048.26	2695.09	11%	1425.38	993.96	2419.34	1%
APIs & Intermediates	201.98	682.58	884.56	18%	178.45	570.25	748.70	5%
Total Sales	1848.81	1730.84	3579.65	13%	1603.83	1564.21	3168.04	2%
Growth	15%	11%	13%		5%	--	2%	

d. Key Financial Ratios

	31st March, 2019	31st March, 2018
Debtors Turnover Ratio	5.84	5.94
Inventory Turnover Ratio	3.21	3.38
Interest Coverage Ratio	41.39	19.93
Current Ratio	2.25	1.92
Debt Equity Ratio	0.11	0.18
Operating Profit Margin (%)	14.86%	8.25%

	31st March, 2019	31st March, 2018
Net Profit Margin (%)	12.34%	7.15%
Return on Net Worth (%)	14.50%	8.65%

Due to increase in the sales and improvement in operational performance, which has resulted into increased profitability, the Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth has improved substantially.

e. International Business

The products of the Company are now exported to over 100 countries across the globe. During the financial year under report, the international business amounted to ₹ 1730.84 crores as against ₹ 1564.21 crores in the previous year, a growth of 11%. Formulation exports of the Company increased by 5% to ₹ 1048.26 crores and exports of APIs and Drug Intermediates increased by 20% to ₹ 682.58 crores.

Continent-wise Exports (₹ Crores)

Continent	2018-19				2017-18			
	Formulations	APIs and Intermediates	Total	% to exports	Formulations	APIs and Intermediates	Total	% to exports
Europe	311.89	220.93	532.82	31%	290.34	205.78	496.12	32%
Africa	265.03	39.47	304.50	18%	264.21	20.99	285.20	18%
Americas	90.13	206.77	296.90	17%	102.52	154.34	256.86	16%
Asia	87.04	200.32	287.36	17%	66.50	172.84	239.34	15%
CIS	156.43	9.24	165.67	9%	142.15	11.87	154.02	10%
Australasia	137.74	5.85	143.59	8%	128.24	4.43	132.67	9%
Total	1048.26	682.58	1730.84	100%	993.96	570.25	1564.21	100%

Formulation Exports - Therapeutic Contribution

Therapeutic Group	2018-19	2017-18
Cardiovasculars & Anti-diabetics	29%	31%
Pain Management	21%	20%
Anti-malarials	18%	18%
Anti-bacterials	9%	10%
Anthelmintics	8%	7%
Central Nervous System (CNS) products	6%	6%
Gastro Intestinal (G.I) products	3%	2%
Cough Preparations	2%	2%
Others	4%	4%
TOTAL	**100%**	**100%**

Europe

The Company achieved European export sales of ₹ 532.82 crores during the financial year under report as against sales of ₹ 496.12 crores in the previous year. Regulatory imposition against one of the Company's major customer, though resolved in the second half of the financial year, 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 44 APIs from European Directorate for Quality Medicines.

Africa

The Company achieved export sales of ₹ 304.50 crores to Africa during the financial year under report as against ₹ 285.20 crores in the previous year, a growth of 7%.

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.

As informed in the previous year, 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 and their orders for anti-malarial medicines have now started coming.

The Board of Directors are happy to inform you that during the year, anti-malarial formulations of your Company, Artemether + Lumefantrine dispersible tablet and Artesunate injectable as well as Ratlam Artesunate Injectable manufacturing facility were pre-qualified by WHO. The Company has started receiving orders from institutions for these anti-malarial formulations.

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 ₹ 296.90 crores in this continent as against ₹ 256.86 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.

46 ANDA applications of generic formulations developed by the Company are filed with US FDA out of which 18 ANDA applications are granted till date. 46 DMFs of the Company are also currently filed with US FDA.

Asia

The Asian business (excluding India) recorded sales of ₹ 287.36 crores as against ₹ 239.34 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 ₹ 165.67 crores as against ₹ 154.02 crores in the previous year, a growth of 8%. 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

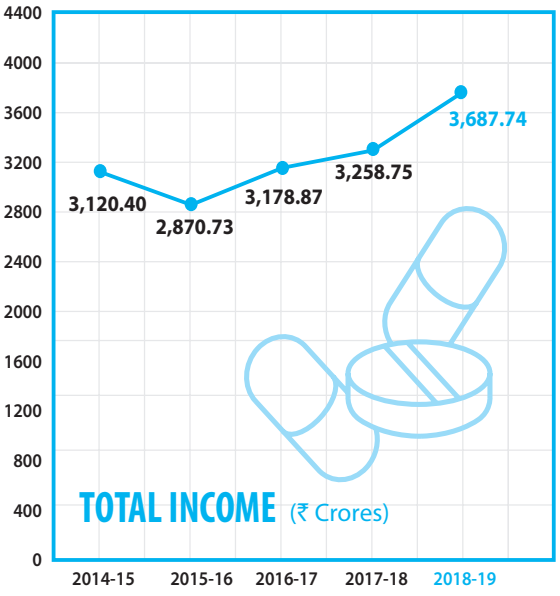
The Company exports APIs to Australia and formulations to Australia and New Zealand in this sub-continent. The business from this continent was ₹ 143.59 crores during the financial year under report as against ₹ 132.67 crores in the previous year, a growth of 8%.

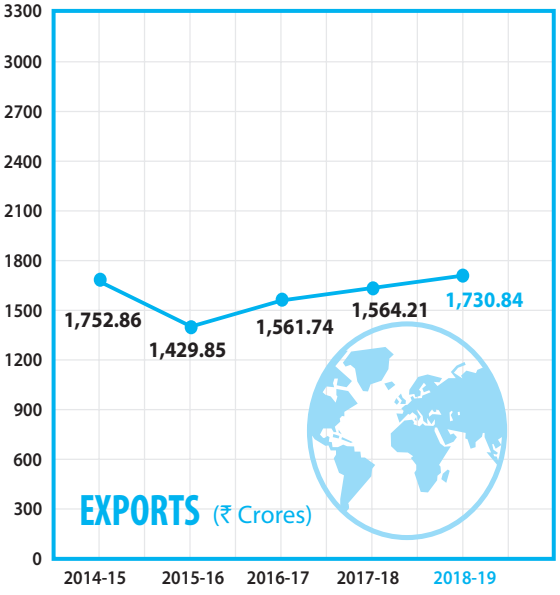
The Company has developed and submitted 73 generic formulation dossiers for registration in this market out of which 70 dossiers are registered.

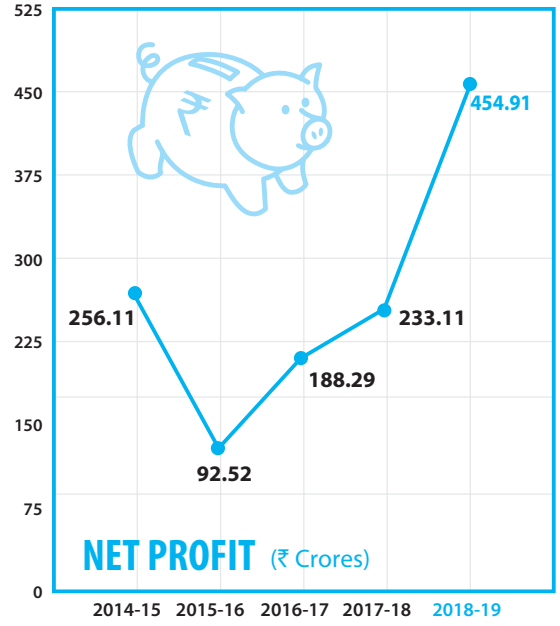
f. Domestic Formulations Business

The Company's formulations business in India now comprises of 15 marketing divisions focusing on key therapeutic segments. Your Company is now the 21st largest in the domestic formulations market as per IMS Health - MAT April 2019.

During the financial year under report, the domestic formulations business recorded a growth of 16% at ₹ 1646.83 crores as against ₹ 1425.38 crores in the previous year.







Domestic Branded Formulations - Therapeutic Contribution		
Therapeutic segment	**2018-19**	**2017-18**
	% to sales	**% to sales**
Pain Management	46%	44%
Cardiovasculars & Anti-diabetics	20%	21%
Anti-malarials	6%	8%
Anti-bacterials	7%	6%
Dermatology	5%	5%
Gastro Intestinal (G I) products	4%	4%
Cough Preparations	4%	4%
Neuro Psychiatry	3%	3%
Urology	3%	3%
Neutraceuticals	1%	1%
Others	1%	1%
Total	100%	100%

g. Active Pharmaceutical Ingredients (APIs) and Intermediates Business

During the financial year under report, the APIs and Intermediates business recorded sales of ₹ 884.56 crores as against ₹ 748.70 crores in the previous financial year, a growth of 18%. Nearly 77% 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.

h. 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.

i. Internal Control Systems and its adequacy

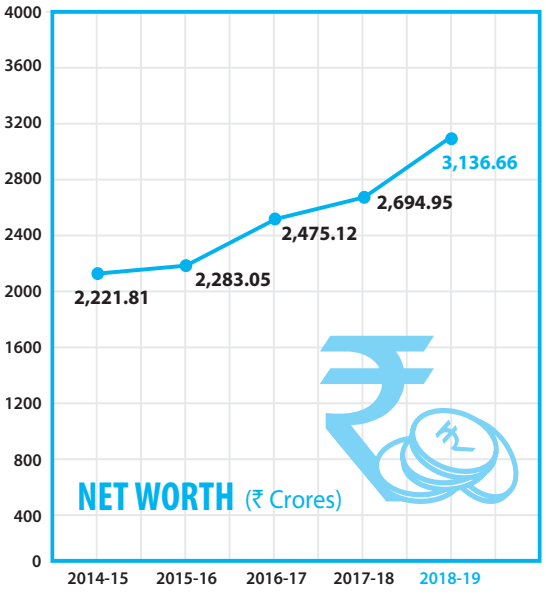
The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has an internal audit 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.

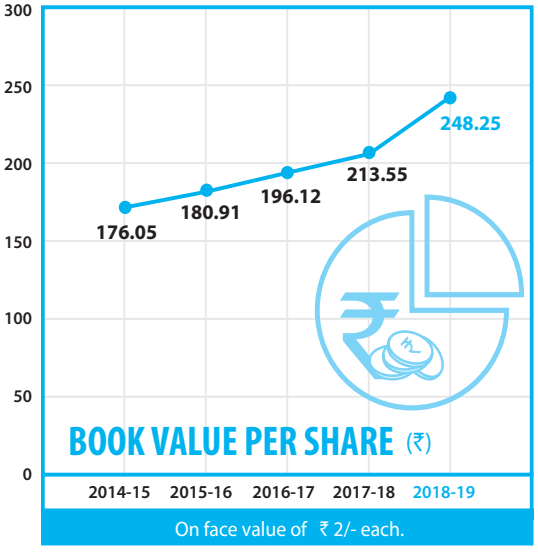
j. Human Resources

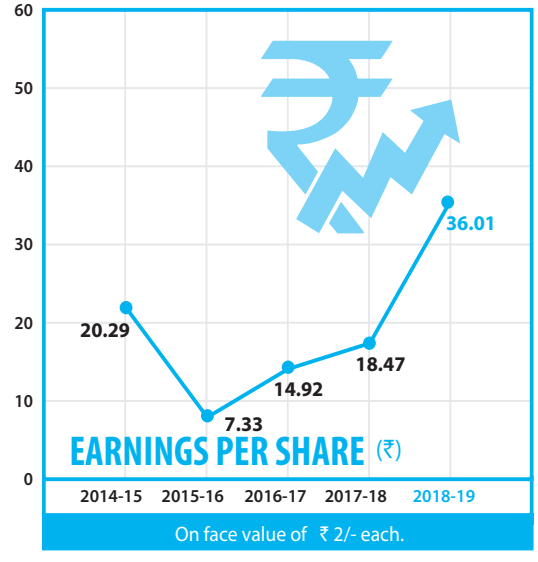
The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations.

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 13,442 permanent employees (including 549 overseas employees) as on 31st March, 2019 out of which 6,253 employees are engaged in the marketing and distribution activities.







k. 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.

SHARE CAPITAL

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 increased to 12,63,52,109 equity shares of ₹ 2/- each aggregating to ₹ 25.27 crores.

The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS as at the end of the financial year ended 31st March, 2019.

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.

The Board of Directors at their meeting held on 29th May, 2018 have 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 Company currently has no outstanding options granted under its 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 http://www.ipca.com/pdf/ESOS2014.pdf).

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under report, Company's wholly owned subsidiary, Ipca Pharmaceuticals Inc., USA acquired 80% share capital of Bayshore Pharmaceuticals LLC, a New Jersey limited liability company (Bayshore), 788 Morris Turnpike, Suite 200, Short Hills, New Jersey, USA for cash @ US $ 10.286 millions.

Bayshore was originally founded in the year 2011 as a sales and marketing company of FDA approved generics drug products in the United States of America. Bayshore is currently engaged in the selling and marketing of its own registered generics drug products as well as the registered generics drug products of other pharmaceutical companies.

The Company will be able to utilise Bayshore's platform for commercialisation of its registered generics drug products in the United States of America.

The Company has also acquired 100% paid-up share capital of Ramdev Chemical Private Limited on 24th April, 2019 for cash @ ₹ 108.50 crores. Consequent to this share acquisition, Ramdev Chemical Pvt. Ltd. has become Company's wholly owned subsidiary. Ramdev Chemical Pvt. Ltd., a company incorporated in 1999 under the Companies Act, 1956 is engaged in the business of manufacturing and marketing of advanced drug intermediates, fine chemicals, custom synthesis molecules and active pharmaceutical ingredients.

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 ₹ 89.35 crores (2.50% of the turnover) as against ₹ 118.10 crores (3.73% 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 have not declared any interim equity dividend during the year. Your Directors are now pleased to recommend an equity dividend of ₹ 3/- per share (150%) for the financial year under report. The dividend recommended is in line with the Company's dividend distribution policy which is placed on the Company's website (www.ipca.com).

The dividend and applicable dividend tax amounting to ₹ 45.70 crores, if approved at the ensuing Annual General Meeting, will be appropriated and will be paid out of the profits for the year on or before 30th August, 2019.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under report, the Company has transferred to the Investor Education and Protection Fund (IEPF) all the unpaid dividend amounts required to be so transferred on or before the due date(s) for such transfer. The Company has also transferred to IEPF, such of the Company's equity shares in respect of which the dividend declared has not been paid or claimed for seven consecutive years.

The details of the unpaid / unclaimed dividends for the last seven financial years is available on the website of the Company (www.ipca.com).

The Company has appointed the Company Secretary as its nodal officer under the provisions of IEPF.

DIRECTORS

Mr. Prashant Godha and Mr. Premchand 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 21st September, 2018, Mr. Pranay Godha was re-appointed as the Executive Director of the Company for a further period of 5 years w.e.f 11th November, 2018. The necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

At the meeting of the Board of Directors of the Company held on 29th March, 2019, Mr. Kamal Kishore Seth was appointed as an Additional Director / Independent Director of the Company for a period of 5 years from 29th March, 2019 till 28th March, 2024. The necessary special resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

At the meeting of the Board of Directors of the Company held on 29th May, 2019, Mr. A. K. Jain was re-appointed as the Joint Managing Director of the Company for a further period of 5 years w.e.f 21st August, 2019. The necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

Dr. Ramakanta Panda stepped down as a Director/Independent Director of the Company with effect from 7th March, 2019 since he was disqualified to act as a Director under the provisions of Section 164 (2) of the Companies Act, 2013, in view of name of one of the private limited company in which he was a Director has been struck off from the register maintained by the Registrar of Companies. In view of the above, he has ceased to be a Director / Independent Director of the Company with effect from 7th March, 2019.

The term of appointment of Mr. Babulal Jain as an Independent Director came to an end on 31st March, 2019. He informed the Company of his inability to continue / be re-appointed as Independent Director / Director of the Company. Accordingly, the Board at its meeting held on 29th March, 2019 agreed to relieve him as the Director / Independent Director of the Company with effect from 1st April, 2019. Accordingly, he ceases to be a Director of the Company with effect from the said date.

The Board places on record its appreciation for the services rendered by Mr. Babulal Jain and Dr. Ramakanta Panda during their tenure as Directors on the Board of the Company.

Mr. Anand Kusre, Mr. Dev Parkash Yadava and Dr. (Ms.) Manisha Premnath have been re-appointed as Independent Directors for a second (another) term of five consecutive years pursuant to the special resolutions passed by the members of the Company through Postal Ballot on 27th March, 2019.

Mr. Anand Kusre, Mr. Dev Parkash Yadava, Dr. (Ms.) Manisha Premnath and Mr. Kamal Kishore Seth, 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 SEBI (LODR) Regulations 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 as well as being appointed is furnished in the Report on Corporate Governance annexed herewith.

KEY MANAGERIAL PERSONNEL

During the financial year under report, the following persons continue to be 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, 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, 2019 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.

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 this appointment was ratified by the members of the Company at the 68th Annual General Meeting of the Company held on Thursday, 9th August, 2018.

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 2018-19.

The Cost Audit Report for the financial year 2017-18, which was due to be filed with the Ministry of Corporate Affairs by 21st October, 2018 was filed on 25th September, 2018.

The Company has maintained the cost accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

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 2018-19.

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 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 (http://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 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 (http://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 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 aforesaid information 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 (11.00 am to 1.00 pm) 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 no personnel have 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 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 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.

CONSTITUTION OF COMMITTEE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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.

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, which is placed on the Company's website (www.ipca.com) as part of Company's 2018-19 Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the financial year ended 31st March, 2019 forms part of this Report. The same is also uploaded on the Company's website (www.ipca.com) as part of Company's 2018-19 Annual Report.

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

Premchand Godha
Chairman & Managing Director

Mumbai
29th May, 2019

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, 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 eight directors of which one is promoter Chairman & Managing Director/CEO, one professional non-promoter Joint Managing Director/CFO, two promoter Executive Directors and four 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 (09.08.2018)	No. of Equity shares held in the Company
		Held	Attended		
Mr. Premchand Godha (DIN 00012691)	Chairman & Managing Director/ CEO, Promoter Director	6	6	Yes	26,81,340
Mr. Ajit Kumar Jain (DIN 00012657)	Joint Managing Director/CFO, Professional, Non-Promoter Director	6	6	Yes	67,200
Mr. Pranay Godha (DIN 00016525)	Executive Director, Promoter Director	6	5	Yes	8,25,495
Mr. Prashant Godha (DIN 00012759)	Executive Director, Promoter Director	6	6	Yes	7,59,322
Mr. Anand T. Kusre (DIN 00818477)	Non-Executive, Independent Director	6	6	Yes	Nil
Mr. Dev Parkash Yadava (DIN 00778976)	Non-Executive, Independent Director	6	6	Yes	14,629
Dr. (Ms) Manisha Premnath (DIN 05280048)	Non-Executive, Independent Director	6	5	No	Nil
Mr. Kamal Kishore Seth (DIN 00194986) (Appointed w.e.f 29.03.2019)	Non-Executive, Independent Director	6	1	-	850
Mr. Babulal Jain (DIN 00016573) (upto 31.03.2019)	Non-Executive, Independent Director	6	6	Yes	25,500
Dr. Ramakanta M. Panda (DIN 01161791) (upto 07.03.2019)	Non-Executive, Independent Director	6	3	No	Nil

The above shareholding as at 31st March, 2019 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 in which Director is a Director and committees in which the Director is Member or Chairperson

Name of 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. Anand T. Kusre	1	Nil	Nil
Mr. Dev Parkash Yadava	3	2	Nil
Dr. (Ms.) Manisha Premnath	4	Nil	Nil
Mr. Kamal Kishore Seth (Appointed w.e.f 29.03.2019)	1	Nil	Nil
Mr. Babulal Jain (upto 31.03.2019)	1	Nil	Nil
Dr. Ramakanta M. Panda (upto 07.03.2019)	15	1	Nil

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

Chairmanship and Membership of Audit Committee and Stakeholders Relationship Committee are only considered.

Mr. Dev Parkash Yadava is an Independent Director on the Board of Directors of M/s. Universal Starch Chem Allied Limited, a listed entity. He is also a member of the Audit Committee, Nomination & Remuneration Committee (Chairman) and Stakeholders Relationship Committee of the Board of Directors of the said company.

None of the other Directors of the Company are on Board of Directors of any other listed company.

Every Director informs the Company about the 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 2018-19 and dates on which held

6 (Six) board meetings were held during the financial year 2018-19. The dates on which the said meetings were held are as follows:

29th May, 2018	9th August, 2018
21st September, 2018	14th November, 2018
12th February, 2019	29th March, 2019

The last Annual General Meeting of the Company was held on 9th August, 2018.

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 currently hold any convertible instruments of the Company. Mr. A. K. Jain, Joint Managing Director was allotted 10,000 equity shares of ₹ 2/- each @ ₹ 300 per share under Ipca Laboratories Ltd. – Employees Stock Option Scheme – 2014 on 29th May, 2018.

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.

h) A chart or a matrix setting out the skills/expertise/competence of the board of directors

The Board considers that the following core skills / expertise / competence of the Board of Directors are required in the context of its business and its sector for it to function effectively: research & development, technical, manufacturing, marketing, commercial, regulatory, finance, legal and general management.

In the opinion of the Board, these skills / expertise / competence are actually available with its Board of Directors.

i) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

j) Detailed reasons for the resignation of any independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided

Dr. Ramakanta Panda, Independent Director resigned from the Board of Directors of the Company (before the expiry of his tenure of appointment) on 7th March, 2019 since he was disqualified to act as a Director under the provisions of Section 164 (2) of the Companies Act, 2013 due to name of one of the private limited company in which he was a Director has been struck off from the register maintained by the Registrar of Companies. He has informed the Company that there were no other material reasons for his resignation as an Independent Director of the Company.

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 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. 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. Anand T. Kusre, Chairman of the Committee, Mr. Dev Parkash Yadava and Mr. Kamal Kishore Seth, 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 ability to read and understand financial statements. The Chairman of the Audit Committee is a retired senior banker and is currently associated as a Professor with Shailesh J. Mehta School of Management, IIT, Mumbai.

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, Sr. 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 2018-19

There were 5 (Five) meetings of the Audit Committee during the financial year 2018-19. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

29th May, 2018	9th August, 2018
21st September, 2018	14th November, 2018
12th February, 2019	

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. Anand T. Kusre	5	5
Mr. Dev Parkash Yadava	5	5
Mr. Kamal Kishore Seth (Appointed as Member w.e.f 01.04.2019)	5	-
Mr. Prashant Godha	5	5
Mr. Babulal Jain (upto 31.03.2019)	5	5

The previous annual general meeting of the Company was held on 9th August, 2018 and was attended by Mr. Babulal Jain, the then 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, senior management 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, remuneration 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 Company's 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. Anand T. Kusre (Chairman of the Committee), Mr. Dev Parkash Yadava, Mr. Kamal Kishore Seth and Dr. (Ms.) Manisha Premnath 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 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 http://www.ipca.com/pdf/corporate_policy/Remuneration_Policy.pdf);

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

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

iv. Oversee the familiarization programs for directors (weblink http://www.ipca.com/pdf/Board_of_Directors/familiarisation-programmes-to-independent-directors-2018-19.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 http://www.ipca.com/pdf/corporate_policy/Criteria_for_selection_ of_Candidates_for_Senior_ Management_and_Members_on_the_Board.pdf).

c) Meeting and attendance during the financial year 2018-19

There were 5 (Five) meetings of this Committee during the financial year 2018-19. The dates on which the said meetings were held are as follows:

29th May, 2018	21st September, 2018
14th November, 2018	12th February, 2019
29th March, 2019	

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. Anand T. Kusre	5	5
Mr. Dev Parkash Yadava	5	5
Mr. Kamal Kishore Seth (Appointed as Member w.e.f 01.04.2019)	5	-
Dr. (Ms.) Manisha Premnath (Appointed as Member w.e.f 01.04.2019)	5	-
Mr. Babulal Jain (upto 31.03.2019)	5	5

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 http://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 2018-19 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Anand T. Kusre	6,50,000	Nil
Mr. Dev Parkash Yadava	7,50,000	Nil
Dr. (Ms.) Manisha Premnath	3,25,000	Nil
Mr. Kamal Kishore Seth (Appointed w.e.f 29.03.2019)	1,00,000	Nil
Mr. Babulal Jain (upto 31.03.2019)	7,50,000	Nil
Dr. Ramakanta M. Panda (upto 07.03.2019)	1,75,000	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 2018-19

i. The details of the remuneration paid/payable to Managing Director, Joint Managing Director and Executive Directors for the financial year 2018-19 are given below

(₹)

Name of Director	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Total
Mr. Premchand Godha (Chairman & Managing Director)	3,63,00,000	1,78,80,551	5,44,50,000	Nil	10,86,30,551
Mr. Ajit Kumar Jain (Joint Managing Director)	1,32,00,000	**1,69,06,828	1,98,00,000	Nil	4,99,06,828
Mr. Pranay Godha (Executive Director)	76,66,666	62,04,829	1,53,33,332	Nil	2,92,04,827
Mr. Prashant Godha (Executive Director)	72,00,000	60,93,230	1,44,00,000	Nil	2,76,93,230

* Fixed Component

** Includes perquisite valuation of ₹ 38,15,500/- for allotment of 10,000 equity shares of ₹ 2/- each @ ₹ 300/- per share on 29th May, 2018 upon conversion of options granted under ESOS.

The remuneration paid to the Wholetime Directors is within the limits prescribed under the applicable provisions of the Companies Act, 2013 and under Corporate Governance.

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

The Company currently has no outstanding stock options or other convertible instruments. Mr. A. K. Jain, Joint Managing Director was allotted 10,000 equity shares of ₹ 2/- each @ ₹ 300 per share under Ipca Laboratories Ltd. – Employees Stock Option Scheme – 2014 on 29th May, 2018.

6. Stakeholders Relationship Committee

a) Name of Non-Executive Director heading the committee

This Committee currently functions under the Chairmanship of Mr. Kamal Kishore Seth. Dr. (Ms.) Manisha Premnath, 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 functions in the manner and deals with the matters specified in Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

b) Meetings held and attendance during the financial year 2018-19

There were 4 (Four) meetings of this committee during the financial year 2018-19. The dates on which the said meetings were held are as follows:

29th May, 2018	9th August, 2018
14th November, 2018	12th February, 2019

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. Kamal Kishore Seth (Appointed as Member w.e.f 01.04.2019)	4	-
Dr. (Ms.) Manisha Premnath (Appointed as Member w.e.f 01.04.2019)	4	-
Mr. Premchand Godha	4	4
Mr. Ajit Kumar Jain	4	4
Mr. Babulal Jain (upto 31.03.2019)	4	4

Mr. Babulal Jain, the then Chairman of the Committee attended the last Annual General Meeting of the Company held on 9th August, 2018.

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 19 complaints/communications from the shareholders, mostly regarding non-receipt of dividend warrants posted / bonus shares issue / stock split share certificate / shares demat 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
31-3-2018	Thursday, 09.08.2018 at 3.30 p.m.	Sarovar Banquet Hall, 2nd Floor, Payyade International Hotels Pvt. Ltd. Vasanji Lalji Road, Near Railway Station, Kandivli (West), Mumbai – 400 067	• Re-appointment of Mr. Premchand Godha as the Managing Director of the Company for a further period of five years and remuneration payable to him.
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 Managing Director even after attaining age of 70 years

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

During the year under report, special resolutions for the re-appointment of Mr. Anand T. Kusre, Mr. Dev Parkash Yadava and Dr. (Ms.) Manisha Premnath, as Independent Directors for another (second) term of five consecutive years was passed by postal ballot on 27th March, 2019.

The details of votes cast for and against each of the special resolution passed in the postal ballot is given below:

Special Resolutions passed for the re-appointment of	FOR		AGAINST	
	No. of Votes	% of Votes	No. of Votes	% of Votes
Mr. Anand T. Kusre	10,12,78,284	99.92%	82,756	0.08%
Mr. Dev Parkash Yadava	9,31,33,758	91.89%	82,25,147	8.11%
Dr. (Ms.) Manisha Premnath	9,30,71,402	91.88%	82,23,486	8.12%

d) Person who conducted the postal ballot exercise

Mr. P. N. Parikh, Practising Company Secretary was appointed as Scrutinizer to conduct the said Postal Ballot process in a fair and transparent manner.

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	Tuesday, 13th August, 2019 at 3.30 p.m. at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai – 400 064.
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 2018-19. It is now proposed to declare a dividend of ₹ 3/- per share (150%) on equity share capital for the financial year 2018-19 which if sanctioned will be paid on or before 30th August, 2019.
	Date of Book closure	Thursday, 8th August, 2019 to Tuesday, 13th August, 2019 (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 2019-20 in April, 2019.
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 6000 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 31.3.2019	Please see Annexure 'C'
l)	Dematerialisation of shares and liquidity	99.18% of the paid-up share capital has been dematerialised as on 31st March, 2019.
m)	Outstanding GDRs/ADRs/warrants/ convertible instruments, conversion date and likely impact on equity	The Company has issued 1,53,000 equity shares of ₹ 2/- each of the Company @ ₹ 300/- per share upon conversion of options issued under Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014 to employees of the Company including one Wholetime Non-Promoter Director on 29th May, 2018. No options issued under Ipca Laboratories Ltd- Employees Stock Option Scheme 2014 (ESOS) are outstanding as at 31st March, 2019. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.
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, Industrial Area, 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) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	CARE Ratings has re-affirmed the following ratings to the Company's long term / short term bank facilities Fund Based / Non Fund Based) of ₹ 1140 crores - CARE AA; Stable / Care A1+ (Double A; Outlook:Stable / A One Plus)
r) 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 6000

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 http://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 http://www.ipca.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 http://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 http://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.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised any funds through preferential allotment or through qualified institutional placement of its shares.

i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

The Company has obtained a certificate in this regard from a Company Secretary in practice.

j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board has accepted and acted on all the mandatory recommendations of its committees during the financial year under report.

k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The Company's subsidiaries have not made any payment to the statutory auditors of the Company. The fees paid by the Company to its Statutory Auditors are stated in the appended Audited Financial Statements of the Company.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	4
Number of complaints disposed of during the financial year	3
Number of complaints pending as at end of the financial year	1 (since disposed off)

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. 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. The Independent Directors have also given declarations that they fulfill the criteria of independence as specified in SEBI (LODR) Regulations, 2015 and that they are independent of the Company's management.

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, Sr. 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 (http://www.ipcalabs.com/pdf/corporate_policy/Risk_Management_Policy.pdf).

There were 2 (two) meetings of this committee during the financial year 2018-19. The dates on which the said meetings were held are as follows:

29th May, 2018	13th October, 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	2	2
Mr. Pranay Godha	2	1
Mr. Prashant Godha	2	2
Mr. Manish Jain (Sr. Vice President – Business Development)	2	1

i) The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits approved by the Board which is available on the website of the Company (http://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 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 2 non-listed, non-material Indian wholly owned subsidiaries. The Company also has 5 overseas non-material wholly owned subsidiary companies and 3 overseas non-material wholly owned subsidiary companies of wholly owned subsidiaries and 1 overseas non-material subsidiary of wholly owned subsidiary, 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 regularly 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 subsidiaries.

m) None of the Directors are directors in more than eight 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 re-appointment of Mr. Anand T. Kusre, Mr. Dev Parkash Yadava and Dr. (Ms.) Manisha Premnath as Independent directors for a second term of five consecutive years through postal ballot on 27th March, 2019. 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.

During the year under report, Mr. Kamal Kishore Seth was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 29th March, 2019.

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013, all the independent directors have given declaration of independence and the same has been noted in the first board meeting of the current financial year held on 16th April, 2019.

n) Independent Directors Meeting

During the year under review, the Independent Directors met on 12th February, 2019, 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 then independent Directors were present at the said meeting.

o) The Company has undertaken and covered all the Company's Directors and Officers liability with a suitable insurance policy covering such risks and to the extent of such quantum as determined by the Board.

p) The Company maintains a functional website containing the basic information about the Company (www.ipca.com). 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.

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

Mr. Prashant Godha (DIN 00012759)

Mr. Prashant Godha, aged 44 years is a graduate in Commerce and has done Post Graduate Diploma in Business Management and has experience of over 18 years in pharmaceuticals marketing and general management.

He was appointed as an Additional Director on the Board of the Company with effect from 28th July, 2011 and was first appointed as the Executive Director of the Company with effect from 16th August, 2011.

He holds 7,59,322 equity shares in the Company.

He is also a Director of the following companies:

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

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 are given in the Report on Corporate Governance 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 72 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 4 decades 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.

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 Report on Corporate Governance 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. Pranay Godha (DIN 00016525)

Mr. Pranay Godha, aged 47 years has done his B.Sc. from University of Bombay and has also obtained a degree in M.B.A from the New York Institute of Technology, USA. He has nearly 2 decades of 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 of the Company w.e.f. 1st November, 2004. He was further promoted as President – Generics Business of the Company 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 Pvt. Ltd.	2. Mexin Medicaments Pvt. Ltd.
3. Kaygee Investments Pvt. Ltd.	4. Gudakesh Investment & Traders Pvt. Ltd.
5. Paranthapa Investments & Traders Pvt. Ltd.	6. Paschim Chemicals Pvt. Ltd.

He is also Director of foreign 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 Report on Corporate Governance 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. Ajit Kumar Jain (DIN 00012657)

Mr. Ajit Kumar Jain aged 64 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 67,200 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 Report on Corporate Governance 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. Kamal Kishore Seth (DIN 00194986)

Mr. Kamal Kishore Seth, aged 74 years, is a Commerce and Law Graduate, Fellow of the Institute of Chartered Accountants of India, a qualified Company Secretary and also has diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies. He was appointed as Independent Director at the meeting of the Board of Directors of the Company on 29th March, 2019.

He has nearly 4 decades of experience in multi-national Companies like Wyeth, Hindustan Unilever and Reliance Group in leadership positions in the functional areas such as Finance, Commercial, Marketing, Risk Management, Business Management, Investment and General Management with profit centre responsibilities in multiple sectors including Drugs & Pharmaceuticals, FMCG, Fiber & Petrochemicals, Energy, Infrastructure and Real Estate. Mr. Seth has travelled extensively and has a wide range of international exposure in dealing with Fortune 500 companies.

He holds 850 equity shares of the Company.

He is also a Director of Indo-Vietnamese Chamber of Commerce and Industry.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in this Report on Corporate Governance.

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

r) 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 2018-19. The dates on which the said meetings were held are as follows:

29th May, 2018	9th August, 2018
14th November, 2018	12th February, 2019

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	4
Mr. Premchand Godha	4	4
Mr. Ajit Kumar Jain	4	4
Mr. Prashant Godha	4	4

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

s) 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.

t) 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 (http://www.ipca.com/pdf/corporate_policy/dividend_distribution_policy.pdf).

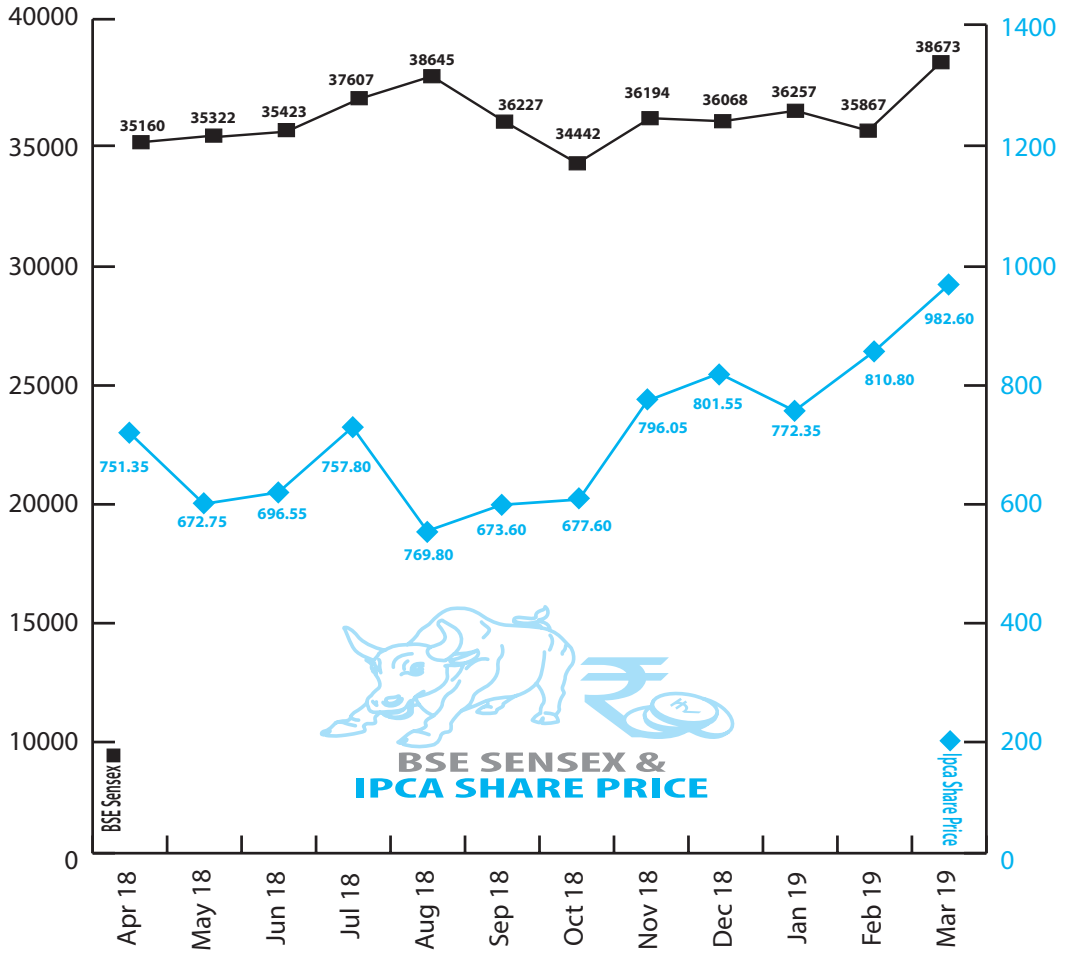
Annexure A

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 2018-19 is furnished below:

Year	Month	Highest (₹)		Lowest (₹)	
		BSE	NSE	BSE	NSE
2018	April	757.00	760.00	656.30	656.10
	May	753.00	755.15	631.10	629.55
	June	715.65	717.10	635.10	631.00
	July	776.00	778.20	673.90	671.00
	August	822.80	822.00	702.90	718.45
	September	808.40	809.00	651.00	654.00
	October	689.95	695.05	590.10	599.95
	November	814.90	816.20	676.60	675.50
	December	823.50	826.45	759.85	765.50
2019	January	817.45	819.00	761.35	761.05
	February	828.00	828.85	717.95	717.00
	March	1042.00	1046.00	813.30	809.10

Annexure B

Graph of share price/ BSE Sensex



Annexure C

The distribution of shareholding as on 31st March, 2019 is as follows :						
No. of equity shares held			**No. of shareholders**	**%**	**No. of shares**	**%**
Upto		500	55305	89.93	5272101	4.17
501	to	1000	4179	6.79	3702584	2.93
1001	to	2000	969	1.58	1470729	1.16
2001	to	3000	289	0.47	730955	0.58
3001	to	4000	128	0.21	466104	0.37
4001	to	5000	110	0.18	518591	0.41
5001	to	10000	167	0.27	1209517	0.96
10001	and	above	348	0.57	112981528	89.42
Grand Total			61495	100.00	126352109	100.00
No. of shareholders in Physical Mode			3186	5.18	1025900	0.82
No. of shareholders in Electronic Mode			58309	94.82	125326209	99.18

Shareholding pattern as on 31st March, 2019 is as follows :			
Categories of shareholders	**No. of shareholders**	**No. of shares**	**% holding**
Indian Promoters	17	58216236	46.07
Banks and Insurance Companies	4	18074	0.01
Mutual Funds / Foreign Mutual Funds	38	31416472	24.86
FIIs / Foreign Portfolio Investors	163	18784216	14.87
NRIs	1995	809970	0.64
Domestic Companies / Other Bodies Corporates	938	2416268	1.91
Resident Individuals/Others	58340	14690873	11.64
Total	**61495**	**126352109**	**100.00**

CEO CERTIFICATION

To,
All 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, 2019.

For Ipca Laboratories Limited

Premchand Godha
Chairman & Managing Director / CEO

29th May, 2019

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, 2019 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 29th May, 2019	**Premchand Godha** Chairman & Managing Director / CEO	**Ajit Kumar Jain** Joint Managing Director / CFO

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, 2019, 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, 2019.

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, 2019

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	No of shares – 79,174 No of shareholders - 915
b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	7
c)	Number of shareholders to whom shares were transferred from suspense account during the year	7
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	No of shares – 64,096 No of shareholders - 897
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

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 http://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: ₹ 208.50 Crores.

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

The Company was required to spend an amount of ₹ 4.17 crores as CSR expenditure for the financial year ended 31st March, 2019.

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 4.17 crores.
Amount spent: ₹ 7.79 crores

b) Amount unspent, if any: The Company has spent more than the amount required to be spent on CSR during the financial year. With this additional CSR spending, most of the shortfall in the CSR spent during the previous financial years is adequately covered.

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 program wise	Amount spent on the projects or program sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period (₹ Crores)	Amount spent direct or through implementing agency
1)	Promotion of Education, Vocational Training and Skill Enhancement Projects	Promotion of Education, Healthcare, Vocational Training and Skill Enhancement Projects	Rajasthan, Maharashtra, U.T. of D & NH	Budgeted by Charitable Trust	Direct expenditure on projects or programs	4.96	Thru Charitable Trusts
2)	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, Rajasthan, etc.		Direct expenditure on approved CSR projects or programs	2.83	Directly by Company / Trust of which Company is the settlor
	Total					**7.79**	

*Give details of implementing agency: The CSR Objectives and CSR Policy of the Company is implemented by the CSR Committee of the Board through direct activities by the Company and thru charitable organisations and trusts.

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 ₹ 7.79 crores on CSR during the financial year as against an amount of ₹ 4.17 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. With this additional CSR spending, most of the shortfall in the CSR spent during the previous financial years is adequately covered.

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, 2019
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.

For and on behalf of the Board

Mumbai,
29th May, 2019

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 is as under:

Sr. No.	Name of the Director / Key Managerial Person (KMP) and Designation	Remuneration of Director / KMP for the financial year 2018-19 (₹) (including commission provided for Wholetime Directors)	% increase/ (decrease) in remuneration in the financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Premchand Godha (Chairman & Managing Director/CEO)	10,86,30,551	34%	441
2	Mr. A. K .Jain (Joint Managing Director/CFO)	4,99,06,828	29%	202
3	Mr. Pranay Godha (Executive Director)	2,92,04,827	18%	118
4	Mr. Prashant Godha (Executive Director)	2,76,93,230	12%	112
5	Mr. A. T. Kusre (Independent Director)	6,50,000	4%	3
6	Mr. Dev Parkash Yadava (Independent Director)	7,50,000	50%	3
7	Dr. (Ms) Manisha Premnath (Independent Director)	3,25,000	44%	1
8	Mr. Kamal Kishore Seth (Independent Director) (Appointed w.e.f 29.03.2019)	1,00,000	-	-
9	Mr. Babulal Jain (Independent Director) (Upto 31.03.2019)	7,50,000	3%	3
10	Dr. Ramakanta Panda (Independent Director) (Upto 07.03.2019)	1,75,000	(22%)	1
11	Mr. Harish P. Kamath (Corporate Counsel & Company Secretary)	1,27,22,676	26%	52

ii. The median remuneration of the employees of the Company during the financial year was ₹ 2,46,521/-.

iii. In the financial year, there was an increase of 7.30% in the median remuneration of employees.

iv. There were 13,442 permanent employees on the rolls of Company as on 31st March, 2019.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 11.13% whereas there is an increase of 27% 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

Premchand Godha
Chairman & Managing Director

Mumbai
29th May, 2019

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.
- Replacement of old pumps with energy efficient pumps.
- Optimization of boiler and utility equipment operations.
- Reactor jacket utility water collection and recycling.
- Low pressure switch installation for brine plant to avoid unwanted running time of motors.

(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.

The Company is in the process of setting up a 1.4 M.W captive solar electricity generation project at Solapur (Maharashtra) with an investment of about ₹ 6.50 crores.

(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:

	2018-19 (₹ Crores)	2017-18 (₹ Crores)
a) Capital	6.50	18.45
b) Revenue	82.85	99.65
c) Total	89.35	118.10
d) R & D expenditure as a percentage of turnover	2.50%	3.73%

(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 ₹ 1730.84 crores as against ₹ 1564.21 crores in the previous year.

B) Outgo

The foreign exchange outgo of the Company during the year aggregated to ₹ 626.64 crores as against ₹ 488.36 crores in the previous year.

For and on behalf of the Board

Mumbai
29th May, 2019

Premchand Godha
Chairman & Managing Director

ANNEXURE 6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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 – 400 067.
Tel: 022 – 6210 5000; 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 4918 6000; 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, Greenland, Auckland 1061, New Zealand	N.A.	Subsidiary	100% Subsidiary of Ipca Pharma (Australia) Pty Ltd.	2(87)(ii)
7.	Ipca Pharmaceuticals Limited, 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)
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.	Bayshore Pharmaceuticals LLC Morris Turnpike, Suite 200, Short Hills, New Jersey, USA	N.A.	Subsidiary	80% shares held by Ipca Pharmaceutical Inc., USA	2(87)(ii)
10.	Tonira Exports Ltd. 142AB, Kandivli Industrial Estate, Kandivli (W), Mumbai – 400067.	U51909MH1995PLC248308	Subsidiary	100% Subsidiary of Ipca Laboratories Ltd.	2(87)(ii)
11.	Avik Pharmaceutical Ltd. Arvind Chambers, Gauri Compound, 188 Kurla Road, Ground Floor, Western Express Highway, Andheri (E), Mumbai - 400069	U99999MH1979PLC021711	Associate	48.99 %	2(6)
12.	CCPL Software Private Ltd. 3, Sangam, 1st Floor, Opp. Traffic Police Chowki, Khar (West), Mumbai - 400052	U74999MH1995PTC092000	Associate	28.95%	2(6)
13.	Trophic Wellness Pvt. Ltd. 142AB, Kandivli Industrial Estate, Kandivli (W), Mumbai – 400067.	U24100MH2010PTC206526	Associate	19.26%	2(6)
14.	Krebs Biochemicals & Industries Ltd. Kothapalli village, Kasimkota Mandal, Anakapalli, Visakhapatnam 531 031	L24110AP1991PLC103912	Associate	34.73%	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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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	8.50	(0.01)*
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	47470209	--	47470209	37.62	47470209	--	47470209	37.57	(0.05)*
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	58216236	--	58216236	46.13	58216236	--	58216236	46.07	(0.06)*
(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	46.07	(0.06)*
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	27092350	2000	27094350	21.47	29327056	2000	29329056	23.21	1.74
b) Banks / FI	245557	1000	246557	0.20	17074	1000	18074	0.01	(0.19)
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt. (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	64383	4000	68383	0.05	41888	4000	45888	0.04	(0.01)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
Foreign Mutual Fund	877177	--	877177	0.70	--	--	--	--	(0.70)
Alternate Investment Fund	2144535	--	2144535	1.70	2087416	--	2087416	1.65	(0.05)
Sub-total (B)(1):-	30424002	7000	30431002	24.12	31473434	7000	31480434	24.91	0.79
(2) Non-Institution									
a) Bodies Corp.									
i) Indian	2853035	8108	2861143	2.29	2408160	8108	2416268	1.91	(0.38)
ii) Overseas	--	--	--	--	4000	--	4000	0.00	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11119860	1222998	12342858	9.78	11888619	1007932	12896551	10.21	0.43
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	878259	--	878259	0.70	879277	--	879277	0.70	--
c) Others (specify)									
(c-i) Clearing Member	206175	--	206175	0.16	108164	--	108164	0.09	(0.07)
(c-ii) Market Maker	1384	--	1384	0.00	1305	--	1305	0.00	--

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c-iii) HUF	422453	--	422453	0.33	434398	--	434398	0.34	0.01
(c-iv) Foreign Holding									
NRI (Repatriate)	380322	2860	383182	0.30	508063	2860	510923	0.40	0.10
NRI (Non Repatriate)	201992	--	201992	0.16	299047	--	299047	0.24	0.08
(c-v) Foreign Portfolio Investor (Corporate)	19931066	--	19931066	15.80	18738328	--	18738328	14.83	(0.97)
(c-vi) Unclaimed Shares Suspense A/c	79174	--	79174	0.06	64096	--	64096	0.05	(0.01)
(c-vii) IEPF Authority	244185	--	244185	0.19	303082	--	303082	0.24	0.05
Sub-total (B)(2):-	36317905	1233966	37551871	29.75	35636539	1018900	36655439	29.01	(0.74)
Total Public Shareholding (B)=(B)(1) + (B)(2)	66741907	1240966	67982873	53.87	67109973	1025900	68135873	53.93	0.06
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	124958143	1240966	126199109	100.00	125326209	1025900	126352109	100.00	--

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Share holding at the end of the year (31.03.2019)			% 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	21.38	--	(0.03)*
2.	Chandurkar Investments Pvt. Ltd.	6978005	5.53	--	6978005	5.52	--	(0.01)*
3.	Kaygee Laboratories Pvt. Ltd	8321000	6.59	--	8321000	6.59	--	--
4.	Paschim Chemicals P. Ltd.	5029000	3.99	--	5029000	3.98	--	(0.01)*
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	1.58	--	(0.01)*
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	--	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	0.00	--	--
	Total	58216236	46.13	--	58216236	46.07*	--	(0.06)*

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 (01.04.2018)		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	01.04.2018	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	31.03.2019	--	--	58216236	46.07*

* There is no reduction in the number of shares held by promoters. However, there is dilution in the shareholding percentage of the promoters' holding due to allotment of 1,53,000 equity shares of ₹ 2/- on May 29, 2018 upon conversion of options granted under Ipca Laboratories Ltd. Employees Stock Option Scheme – 2014. With this ESOS allotment, the paid-up share capital of the Company has increased to 12,63,52,109 equity shares of ₹ 2/- each.

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

Sr. No.	For Each of the Top 10 Shareholders	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	01.04.2018	6779844	5.37	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	06.04.2018	105601	0.08	6885445	5.45
		13.04.2018	85862	0.07	6971307	5.52
		27.04.2018	(520)	(0.00)	6970787	5.52
		11.05.2018	(662)	(0.00)	6970125	5.52
		25.05.2018	13252	0.01	6983377	5.53
		22.06.2018	(944)	(0.00)	6982433	5.53
		30.06.2018	75480	0.06	7057913	5.59
		06.07.2018	29694	0.02	7087607	5.61
		20.07.2018	(858)	(0.00)	7086749	5.61
		27.07.2018	33391	0.03	7120140	5.64
		10.08.2018	(6611)	(0.01)	7113529	5.63
		17.08.2018	(48291)	(0.04)	7065238	5.59
		07.09.2018	(37567)	(0.03)	7027671	5.56
		29.09.2018	782067	0.62	7809738	6.18
		05.10.2018	46546	0.04	7856284	6.22
		02.11.2018	384045	0.30	8240329	6.52
		09.11.2018	41104	0.03	8281433	6.55
		23.11.2018	78701	0.06	8360134	6.62
		07.12.2018	71672	0.06	8431806	6.67
		14.12.2018	18716	0.01	8450522	6.69
		21.12.2018	(48686)	(0.04)	8401836	6.65
		28.12.2018	18126	0.01	8419962	6.66
		04.01.2019	23926	0.02	8443888	6.68
		11.01.2019	13140	0.01	8457028	6.69
		01.02.2019	11342	0.01	8468370	6.70
		08.02.2019	2246	0.00	8470616	6.70
		22.02.2019	250000	0.20	8720616	6.90
		01.03.2019	32551	0.03	8753167	6.93
		08.03.2019	(52969)	(0.04)	8700198	6.89
		15.03.2019	(70050)	(0.06)	8630148	6.83
		29.03.2019	(73745)	(0.06)	8556403	6.77
	At the End of the year	31.03.2019	--	--	8556403	6.77

Sr. 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
2.	HDFC Trustee Company					
	At the beginning of the year	01.04.2018	5179300	4.10	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	06.04.2018	(2900)	(0.00)	5176400	4.10
		12.10.2018	4100	0.00	5180500	4.10
		16.11.2018	18000	0.01	5198500	4.11
		01.02.2019	39000	0.03	5237500	4.15
	At the End of the year	31.03.2019	--	--	5237500	4.15
3.	Lavender Investments Limited					
	At the beginning of the year	01.04.2018	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):	07.09.2018	(33535)	(0.03)	4956238	3.92
		14.09.2018	(58578)	(0.05)	4897660	3.88
		30.11.2018	(121458)	(0.10)	4776202	3.78
		07.12.2018	(301911)	(0.24)	4474291	3.54
		14.12.2018	(101000)	(0.08)	4373291	3.46
		21.12.2018	(21552)	(0.02)	4351739	3.44
		28.12.2018	(23000)	(0.02)	4328739	3.43
		04.01.2019	(28245)	(0.02)	4300494	3.40
		22.02.2019	(223000)	(0.18)	4077494	3.23
		01.03.2019	(440134)	(0.35)	3637360	2.88
	At the End of the year	31.03.2019	--	--	3637360	2.88
4.	ICICI Prudential					
	At the beginning of the year	01.04.2018	5299276	4.19	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	13.04.2018	(107530)	(0.09)	5191746	4.11
		20.04.2018	(212903)	(0.17)	4978843	3.94
		27.04.2018	(146543)	(0.12)	4832300	3.82
		04.05.2018	(16242)	(0.01)	4816058	3.81
		11.05.2018	(42784)	(0.03)	4773274	3.78
		18.05.2018	(96281)	(0.08)	4676993	3.70
		25.05.2018	(34)	(0.00)	4676959	3.70
		08.06.2018	(4043)	(0.00)	4672916	3.70
		15.06.2018	(293395)	(0.23)	4379521	3.47
		22.06.2018	(22031)	(0.02)	4357490	3.45
		30.06.2018	(44219)	(0.03)	4313271	3.41
		06.07.2018	(101048)	(0.08)	4212223	3.33
		13.07.2018	(108887)	(0.09)	4103336	3.25
		20.07.2018	(95742)	(0.08)	4007594	3.17
		27.07.2018	(23874)	(0.02)	3983720	3.15
		03.08.2018	37166	0.03	4020886	3.18
		10.08.2018	(220590)	(0.17)	3800296	3.01
		17.08.2018	112494	0.09	3912790	3.10
		24.08.2018	199646	0.16	4112436	3.25
		31.08.2018	9609	0.01	4122045	3.26
		07.09.2018	(2637)	(0.00)	4119408	3.26
		14.09.2018	12117	0.01	4131525	3.27
		21.09.2018	44892	0.04	4176417	3.31
		29.09.2018	110664	0.09	4287081	3.39
		05.10.2018	20294	0.02	4307375	3.41
		12.10.2018	83521	0.07	4390896	3.48
		19.10.2018	32123	0.03	4423019	3.50
		26.10.2018	82056	0.06	4505075	3.57
		02.11.2018	21937	0.02	4527012	3.58

Sr. 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
		16.11.2018	(175969)	(0.14)	4351043	3.44
		23.11.2018	(188892)	(0.15)	4162151	3.29
		30.11.2018	(85505)	(0.07)	4076646	3.23
		07.12.2018	(50179)	(0.04)	4026467	3.19
		14.12.2018	(188330)	(0.15)	3838137	3.04
		04.01.2019	(409)	(0.00)	3837728	3.04
		11.01.2019	(43608)	(0.03)	3794120	3.00
		18.01.2019	(100617)	(0.08)	3693503	2.92
		25.01.2019	(30454)	(0.02)	3663049	2.90
		01.02.2019	(183566)	(0.15)	3479483	2.75
		22.02.2019	(2664)	(0.00)	3476819	2.75
		01.03.2019	(76235)	(0.06)	3400584	2.69
		08.03.2019	(210371)	(0.17)	3190213	2.52
		22.03.2019	(16165)	(0.01)	3174048	2.51
		29.03.2019	(84196)	(0.07)	3089852	2.45
	At the End of the year	31.03.2019	--	--	3089852	2.45
5.	Unit Trust of India					
	At the beginning of the year	01.04.2018	2256459	1.79	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	13.04.2018	38000	0.03	2294459	1.82
		20.04.2018	13000	0.01	2307459	1.83
		27.04.2018	7716	0.01	2315175	1.83
		04.05.2018	7803	0.01	2322978	1.84
		11.05.2018	10000	0.01	2332978	1.85
		18.05.2018	26000	0.02	2358978	1.87
		25.05.2018	20000	0.02	2378978	1.88
		22.06.2018	10000	0.01	2388978	1.89
		30.06.2018	23000	0.02	2411978	1.91
		13.07.2018	15000	0.01	2426978	1.92
		10.08.2018	10000	0.01	2436978	1.93
		17.08.2018	20000	0.02	2456978	1.94
		14.09.2018	42577	0.03	2499555	1.98
		05.10.2018	15000	0.01	2514555	1.99
		12.10.2018	8000	0.01	2522555	2.00
		14.12.2018	(36576)	(0.03)	2485979	1.97
		18.01.2019	(5000)	(0.00)	2480979	1.96
		15.03.2019	15000	0.01	2495979	1.98
	At the End of the year	31.03.2019	--	--	2495979	1.98
6.	IDFC Sterling Value Fund					
	At the beginning of the year	01.04.2018	0	0.00	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	23.11.2018	1215494	0.96	1215494	0.96
		30.11.2018	39962	0.03	1255456	0.99
		14.12.2018	25371	0.02	1280827	1.01
		11.01.2019	285734	0.23	1566561	1.24
		25.01.2019	3647	0.00	1570208	1.24
		01.02.2019	17613	0.01	1587821	1.26
		08.02.2019	10000	0.01	1597821	1.26
		15.02.2019	57541	0.05	1655362	1.31
		08.03.2019	(2894)	(0.00)	1652468	1.31
		15.03.2019	(122373)	(0.10)	1530095	1.21
		22.03.2019	(19589)	(0.02)	1510506	1.20
	At the End of the year	31.03.2019	--	--	1510506	1.20

Sr. 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.	Tata Multicap Fund					
	At the beginning of the year	01.04.2018	307200	0.24	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.05.2018	(8000)	(0.01)	299200	0.24
		06.07.2018	118000	0.09	417200	0.33
		13.07.2018	50000	0.04	467200	0.37
		31.08.2018	10000	0.01	477200	0.38
		29.09.2018	25000	0.02	502200	0.40
		05.10.2018	50000	0.04	552200	0.44
		19.10.2018	3000	0.00	555200	0.44
		02.11.2018	15000	0.01	570200	0.45
		09.11.2018	40000	0.03	610200	0.48
		23.11.2018	7000	0.01	617200	0.49
		30.11.2018	21517	0.02	638717	0.51
		21.12.2018	(30000)	(0.02)	608717	0.48
		25.01.2019	100000	0.08	708717	0.56
		08.02.2019	610000	0.48	1318717	1.04
		15.02.2019	65000	0.05	1383717	1.10
		15.03.2019	(50000)	(0.04)	1333717	1.06
	At the End of the year	31.03.2019	--	--	1333717	1.06
8.	Abu Dhabi Investment Authority - Behave					
	At the beginning of the year	01.04.2018	0	0.00	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	16.11.2018	102834	0.08	102834	0.08
		23.11.2018	712466	0.56	815300	0.65
		14.12.2018	89700	0.07	905000	0.72
		21.12.2018	225000	0.18	1130000	0.89
		29.03.2019	100000	0.08	1230000	0.97
	At the End of the year	31.03.2019	--	--	1230000	0.97
9.	Aditya Birla Sun Life Trustee Private Limited a/c Aditya Birla Sun Life Pure Value Fund					
	At the beginning of the year	01.04.2018	280000	0.22	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	13.04.2018	45000	0.04	325000	0.26
		04.05.2018	25000	0.02	350000	0.28
		11.05.2018	(350000)	(0.28)	0	0.00
		18.05.2018	400000	0.32	400000	0.32
		01.06.2018	26000	0.02	426000	0.34
		15.06.2018	478000	0.38	904000	0.72
		22.06.2018	300000	0.24	1204000	0.95
		13.07.2018	40000	0.03	1244000	0.98
		10.08.2018	1700	0.00	1245700	0.99
		07.09.2018	20000	0.02	1265700	1.00
		14.09.2018	30000	0.02	1295700	1.03
		21.09.2018	40000	0.03	1335700	1.06
		19.10.2018	30200	0.02	1365900	1.08
		01.02.2019	(8400)	(0.01)	1357500	1.07
		15.02.2019	3300	0.00	1360800	1.08
		08.03.2019	(49000)	(0.04)	1311800	1.04
		15.03.2019	(30000)	(0.02)	1281800	1.01
		22.03.2019	(60000)	(0.05)	1221800	0.97
	At the End of the year	31.03.2019	--	--	1221800	0.97

Sr. 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.	Mirae Asset Emerging Bluechip Fund					
	At the beginning of the year	01.04.2018	1519191	1.20	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.05.2018	(16000)	(0.01)	1503191	1.19
		11.05.2018	(30000)	(0.02)	1473191	1.17
		25.05.2018	(59809)	(0.05)	1413382	1.12
		01.06.2018	(216239)	(0.17)	1197143	0.95
		15.06.2018	(179105)	(0.14)	1018038	0.81
		22.06.2018	(217074)	(0.17)	800964	0.63
		20.07.2018	32767	0.03	833731	0.66
		27.07.2018	15000	0.01	848731	0.67
		03.08.2018	33877	0.03	882608	0.70
		24.08.2018	12799	0.01	895407	0.71
		07.09.2018	2854	0.00	898261	0.71
		14.09.2018	3600	0.00	901861	0.71
		05.10.2018	25491	0.02	927352	0.73
		12.10.2018	3561	0.00	930913	0.74
		02.11.2018	3382	0.00	934295	0.74
		15.02.2019	150000	0.12	1084295	0.86
		22.02.2019	100000	0.08	1184295	0.94
	At the End of the year	31.03.2019	--	--	1184295	0.94
11.	Government Pension Fund Global					
	At the beginning of the year	01.04.2018	2360353	1.87	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	22.06.2018	(5154)	(0.00)	2355199	1.86
		30.06.2018	(22763)	(0.02)	2332436	1.85
		07.09.2018	(59066)	(0.05)	2273370	1.80
		07.12.2018	326083	0.26	2599453	2.06
		08.02.2019	(591299)	(0.47)	2008154	1.59
		15.02.2019	(855011)	(0.68)	1153143	0.91
		08.03.2019	(3419)	(0.00)	1149724	0.91
		15.03.2019	(13351)	(0.01)	1136373	0.90
		29.03.2019	(34554)	(0.03)	1101819	0.87
	At the End of the year	31.03.2019	--	--	1101819	0.87
12.	Goldman Sachs India Limited					
	At the beginning of the year	01.04.2018	2087632	1.65	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	29.09.2018	(786000)	(0.62)	1301632	1.03
		05.10.2018	(54000)	(0.04)	1247632	0.99
		02.11.2018	(365000)	(0.29)	882632	0.70
	At the End of the year	31.03.2019	--	--	882632	0.70

Sr. 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
13.	L&T Mutual Fund Trustee Limited					
	At the beginning of the year	01.04.2018	2015919	1.60	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	06.07.2018	174462	0.14	2190381	1.73
		13.07.2018	22	0.00	2190403	1.73
		20.07.2018	199190	0.16	2389593	1.89
		27.07.2018	7805	0.01	2397398	1.90
		10.08.2018	6958	0.01	2404356	1.90
		17.08.2018	25000	0.02	2429356	1.92
		24.08.2018	57928	0.05	2487284	1.97
		31.08.2018	10242	0.01	2497526	1.98
		14.09.2018	(78291)	(0.06)	2419235	1.91
		21.09.2018	23463	0.02	2442698	1.93
		29.09.2018	198002	0.16	2640700	2.09
		12.10.2018	25000	0.02	2665700	2.11
		16.11.2018	13323	0.01	2679023	2.12
		14.12.2018	(250267)	(0.20)	2428756	1.92
		11.01.2019	(547753)	(0.43)	1881003	1.49
		18.01.2019	(37336)	(0.03)	1843667	1.46
		25.01.2019	(1798)	(0.00)	1841869	1.46
		01.02.2019	(83)	(0.00)	1841786	1.46
		08.02.2019	(357500)	(0.28)	1484286	1.17
		22.02.2019	(50000)	(0.04)	1434286	1.14
		08.03.2019	(66880)	(0.05)	1367406	1.08
		15.03.2019	(115120)	(0.09)	1252286	0.99
		29.03.2019	(153000)	(0.12)	1099286	0.87
	At the End of the year	31.03.2019	--	--	1099286	0.87
14.	Saif India IV FII Holdings Limited/Saif Advisors Mauritius Limited					
	At the beginning of the year	01.04.2018	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):	16.11.2018	(1090000)	(0.86)	920533	0.73
		23.11.2018	(920533)	(0.73)	0	0.00
	At the End of the year	31.03.2019	--	--	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	01.04.2018	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	31.03.2019	--	--	2681340	2.13

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
2.	Mr. Ajit Kumar Jain Joint Managing Director/ CFO					
	At the beginning of the year	01.04.2018	60000	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):	12.04.2018	(1400)	0.00	58600	0.05
		29.05.2018	10000	0.01	68600	0.06
		04.07.2018	(1400)	(0.01)	67200	0.05
	At the End of the year	31.03.2019	--	--	67200	0.05
3.	Mr. Pranay Godha Executive Director					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	825495	0.65
4.	Mr. Prashant Godha Executive Director					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	759322	0.60
5.	Mr. Babulal Jain Independent Director (upto 31.03.2019)					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	25500	0.02
6.	Mr. Dev Parkash Yadava Independent Director					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	14629	0.01
7.	Mr. Anand T Kusre Independent Director					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--

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
8.	Dr. Ramakanta Panda Independent Director (upto 07.03.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
9.	Dr. Manisha Premnath Independent Director					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
10.	Mr. Kamal Kishore Seth Independent Director (w.e.f. 29.03.2019)					
	At the beginning of the year	01.04.2018	850	0.00	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the End of the year	31.03.2019	--	--	850	0.00
11.	Mr. Harish Kamath Company Secretary					
	At the beginning of the year	01.04.2018	5000	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):	29.05.2018	5000	0.01	10000	0.01
		11.12.2018	(1000)	0.00	9000	0.01
	At the End of the year	31.03.2019	--	--	9000	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 (01.04.2018)				
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
Change in Indebtedness during the financial year				
i) Addition	100793.34	0.00	0.00	100793.34

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
ii) Reduction	118617.78	538.22	0.00	119156.01
Net Change	(17824.45)	(538.22)	0.00	(18362.67)
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	44420.54	0.00	0.00	44420.54
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	108.14	0.00	0.00	108.14
Total (i+ii+iii)	44528.68	0.00	0.00	44528.68

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 (₹)
		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)	
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	76,66,666	72,00,000	6,43,66,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,78,80,551	1,69,06,828*	62,04,829	60,93,230	4,70,85,438
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	5,44,50,000	1,98,00,000	1,53,33,332	1,44,00,000	10,39,83,332
	as % of profit/ others, specify (as approved by Board)	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	10,86,30,551	4,99,06,828	2,92,04,827	2,76,93,230	21,54,35,436
	Ceiling as per the Act	₹ 55.31 crores (being 10% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013) and ₹ 27.66 crores being 5% of the profit under Corporate Governance.				

Includes perquisite value of ₹ 38,15,500/- for allotment of 10,000 equity shares on 29th May, 2018 under ESOS

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total (₹)
		Mr. Babulal Jain (upto 31.03.2019)	Mr. Anand T Kusre	Mr. Dev Parkash Yadava	Dr. Ramakanta Panda (upto 07.03.2019)	Dr. Manisha Premnath	Mr. Kamal Kishore Seth (w.e.f. 29.03.2019)	
1.	Independent Directors							
	Fee for attending board / committee meetings	7,50,000	6,50,000	7,50,000	1,75,000	3,25,000	1,00,000	27,50,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	7,50,000	6,50,000	7,50,000	1,75,000	3,25,000	1,00,000	27,50,000
2.	Other Non-Executive Directors							

Sr. No.	Particulars of Remuneration	Name of Directors						Total (₹)
		Mr. Babulal Jain (upto 31.03.2019)	Mr. Anand T Kusre	Mr. Dev Parkash Yadava	Dr. Ramakanta Panda (upto 07.03.2019)	Dr. Manisha Premnath	Mr. Kamal Kishore Seth (w.e.f. 29.03.2019)	
	Fee for attending board / committee meetings	-	-	-	-		-	-
	Commission	-	-	-	-		-	-
	Others, please specify	-	-	-	-		-	-
	Total (2)	-	-	-	-		-	-
	Total (B)=(1+2)	7,50,000	6,50,000	7,50,000	1,75,000	3,25,000	1,00,000	27,50,000
	Total Managerial Remuneration (A+B)	-	-	-	-	-	-	21,81,85,436
	Overall Ceiling as per the Act	₹ 60.84 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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Harish P Kamath (Company Secretary)	Total (₹)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,05,05,628	1,05,05,628
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22,17,048*	22,17,048*
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify (as decided by Board)	-	-
5.	Others, please specify	-	-
	Total	1,27,22,676	1,27,22,676

* Includes ₹ 19,07,750/- being perquisite value on shares allotted on 29th May, 2018 under ESOS.

Remuneration of CEO and CFO who are Wholetime Directors is 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

Premchand Godha
Chairman & Managing Director

Mumbai
29th May, 2019

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, 2018 to 31st March, 2019
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)	₹ 25.27 crores
2.	Total Turnover (INR)	₹ 3687.74 crores
3.	Total profit after taxes (INR)	₹ 454.91 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 7.79 crores. 1.71% of the net profit for the financial year 2018-19.
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 7 wholly owned subsidiaries and 3 wholly owned subsidiaries of the wholly owned subsidiaries and 1 subsidiary of the wholly owned subsidiary
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								

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.								
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 employees	13,442
2	Total number of employees hired on temporary/ contractual/casual basis.	5,255
3	Number of permanent women employees.	893
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 15%

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
(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 Manufacturing 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 are 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 in the financial year under report is ₹ 7.79 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 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
Premchand Godha
Chairman & Managing Director

Mumbai
29th May, 2019

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
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, 2019, 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, 2019 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; The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 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; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (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 allotted 1,53,000 shares under Ipca Laboratories Ltd. - Employees Stock Option Scheme - 2014 to employees of the Company including one Wholetime Non-Promoter Director on 29th May 2018.

For **Parikh & Associates**
Company Secretaries

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

Place: Mumbai
Date : 29.05 2019

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 : 29.05 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Ipca Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matters (KAMs)	How the KAMs were addressed in our audit
1.	**Inventory Valuation** Refer note (g) of the Statement of Significant Accounting Policies. The Company manufactures and sells pharmaceutical products which carry shelf life. As a result, significant level of judgement is involved in estimating inventory valuation . Judgement is required to assess the appropriate net realisable value for short dated pharmaceutical products. Such judgments include management expectations for future sales and inventory liquidation plans.	Our procedures included, amongst others: • We attended stock counts to identify whether any inventory was obsolete; • We assessed the basis for the inventory valuation, the consistency in policy and the rationale in its application; • We tested the accuracy of the ageing of inventories based on system generated reports; • We tested the arithmetical accuracy of valuation files; and • We reviewed product-wise historical data relating to sales return etc. and also its impact on valuation.
2.	**Impairment of Property, plant & equipment** Refer note (b) of the Statement of Significant Accounting Policies. There is a risk of impairment on the Company's property, plant and equipment (PPE) on account of inherent nature of the PPE and the business environment in which the Company operates. As on March 31, 2019 the carrying amount of PPE was ₹ 1,706.35 crores which represent 38.28 % of total assets.	• We assessed the determination of the recoverable amount of the PPE based on our understanding of the nature of the Company's business and the economic environment surrounding its operations. • We reviewed the Company's historical performances and held discussions with the Management to understand their assessment of the Company's future performance. This included obtaining an understanding of management's planned strategies around business expansion and revenue growth strategies.

Sr. No.	Key Audit Matters (KAMs)	How the KAMs were addressed in our audit
	The Management determines at the end of each reporting period the existence of any objective evidence that the Company's PPE may be impaired. If there are indicators of impairment of class of assets, the deficit between the recoverable amount of the PPE and its carrying amount would be recognised as impairment loss in profit or loss. The process of identifying indicators of impairment and determining the recoverable amount of the PPE by the Management requires significant judgement and estimation. The determination of the recoverable amounts inter alia requires estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates.	• We also reviewed performance of individual units and carried out analytical review of relevant data. • We assessed management's estimates applied in the value-in-use model and compared them against historical performance and tested the arithmetical accuracy. • We evaluated the sensitivity of the outcomes by considering the downside scenarios against changes to the key assumptions. • We also assessed the adequacy of the related disclosures in the notes to the standalone financial statements.
3.	**Implementation of new accounting standard on revenue recognition** Refer note (o) of the Statement of Significant Accounting Policies. The accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue. Additionally, Ind AS 115 contains disclosures which involves collation of information in respect of various matters such as disaggregation revenue.	• We had discussion with the Management about its process to assess implementation issues relating to adoption of Ind AS 115. • Our audit approach consisted testing of the effectiveness of the internal controls relating to such process including substantive testing, which included review of terms and conditions of selected sample of existing contracts and new contracts. • We *inter alia* tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price, criteria relating to transfer of control over the promised goods and measurement and recording of revenue. • We also evaluated appropriateness of the disclosures required under Ind AS 115 and verified the process of compilation and accuracy of such disclosures. • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.

Information Other than the Standalone Financial Statements and Our Report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS and 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.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid the standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder and relevant provisions of the Act;

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

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 35 to the standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on the long-term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 29, 2019

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, 2019

(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; and

(c) Based on audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and explanations given by the Management and further based on certificate received from the security trustee, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable; and

(b) The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has granted unsecured loans to its 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; and

(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 paragraph 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 other relevant provisions of the Act and rules framed thereunder 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) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. No undisputed statutory dues payable were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable except a sum of Rs. 54,991 relating to provident fund dues. We have been informed that such dues have remained unpaid due to procedural aspects such as failure to link aadhar number of employees to Universal Account Number allotted by Employees' Provident Fund Organisation, India; and

(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 statute	Nature of dues	Amount (₹ in 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 filing	0.03	2013-14	Asst Commissioner Central Excise, Customs & Service tax, Silvassa
Excise Duty	Interest and penalty on past anti-dumping duty & excise duty (Relating to erstwhile Tonira Pharma Limited since amalgamated with the Company)	4.15	Feb 2000 - Nov 2001	High Court, Gujarat
Excise Duty	Availment of Differential PLA Credit	2.32	2015-16	Commissioner -Appeal , Siliguri
Service Tax	Availment of credit of Service Tax on H.O. Invoices	2.92	April'06 to Sept'09	Commissioner, Central Excise, Ujjain (M.P)
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
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	CESTAT, Mumbai

Name of statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Non payment of Service Tax on Notice pay amount relating to employees	0.54	2015-16 to June'17	Addl. Commissioner of Central Tax & GST, Thane
Service Tax	Non payment of Service Tax on Notice pay amount relating to employees	0.01	2014-15 to June'17	Asst .Comm - Central GST & Central Excise, Circle-1, Audit, Vadodara
Service Tax	Availment of Credit of Service Tax on Garden Maintenance.	0.01	Feb'17 To June'17	Superintendent, CGST & Central Excise, Range-II, Division-VII, Daman Commissionerate
Service Tax	Service Tax paid under RCM on Business Auxiliary Services.(Refund Application Under Rule 142 (3) of CGST Act 2017)	0.01	April'15 To June'17	Assistant Commissioner, CGST & Central Excise, Division-VII, Daman.
Service Tax	Availment of Cenvat Credit on Service Tax*	0.00	2006-07	Dy. Commissioner, Central Excise, Indore (M.P)
Service Tax	Non payment of Service Tax on Notice pay amount relating to employees	0.03	2013-14 to June 2017	Office of the commissioner(Audit), Dehradun
Service Tax	Non payment of Service Tax on Notice pay amount relating to employees	0.01	2013-14 to June 2017	Office of the Assistant Commissioner, Raigadh
Service Tax	Cenvat Credit of work contract and construction service	0.22	2014-15 to June 2017	Office of the Assistant Commissioner, Aurangabad
Sales Tax	Jammu & Kashmir Value added tax	0.05	2011-12	Deputy Commissioner of Commercial Tax (Appeal), Srinagar
Sales Tax	Gujarat value added Tax	0.07	2006-07	Gujarat VAT Tribunal, Ahmedabad
Sales Tax	Gujarat value added Tax	0.02	2007-08	Jt. Commissioner of Commercial Tax, Rajkot
Sales Tax	Gujarat value added Tax	0.28	2006-07	Additional Commercial Commissioner Ahmedabad
Sales Tax	Penalty levied at Check Post	0.01	2014-15	Deputy Commissioner, Sales Tax, West Bengal
Sales Tax	VAT Assessment	0.20	2014-15	Deputy Commissioner of Commercial Tax, Patna
Sales Tax	Penalty for delivery address mismatch on E-way Bill	0.02	2018-19	Appellate Authority, MPGST, Indore
Sales Tax	Demand on regular Assessment	0.34	2014-15	The Dy. Commissioner Commercial Tax Ratlam Division-Ratlam (M.P.)
Sales Tax	Demand on regular Assessment	0.27	2015-17	The Dy.Commissioner Commercial Tax Ratlam Division-Ratlam (M.P.)
	Total	16.73		

***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) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with schedule V to the Act.

(xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements, the Company has not entered into any non-cash transactions with directors. We have been informed that no such transactions have been entered into with person connected with directors. Accordingly, paragraph 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's Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 29, 2019

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 on the Standalone Financial Statements for the year ended March 31, 2019

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

We have audited the internal financial controls with reference to standalone financial statements of **Ipca Laboratories Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 ('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.

Auditor's 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, issued by the ICAI and deemed to be prescribed 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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.

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 controls 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 controls 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 standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 standalone 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 controls with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019 based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 29, 2019

IPCA LABORATORIES LIMITED

Standalone Balance Sheet as at March 31, 2019

	Particulars	Note ref.	As at Mar 31, 2019 (₹ Crores)	As at Mar 31, 2018 (₹ Crores)
	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant & equipment	1	1,706.35	1,816.44
	(b) Capital work-in-progress		35.72	42.02
	(c) Goodwill	1A	23.61	23.61
	(d) Other intangible assets	1B	10.14	14.56
	(e) Intangible assets under development		30.24	31.21
	(f) Financial assets			
	(i) Investments in Subsidiary/ Joint Venture/ Associate	2	231.86	146.28
	(ii) Other investments	2A	-	-
	(iii) Loans	3	116.96	110.45
	(iv) Others	4	3.24	3.17
	(g) Other non-current assets	5	13.87	12.80
	Total Non-current assets		2,171.99	2,200.54
2.	**Current assets**			
	(a) Inventories	6	1,055.55	873.17
	(b) Financial assets			
	(i) Investments	2B	90.38	69.35
	(ii) Trade receivables	7	632.06	594.38
	(iii) Cash and cash equivalents	8	258.69	129.74
	(iv) Bank balances other than (iii) above	9	1.12	1.29
	(v) Loans	3	2.12	2.14
	(vi) Others	4	104.51	90.76
	(c) Current tax assets (net)		-	-
	(d) Other current assets	5	141.12	146.34
	Total Current assets		2,285.55	1,907.17
	Total Assets		4,457.54	4,107.71
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	10	25.27	25.24
	(b) Other equity	11	3,111.39	2,669.71
	Total Equity		3,136.66	2,694.95
	Liabilities			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	133.94	234.01
	(ii) Other financial liabilities	13	-	-
	(b) Provisions	14	25.28	25.88
	(c) Deferred tax liabilities (net)	15	146.26	158.66
	(d) Other non-current liabilities	16	1.56	1.56
	Total Non-current liabilities		307.04	420.11
2.	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	195.86	239.04
	(ii) Trade payables	18		
	Total dues of Micro & small enterprises		4.34	2.19
	Total dues of Others		459.75	412.56
	(iii) Other financial liabilities	13	196.91	231.61
	(b) Current tax liabilities (net)	19	16.55	9.65
	(c) Provisions	14	70.40	67.21
	(d) Other current liabilities	16	70.03	30.39
	Total Current liabilities		1,013.84	992.65
	Total Equity and Liabilities		4,457.54	4,107.71

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Standalone Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Note ref.	2018-19 (₹ Crores)		2017-18 (₹ Crores)	
I.	Revenue from operations	20		3,633.15		3,219.21
II.	Other income	21		54.59		39.54
III.	**Total income (I + II)**			3,687.74		3,258.75
IV.	**Expenses:**					
	Cost of materials consumed	22		1,098.02		923.20
	Purchase of stock-in-trade	23		167.87		168.30
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		(106.14)		20.98
	Employee benefit expenses	25		752.24		712.78
	Finance cost	26		18.49		24.02
	Depreciation & amortisation	27		171.88		174.36
	Other expenses	28		1,027.99		952.31
	Total expenses (IV)			3,130.35		2,975.95
V.	**Profit before exceptional items and tax (III-IV)**			557.39		282.80
VI.	Exceptional items			-		-
VII.	**Profit before tax (V-VI)**			557.39		282.80
VIII.	Tax expense	29				
	1. Current tax		119.90		60.01	
	2. Short / (excess) provision of taxes for earlier years		(5.02)		(0.34)	
	3. Deferred tax liability / (asset) incl. MAT credit		(12.40)	102.48	(9.98)	49.69
IX.	**Profit for the period (VII-VIII)**			454.91		233.11
X.	**Other comprehensive income**					
	A (i) Items that will not be reclassified to profit or loss : Actuarial gain and (loss)			(1.39)		2.30
	(ii) Income tax relating to items that will not be reclassified to profit or loss			0.30		(0.49)
	B (i) Items that will be reclassified to profit or loss :					
	Exchange difference in translating the financial statement of foreign operation			(0.64)		(0.10)
	Gain/ (loss) on cash flow hedge			(3.41)		(0.14)
	(ii) Income tax relating to items that will be reclassified to profit or loss			-		-
	Other comprehensive income for the year, net of tax			(5.14)		1.57
XI.	**Total comprehensive income for the year (IX+X)**			449.77		234.68
XII.	Earnings per equity share (Face value of ₹ 2/- each) :	30				
	Basic (in ₹)			36.01		18.47
	Diluted (in ₹)			36.01		18.47

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Standalone Cash Flow Statement for the year ended March 31, 2019

		2018-19 (₹ Crores)			2017-18 (₹ Crores)	
A.	**Cash Flow from Operating Activities**					
1)	**Net profit before taxation and extraordinary item**		557.39			282.80
	Adjustments for :					
	Depreciation, amortisation and impairment expense	171.88		174.36		
	(Profit) / Loss on sale of Property, plant & equipment	0.72		0.27		
	(Profit) / Loss on mutual fund investments	(8.75)		(6.53)		
	Net gain on financial asset through FVTPL	(0.16)		(0.32)		
	Adjustment on account of Revenue from contract with customers	2.04		-		
	Interest income on financial asset at amortised cost	(5.06)		(4.44)		
	Property, plant & equipment scrapped/ transferred	0.86		0.32		
	Miscellaneous Income	(1.00)		-		
	Sundry balances written off/(back)	(2.34)		(2.55)		
	Provision for doubtful debts / advances	0.12		0.64		
	Bad debts written off	2.02		2.56		
	Unwinding of lease rent	4.38		4.38		
	Employee Stock Option forfieted	0.01		0.32		
	Unrealised foreign exchange (gain) / loss	5.08		2.69		
	Interest income	(22.25)		(10.69)		
	Interest expense	18.49	166.04	24.02		185.03
2)	**Operating profit before working capital changes**		723.43			467.83
	Decrease / (increase) in inventories	(182.38)		0.37		
	Decrease / (increase) in trade receivables	(35.52)		(91.62)		
	Decrease / (increase) in other financial assets	(6.18)		(2.16)		
	Decrease / (increase) in other assets	2.15		(20.23)		
	Increase / (decrease) in trade payables	50.35		26.11		
	Increase / (decrease) in other financial liabilities	1.54		(3.22)		
	Increase / (decrease) in other liabilities	39.67		(5.75)		
	Increase / (decrease) in provisions	1.50	(128.87)	9.94		(86.56)
3)	**Cash generated from operation**		594.56			381.27
	Income tax paid (net)		(107.66)			(57.41)
	Net cash from operating activities		486.90			323.86
B.	**Cash Flow from investing activities**					
	Purchase of Property, plant & equipment including capital Work in progress	(67.41)		(72.32)		
	Investment in Preference shares of subsidiaries	(83.40)		(58.56)		
	Redemption of Preference Shares of subsidiary	12.56		10.24		
	Investment in associate	(14.41)		-		
	Investment in Joint Venture	(0.33)		-		
	Loan given to Associate	-		(12.36)		
	Loan given to Joint Venture	(1.36)		-		
	Repayment of loan by Joint Venture	-		0.44		
	Sale of investment - others	-		0.05		
	Purchase of mutual funds	(2,613.92)		(2,456.04)		
	Redemption of mutual funds	2,622.67	8.75	2,462.57	6.53	
	Proceeds from sale of Property,Plant and Equipment	1.78		1.02		
	Capital Investment subsidy received	14.86		-		
	Movement in other bank balances	0.17		5.19		
	Interest received	14.56		0.43		
	Net cash from / (used in) investing activities		(114.23)			(119.34)
C.	**Cash Flow from financing activities**					
	ESOS Commitment deposit	-		0.02		
	Issue of Share Capital	4.57		-		
	Increase / (decrease) in short term borrowings	(40.43)		61.39		
	Proceeds from long-term borrowings	-		32.76		
	Repayment of long-term borrowings	(154.91)		(181.79)		
	Repayment of debentures	-		(5.00)		
	Interest paid	(16.66)		(22.48)		
	Dividend & dividend tax paid	(15.40)		(15.33)		
	Net cash from / (used in) financing activities		(222.83)			(130.43)
	Net increase / (decrease) in cash and cash equivalents (A + B + C)		149.84			74.09
	Cash and cash equivalents at beginning of year		198.60			124.51
	Cash and cash equivalents at end of year		348.44			198.60
	Components of cash & cash equivalents :					
	Cash and cheques on hand		0.76			1.56
	Balance with banks		257.93			128.18
	Mutual Funds	90.38		69.35		
	Less : Fair value (gain) / loss on Mutual funds	(0.63)	89.75	(0.49)		68.86
			348.44			198.60

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Standalone Statement of changes in equity for the year ended March 31, 2019

(A) Equity Share Capital

Particulars	Note No.	No. of shares	(₹ Crores)
Equity share of face value ₹ 2.00 each			
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
Changes in equity share capital during the year		1,53,000	0.03
Balance as at March 31, 2019	10	12,63,52,109	25.27

(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	Other items of OCI	
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
Profit for the Year	-	-	-	-	-	-	233.11	-	-	233.11
Transfer to general reserve	-	-	-	(5.00)	-	5.00	-	-	-	-
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
Profit for the Year	-	-	-	-	-	-	454.91	-	-	454.91
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	(12.64)	-	-	(12.64)
Tax on dividend	-	-	-	-	-	-	(2.60)	-	-	(2.60)
Share option outstanding account	-	4.88	-	-	(0.32)	-	-	-	-	4.56
Other comprehensive income for the year	-	-	-	-	-	-	*(1.09)	(3.41)	(0.64)	(5.14)
Transition Adjustment on adoption of new revenue recognition standards Ind AS 115	-	-	-	-	-	-	2.59	-	-	2.59
Balance as on March 31, 2019	0.59	48.87	0.26	-	-	1,310.00	1,752.53	0.28	(1.14)	3,111.39

* 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, 2019

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Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

Standalone Statement Of Significant Accounting Policies And Other Explanatory Notes

(A) Corporate Information

Ipca Laboratories Limited (CIN L24239MH1949PLC007837) incorporated in the year 1949, is a integrated pharmaceutical company manufacturing and marketing over 350 formulations and 80 APIs covering various therapeutic segments. The products of the Company are sold in over 100 countries across the globe. The Company has 17 manufacturing units in India manufacturing APIs 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, 2019.

(B) Basis of Preparation

a) Statement of compliance

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"), the Companies (Indian Accounting Standards) Rules, 2015 as amended 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.

b) 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 .

i. 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.

ii. Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia 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.

iii. Useful lives of Property, Plant and Equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iv. Impairment of Property, Plant and Equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

vi. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

vii. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(C) Significant Accounting Policies

(a) Current and non-current classification

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.
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.

(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.

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 & 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 amortisation 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.

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the Statement of profit and loss in the year it is incurred, unless product's technological feasibility as well as other related conditions have been established, in which case such expenditures are capitalised. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

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 and 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 at 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 (material cost net of refundable taxes, labour cost and all manufacturing overheads) and net realisable value.
Stores and Spares	Stores and spare parts are valued at lower of cost computed on First-in-First-out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of cost and net realisable value.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, estimated shelf life, price changes, introduction of competitive new products and such other related factors.

Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition.

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 employee 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 post employment 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.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia, bonus and performance incentive are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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 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.

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) 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 to hedge its foreign currency risks, interest rate 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) Investments in Subsidiaries / Associates / Joint venture

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

o) Revenue recognition

i) The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns, product expiry claims and discounts.

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from Contracts with Customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Under this method, the comparative amounts of revenue and the corresponding contract assets / liabilities were not required to be adjusted retrospectively. The effect on adoption of Ind AS 115 was insignificant.

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 Company 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.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognized over time.

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Where Revenue is recognized over time, the amount of revenue is determined on the basis of contract costs incurred in relation to estimated contract expenses.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

ii) In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.

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

iv) 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).

v) 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.

p) 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 utilize 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.

q) 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.

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) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The above criteria is also used for recognition of incentives under various scheme notified by the Government. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

(D) Recent accounting pronouncements

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessee recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted. The effect on adoption of Ind AS 116 is expected to be insignificant.

Notes to Standalone financial statements as at and for the year ended March 31, 2019

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 at April 1, 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 at 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
Additions	-	-	3.53	57.20	-	1.83	1.16	1.63	0.37	-	5.80	0.09	71.61
Disposal/Adjustments*	-	-	0.21	(15.78)	(3.71)	(0.46)	(0.33)	(0.04)	(0.47)	-	(0.43)	-	(21.01)
As at March 31, 2019	50.28	48.06	517.19	1,403.69	-	21.82	79.78	50.95	16.28	14.33	134.23	2.92	2,339.53
Accumulated Deprecation /Amortisation													
As at April 1, 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 at 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
For the year 2018-19	-	0.97	17.00	110.82	0.14	3.82	6.60	5.45	2.40	0.61	15.70	0.30	163.81
Disposal/Adjustments	-	-	-	(0.80)	(1.44)	(0.21)	(0.01)	-	(0.38)	-	(0.28)	-	(3.12)
As at March 31, 2019	-	3.86	68.99	425.36	-	14.74	24.59	21.38	11.31	2.46	59.33	1.16	633.18
Net Block as at 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
Net Block as at Mar 31, 2019	50.28	44.20	448.20	978.33	-	7.08	55.19	29.57	4.97	11.87	74.90	1.76	1,706.35

Notes:

1. Buildings include cost of shares in Co-operative societies.
2. *During the year, Central Capital Investment Subsidy of ₹ 14.86 crores is recognised for Sikkim-Unit-I under The North East Industrial and Investment Promotion Policy (NEIIPP), 2007. Out of this, subsidy of ₹ 13.86 crores is reduced from cost of respective items of Property, Plant and Equipment and is reported under 'Disposal / Adjustments' during the current year. Balance amount of ₹ 1.00 crore being amount in excess of depreciable amount of certain assets as on the date of recognition of the subsidy is credited to 'Misc. Income – Non-operational'.

Notes to standalone financial statements as at and for the year ended March 31, 2019

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 at April 1, 2017	25.10	5.90	9.72	2.43	43.15
Additions	2.58	-	-	0.45	3.03
Disposal/Adjustments	-	-	-	-	-
As at March 31, 2018	27.68	5.90	9.72	2.88	46.18
Additions	3.04	-	-	0.61	3.65
Disposal/Adjustments	-	-	-	-	-
As at March 31, 2019	30.72	5.90	9.72	3.49	49.83
Accumulated Depreciation / Amortisation					
As at April 1, 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 at March 31, 2018	18.88	5.27	5.79	1.68	31.62
For the year 2018-19	5.38	0.17	1.82	0.70	8.07
Disposal/Adjustments	-	-	-	-	-
As at March 31, 2019	24.26	5.44	7.61	2.38	39.69
Net Block as at March 31, 2018	8.80	0.63	3.93	1.20	14.56
Net Block as at March 31, 2019	6.46	0.46	2.11	1.11	10.14

Range of remaining period of amortisation as at March 31, 2019 of Intangible assets is as below : (₹ Crores)

Assets	Range of remaining period of amortisation			
	< 5 year	6-10 year	>10 year	Net Block
Software	6.46	-	-	6.46
Brand / Trade Mark	0.46	-	-	0.46
Know-How	2.11	-	-	2.11
Software - R&D	1.11	-	-	1.11
Total	10.14	-	-	10.14

2. Financial Assets - Investments

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

Sr. no.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Equity instrument in subsidiaries	21.63	21.63
2	Equity instrument in joint venture	6.84	6.51
3	Equity instrument in associates	48.71	34.30
4	Preference shares of subsidiaries	157.36	86.52
5	Provision for diminution in the value of equity investments	(2.68)	(2.68)
	Total	231.86	146.28
2A	**Other Non-current investments**		
	Investment in equity	-	-
	Total	-	-
2B	**Current investments**		
	Investment in mutual fund	90.38	69.35
	Total	90.38	69.35

Notes to standalone financial statements as at and for the year ended March 31, 2019

2. Investment in Subsidiary/ Joint Venture/ Associate

Sr. No.	Name of the body corporate	Relationship	Face value	Extent of holding (%) / no. of shares		(₹ Crores)	
				As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
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	Aus $ 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	48.99%	49.02%	6.84	6.51
				5,33,000	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)					40.81	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%	15.39	27.96
				15,00,000	27,25,000		
2	Ipca Pharmaceuticals, Inc., USA ##	Subsidiary	$1000	100.00%	100.00%	141.97	58.56
				20,850	9,250		
	Total (ii)					157.36	86.52
	Total unquoted investments (i+ii)					198.17	127.00
(2)	**Quoted equity shares**						
	Investment in equity instruments (at cost)						
1	Krebs Biochemicals & Industries Ltd.	Associate	₹ 10	34.73%	29.83%	36.37	21.96
				57,75,195	41,00,100		
	Total quoted investments					36.37	21.96
	Total investments (1+2)					234.54	148.96
	Less : Provision for diminution in value in equity shares (refer table (iii) below)					(2.68)	(2.68)
	Total non-current investments at cost (net of provision)					231.86	146.28

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	As at March 31, 2019	As at March 31, 2018
1	Ipca Pharmaceuticals Inc., USA - equity shares	Subsidiary	2.68	2.68
	Total		2.68	2.68

iv) Aggregate value of investments **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of quoted investments	36.37	21.96
Aggregate market value of quoted investments	66.99	67.28
Aggregate book value of unquoted investments	198.17	127.00

v) Details of investments in 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 (APIs) manufactured by the Company in the US market. During the last year, this subsidiary acquired 90% Share capital of Pisgah Laboratories Inc. USA. The Company has acquired, on October 2, 2018, 80% units of Bayshore Pharmaceuticals LLC, a New Jersey limited liability company (Bayshore).

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

During the financial year 2003-04, the 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 Chemicals 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 became wholly owned subsidiary of this Company. During the last year, Onyx Scientific Ltd. has acquired 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 Ipca Pharma Nigeria Ltd. Thus, Ipca Pharma Nigeria Ltd became wholly owned subsidiary of the Company with effect from January 31, 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

During the year 2007-08, 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, India

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., India

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. During the year, the Company has been allotted 33,000 share under right issue. Now Company's holding in Avik Pharma is 48.99%.

i) Trophic Wellness Pvt. Ltd., India

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., India

Krebs Biochemicals and Industries Ltd. was established in 1991. During the financial year 2014-15, Krebs Biochemicals and Industries Ltd. became an associate 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. During the year the company has been allotted 16,75,095 shares under right issue. Now company holding in Krebs Biochemical is 34.73%.

2A Other Long term Investments

Sr. no.	Name of the body corporate	Relationship	Face value	No. of shares		(₹ Crores)	
				As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
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)	Others	₹ 10	35,000	35,000	-	-
	Total					-	-

Aggregate value of investments **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of unquoted investments	-	-

2B Current Investment

Sr. no.	Name of the mutual fund scheme	No. of units		(₹ Crores)	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Quoted investment					
Investments at fair value through P&L (fully paid)					
A.	**Investment in mutual fund**				
	Invesco India liquid Fund- Growth	64,492	1,05,029	16.52	25.04
	Kotak Low Duration Fund	-	1,16,320	-	25.48
	Kotak Floater Short Term Fund	-	66,179	-	18.83
	Aditya Birla Sun Life Liquid Fund- Reg - Growth	10,89,420	-	32.57	-
	Kotak Liquid Scheme - Growth	57,078	-	21.53	-
	Kotak Quarterly Interval-S12- Direct-Growth	49,00,808	-	5.06	-
	Reliance Liquid Fund- Treasury Plan- Growth	32,391	-	14.70	-
	Total current investments	61,44,188	2,87,528	90.38	69.35

Aggregate value of investments (₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of quoted investments	90.38	69.35
Aggregate market value of quoted investments	90.38	69.35

Details of loans given, investments made, guarantee 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	2018-19	2017-18
1	Ipca Pharmaceuticals, Inc (USA)	Investment	Subsidiary	Preference Share contribution to Subsidiary	83.41	58.56
2	Krebs Biochemicals & Industries Ltd.	Loan Given	Associate	Loan (ICD) given to Associate for business purpose	-	12.36
3	Krebs Biochemicals & Industries Ltd.	Investment	Associate	Equity Share contribution	14.41	-
4	Avik Pharmaceutical Ltd.	Investment	Joint Venture	Equity Share contribution	0.33	-
5	Avik Pharmaceutical Ltd.	Loan Given	Joint Venture	Receivable converted into loan	2.13	-
6	Avik Pharmaceutical Ltd.	Loan Given	Joint Venture	Loan given to Joint Venture for Plant expansion	0.50	-
	Total				100.78	70.92

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

3. Financial Assets - Loans (Unsecured) (₹ Crores)

	Particulars	As at March 31, 2019		As at March 31, 2018	
		Non current	Current	Non current	Current
(a)	Deposits :				
	Considered good :				
	-With related party	40.74	-	35.67	-
	-With others	12.19	0.98	12.26	0.98
	Which have significant increase in Credit Risk	0.02	-	0.02	-
		52.95	0.98	47.95	0.98
	Less : Allowance for doubtful deposits	(0.02)	-	(0.02)	-
		52.93	0.98	47.93	0.98
(b)	Loans to related parties - considered good	63.31	-	61.95	-
(c)	Others :				
	Loans given to employees- considered good	0.72	1.14	0.57	1.16
	Total	116.96	2.12	110.45	2.14

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

Notes to standalone financial statements as at and for the year ended March 31, 2019

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 March 31, 2019	Maximum outstanding during the year 2018-19	Balance as at March 31, 2018	Maximum outstanding during the year 2017-18
i)	Krebs Biochemicals & Industries Limited - associate	47.33	47.33	47.33	47.33
ii)	Avik Pharmaceutical Ltd. - Joint Venture	15.98	15.98	14.62	15.06
		63.31	63.31	61.95	62.39

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.

4. Financial Assets - Others (₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Advances to employees				
- Considered good	-	1.06	-	0.56
- Credit impaired	-	0.26	-	1.30
	-	1.32	-	1.86
Less : Allowance on advances	-	(0.26)	-	(1.30)
	-	1.06	-	0.56
Deposits with others	0.85	-	0.82	-
Other income receivables	0.09	16.50	0.06	12.27
Claim receivables	-	3.96	-	6.04
Duties and taxes refundable	-	66.99	-	64.20
Unbilled revenue	-	2.51	-	4.00
Forward contract gain receivable	-	13.21	-	-
Hedging gain receivable	-	0.28	-	3.69
Term deposits with banks kept as margin money#	2.30	-	2.29	-
Total	3.24	104.51	3.17	90.76

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, 2019		As at March 31, 2018	
		Non current	Current	Non current	Current
(i)	Capital advances	8.93	-	4.53	-
	(Unsecured, considered good)				
(ii)	Prepaid expenses	1.92	13.05	4.87	16.06
(iii)	Deposits with Govt. departments				
	- Considered good	-	1.59	-	1.25
(iv)	Unutilised indirect tax credit	-	71.33	-	93.01
(v)	Advance to suppliers	-	23.68	-	6.87
(vi)	Export benefits receivables	-	27.35	-	25.92
(vii)	Advances to employees	-	2.54	-	2.86
(viii)	Others	1.65	1.58	0.01	0.37
(ix)	Prepaid taxes (net of provisions)	1.37	-	3.39	-
	Total	13.87	141.12	12.80	146.34

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

6. Inventories

(₹ Crores)

Particulars		As at March 31, 2019		As at March 31, 2018	
i)	Raw materials				
	In hand	388.81		349.77	
	In transit	55.65	444.46	23.53	373.30
ii)	Packing materials				
	In hand	31.24		29.49	
	In transit	0.27	31.51	0.29	29.78
iii)	Work-in-progress		220.51		177.48
iv)	Finished goods				
	In hand				
	Own	272.87		218.37	
	Traded	39.17	312.04	45.43	263.80
	In transit				
	Own	20.67		8.82	
	Traded	3.85	24.52	0.83	9.65
v)	Stores and spares		22.51		19.16
	Total		1,055.55		873.17

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, 2019	As at March 31, 2018
(i)	Amount of inventories recognised as an expense during the period	1,189.83	1,139.48
(ii)	Amount of write - down of inventories recognised as an expense during the period	4.79	5.79
	Total	1,194.62	1,145.27

7. Financial Assets - Trade Receivables (Unsecured)

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
Considered good	632.06		594.38	
Which have significant increase in Credit Risk	0.32		0.47	
Credit impaired	0.01		0.01	
	632.39		594.86	
Less: Allowance for doubtful trade receivable	(0.33)	632.06	(0.48)	594.38
Total		632.06		594.38

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

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, 2019	As at March 31, 2018
Default rate - local	0.15%	0.16%
Default rate - export	0.87%	0.89%

Movement in the expected credit loss allowance

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	0.48	0.56
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit	(0.80)	(0.08)
Provision at the end of the period	(0.32)	0.48

Notes to standalone financial statements as at and for the year ended March 31, 2019

8. Financial Assets - Cash & Cash Equivalents (₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
In Current Accounts	7.93	12.18
Deposit with original maturity of less than three months	250.00	116.00
Cheques, drafts on hand	0.60	1.37
Cash on hand	0.16	0.19
Total	258.69	129.74

9. Financial Assets - Bank balances other than (8) above (₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Unclaimed dividend accounts	1.12	1.29
Total	1.12	1.29

10. Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	12,76,33,204	25.53	12,74,80,204	25.50
Paid up equity shares of ₹ 2 each	12,63,52,109	25.27	12,61,99,109	25.24
Total		25.27		25.24

Of the above 3,22,704 Equity shares of ₹2/- each of the Company have been allotted 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, 2019		As at March 31, 2018	
	Number of shares	(₹ Crores)	Number of shares	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,61,99,109	25.24
Equity Shares issued during the year pursuant to exercise of ESOS	1,53,000	0.03	-	-
Shares outstanding at the end of the year	12,63,52,109	25.27	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.38%	2,70,18,195	21.41%
Kaygee Laboratories Private Limited	83,21,000	6.59%	83,21,000	6.59%
Chandurkar Investments Private Limited	69,78,005	5.52%	69,78,005	5.53%
DSP Blackrock	85,56,403	6.77%	67,79,844	5.37%

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.

iv) Refer point (ii) of note 14.1 for number of employee stock options against which equity shares are issued by the Company.

11. Other Equity

(₹ Crores)

Particulars		As at March 31, 2019		As at March 31, 2018	
(a)	Capital reserve		0.59		0.59
(b)	Securities premium		48.87		43.99
(c)	Capital redemption reserve		0.26		0.26
(d)	Share option outstanding account		-		0.32
(e)	General reserve		1,310.00		1,310.00
(f)	Retained earnings		1,752.53		1,311.36
(g)	OCI reserve				
	- Cash flow hedging reserve	0.28		3.69	
	- Foreign currency translation reserve	(1.14)	(0.86)	(0.50)	3.19
Total			3,111.39		2,669.71

Note : The Board of directors in their meeting held on May 29, 2019 have recommended a dividend of ₹ 3 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 ₹ 45.70 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.

Share Options Outstanding Account

The Company has established 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 basic 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.

Notes to standalone financial statements as at and for the year ended March 31, 2019

12. Financial Liabilities - Borrowings

a) Long-term Borrowings - Secured

(₹ Crores)

Particulars		Non - current portion		Current maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i.	Foreign currency term loan	133.94	234.01	114.41	141.23
ii.	Buyers credit	-	-	-	7.93
Total (a)		133.94	234.01	114.41	149.16

Details of above:-

(₹ Crores)

Sr. No.	Name of the Instruments/ Institutions	Non - current portion		Current maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i.	**Foreign currency term loans**				
1	BNP PARIBAS, Singapore Branch	5.32	25.07	21.28	20.06
2	DBS BANK, Singapore Branch	-	-	-	7.68
3	Citibank N.A., Jersey	25.92	32.56	8.65	-
4	a) HSBC Bank Mauritius Ltd.	-	-	-	14.48
	b) HSBC Bank Mauritius Ltd.	-	8.14	8.64	32.55
	c) HSBC Bank Mauritius Ltd.	72.44	90.88	24.01	17.68
5	Standard Chartered Bank- London	30.26	44.81	17.29	16.30
6	United Overseas Bank Ltd.	-	32.55	34.54	32.48
	Total (i)	133.94	234.01	114.41	141.23
ii.	**Buyers credit**				
1	Standard Chartered Bank	-	-	-	7.93
	Total (ii)	-	-	-	7.93
Total (i + ii)		133.94	234.01	114.41	149.16

b) Long-term Borrowings - Unsecured

(i)	Buyers credit	-	-	-	5.35
Total (a+b)		133.94	234.01	114.41	154.51

c) Details of securities and repayment terms of secured loans stated above

(i) 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 30th June, 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 buyers 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 16 equal quarterly instalments from September 30, 2015.

c. 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 of movable fixed assets both present and future Including Pithampur plant (Indore).

Repayable in 4 equal half yearly instalments from June 29, 2018.

(ii) Buyer's credit - Standard Chartered Bank

Exclusive Charge by way of hypothecation of 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 is as per the original sanction terms without Ind AS effects.

(₹ Crores)

Particulars	March 31, 2019	March 31, 2018
Instalment payable between 1 to 2 years	62.38	108.05
Instalment payable between 2 to 5 years	71.75	126.41
Instalment payable beyond 5 years	-	-
Total	134.13	234.46

e) The long term loans other than non convertible debentures are taken at the following rates.

Particulars	Interest Band
Foreign currency loan	Libor + 0.60 % to 1.50%

13. Other Financial Liabilities **(₹ Crores)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Deposits from customers	-	0.79	-	1.03
Current maturities of long term debt (refer note no.12)	-	114.41	-	154.51
Interest accrued but not due on borrowings	-	1.08	-	1.36
Unpaid dividends	-	1.12	-	1.29
Amount payable on hedging transactions	-	-	-	2.10
Payable for capital goods	-	14.10	-	9.79
Other payables	-	65.41	-	61.53
Total	-	196.91	-	231.61

Notes to standalone financial statements as at and for the year ended March 31, 2019

14. Provisions (₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Gratuity	-	-	-	2.12
Provision for leave encashment	25.28	3.16	25.88	2.59
Other employee related provision	-	1.26	-	4.61
Provision for breakage/damage	-	3.06	-	2.78
Provision for product expiry	-	52.25	-	46.11
Provision for sales return	-	10.67	-	9.00
Total	25.28	70.40	25.88	67.21

The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(₹ Crores)

Particulars		2018-19	2017-18
(i)	**Provision for breakage/damage**		
	Balance at the beginning of the period	2.78	2.38
	Provisions made during the period	3.26	2.99
	Utilisations during the period	(2.98)	(2.59)
	Provision at the end of the period	3.06	2.78
(ii)	**Provision for product expiry**		
	Balance at the beginning of the period	46.11	43.46
	Provisions made during the period	36.70	32.40
	Utilisations during the period	(30.56)	(29.75)
	Provision at the end of the period	52.25	46.11
(iii)	**Provision for sales return**		
	Balance at the beginning of the period	9.00	6.35
	Provisions made during the period	33.98	22.37
	Utilisations during the period	(32.31)	(19.72)
	Provision at the end of the period	10.67	9.00
(iv)	**Provision for wage arrears under negotiation**		
	Balance at the beginning of the period	4.61	2.16
	Provisions made during the period	0.69	2.80
	Utilisations during the period	(4.04)	(0.35)
	Provision at the end of the period	1.26	4.61

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 employee's 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 recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet :

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Expense recognised in Statement of Profit & Loss		
Current service cost	7.19	7.14
Interest expense	4.13	3.66
Expected return on plan assets	(4.31)	(3.70)
Total	7.01	7.10
Expense recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate	0.38	(0.58)
Actuarial (gain)/loss due to experience on DBO	1.01	(1.72)
Total	1.39	(2.30)
Present value of funded defined benefit obligation	64.71	58.11
Fair value of plan assets	(65.50)	(56.00)
Funded status	(0.79)	2.11
Net defined benefit (asset)	(0.79)	2.11
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	58.11	54.49
Current service cost	7.19	7.14
Interest cost	4.13	3.66
Actuarial (gain)/loss	1.01	(1.72)
Benefits paid	(5.73)	(5.46)
Present value of defined benefit obligation at the end of the year	64.71	58.11

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Movements in fair value of the plan assets are as follows :		
Opening fair value of plan assets	55.99	51.10
Expected returns on plan assets	4.31	3.70
Remeasurement (gains)/losses:		
Actuarial (gain)/loss on plan assets	(0.38)	0.58
Contribution from Employer	11.31	6.07
Benefits paid	(5.73)	(5.46)
Closing fair value of the plan asset	65.50	55.99
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	1.01	(1.72)
Actuarial (gain)/loss on plan assets	0.38	(0.58)
Total actuarial (gain)/loss included in OCI	1.39	(2.30)

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assumptions		
Discount rate	7.60%	7.70%
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.

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation		
Discount rate		
a. Discount rate - 100 basis points	69.89	62.36
b. Discount rate + 100 basis points	60.19	53.67
Salary increase rate		
a. Rate - 100 basis points	60.38	53.83
b. Rate + 100 basis points	69.59	62.09

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 25th April, 2017 had granted 1,65,000 (One Lakh Sixty Five Thousand) option under Ipca Laboratories Limited -Employees Stock Option Scheme- 2014 (ESOS). The Option granted got vested on completion of 1 year from the date of grant of the option.

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 determined by an independent merchant banker. 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.

Status of options granted is tabulated hereunder :

Particulars	Year ended March 31, 2019	
	No. of options	Exercise price
Outstanding, beginning of year	1,56,500	₹ 300
Granted during the year	-	-
Exercised during the year	1,53,000	₹ 300
Forfeited during the year	3,500	₹ 300
Outstanding, end of year	-	-

15. Deferred Tax Liabilities (Net) (₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
Deferred tax liabilities on account of :				
Depreciation including on R & D assets, amortisation and impairment		229.68		234.09
Deferred tax asset on account of :				
Leave encashment	9.94		9.95	
Bonus expenses	1.05		1.05	
MAT credit available	72.43	83.42	64.43	75.43
Net deferred tax liability		146.26		158.66

16. Other Non-Financial Liabilities (₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Security deposit	1.56	-	1.56	-
Revenue received in advance	-	50.30	-	7.77
Duties & taxes payable	-	14.82	-	17.49
Forward hedging payable	-	-	-	0.43
Other payables	-	4.91	-	4.70
Total	1.56	70.03	1.56	30.39

17. Financial Liabilities - Borrowings (₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured loans* :		
Working capital loan from banks	195.86	239.04
Total	195.86	239.04

* 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.

Notes to standalone financial statements as at and for the year ended March 31, 2019

18. Financial Liabilities - Trade Payables

(₹ Crores)

Particulars		As at March 31, 2019	As at March 31, 2018
a)	Trade payables for goods and services:		
	- Total outstanding dues of micro and small enterprises	4.34	2.19
	- Others	395.42	373.75
b)	Acceptances	64.33	38.81
Total		464.09	414.75

Trade payables (other than MSME) 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, 2019	As at March 31, 2018
Principal amount due	4.34	2.19
Interest due on above	-	-
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	4.21	3.12
- 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	-	-

The Company has compiled the above information based on written confirmations collected by the Company from suppliers.

19. Current Tax Liabilities (Net)

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of taxes paid)	16.55	9.65
Total	16.55	9.65

20. Revenue from Operations (Net)

(₹ Crores)

Particulars	2018-19	2017-18
Sale of products (refer note no.37)	3,577.94	3,164.47
Sale of services	1.71	3.57
Other operating revenues:		
Export incentives	42.11	37.42
Sundry balances w/back	2.34	2.55
Miscellaneous income	9.05	11.20
Total	3,633.15	3,219.21

20.1 Disclosure relating to disaggregation of revenue in terms of Ind AS-115

(₹ Crores)

Particulars		2018-19			
		Branded Generics	Generic	APIs	Total
A	**Domestic**	1,646.83	-	201.98	1,848.81
B	**Exports**				
	Europe	48.93	262.96	220.93	532.82
	Africa	48.13	216.90	39.47	304.50
	Americas	42.02	48.11	206.77	296.90
	Asia (Excluding India)	65.00	22.04	200.32	287.36
	CIS	155.91	0.52	9.24	165.67
	Australasia	0.95	136.79	5.85	143.59
	Total (B)	360.94	687.32	682.58	1,730.84
	Total (A+B)	2,007.77	687.32	884.56	3,579.65

(₹ Crores)

Particulars		2017-18			
		Branded Generics	Generic	APIs	Total
A	**Domestic**	1425.38	-	178.45	1,603.83
B	**Exports**				
	Europe	38.42	251.92	205.78	496.12
	Africa	48.30	215.91	20.99	285.20
	Americas	43.04	59.48	154.34	256.86
	Asia (Excluding India)	48.48	18.02	172.84	239.34
	CIS	142.03	0.12	11.87	154.02
	Australasia	0.03	128.21	4.43	132.67
	Total (B)	320.30	673.66	570.25	1,564.21
	Total (A+B)	1,745.68	673.66	748.70	3,168.04

20.2 Information about major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

20.3 Contract Liability

The Contract liability primarily relate to advances received from the customers against orders. Significant changes in the contract liabilities balance during the period are as under:

(₹ Crores)

Particulars	2018-19
Balances at the beginning of the year	7.77
Revenue recognised that is included at the beginning of the period	7.63
Advances received which have remained outstanding at the end of the year	50.30

21. Other Income

(₹ Crores)

Particulars	2018-19	2017-18
Interest income	22.25	10.69
Interest income on financial asset at amortised cost	5.06	4.44
Profit on sale of investments - current (net)	8.75	6.53
Net gain on financial asset through FVTPL	0.08	0.48
Profit on sale of property, plant & equipment	0.24	0.36
Miscellaneous income	18.21	17.04
Total	54.59	39.54

22. Cost of Materials Consumed

(₹ Crores)

Particulars	2018-19		2017-18	
Raw materials consumed				
Opening stock	373.30		331.34	
Add : Purchases (net of discount)	993.79		802.21	
Add : Raw material conversion charges	26.00		16.51	
	1,393.09		1,150.06	
Less : Closing stock	444.46	948.63	373.30	776.76
Packing materials consumed				
Opening stock	29.78		31.25	
Add : Purchases (net of discount)	168.10		160.77	
	197.88		192.02	
Less : Closing stock	31.51	166.37	29.78	162.24
Neutralisation of duties and taxes on inputs for exports-drawback benefits		(16.98)		(15.80)
Total		1,098.02		923.20

Notes to standalone financial statements as at and for the year ended March 31, 2019

23. Purchases of Traded Goods

(₹ Crores)

Particulars	2018-19	2017-18
Formulations	161.11	123.28
Active Pharmaceutical ingredients/ Intermediates	6.44	40.67
Others	0.32	4.35
Total	167.87	168.30

24. Changes in inventories of Finished Goods(FG), Work-in-progress(WIP) and Traded Goods

(₹ Crores)

Particulars	2018-19		2017-18	
Inventory adjustments - WIP				
Stock at commencement	177.48		185.10	
Less: Stock at closing	220.51	(43.03)	177.48	7.62
Inventory adjustments - FG				
Stock at commencement	227.19		267.52	
Less : Stock at closing	293.54	(66.35)	227.19	40.33
Inventory adjustments - Traded goods				
Stock at commencement	46.26		43.97	
Less : Stock at closing	43.02	3.24	46.26	(2.29)
Variation in excise duty on : (refer note no.37)				
Closing stock of finished goods	-		-	
Less: Opening stock of finished goods	-	-	24.68	(24.68)
Total		(106.14)		20.98

25. Employee Benefits Expenses

(₹ Crores)

Particulars	2018-19	2017-18
Salaries, bonus, perquisites, etc.	676.84	638.91
Contribution to provident and other funds	35.24	34.76
Leave encashment	6.63	7.57
Leave travel assistance	3.21	2.02
Gratuity fund contributions	7.01	7.10
ESOS compensation	0.01	0.32
Staff welfare expenses	21.63	20.24
Recruitment & training	1.67	1.86
Total	752.24	712.78

26. Finance Cost

(₹ Crores)

Particulars	2018-19	2017-18
Interest expense (Refer point no. (vi) of note no. 40)	16.22	22.20
Other borrowing cost	0.57	0.59
Interest on Income tax	1.70	1.23
Total	18.49	24.02

27. Depreciation & Amortisation

(₹ Crores)

Particulars	2018-19	2017-18
Depreciation on tangible assets	163.81	163.22
Amortisation on intangible assets	8.07	11.14
Total	171.88	174.36

28. Other Expenses (₹ Crores)

Particulars	2018-19	2017-18
Consumption of stores and spares	34.87	32.79
Power and fuel	168.64	153.46
Water charges	6.61	6.43
Freight, forwarding and transportation	78.92	72.03
Outside manufacturing charges	12.65	17.43
Repairs and maintenance	97.48	90.05
Loss on sale of property, plant & equipment	0.96	0.63
Property, plant & equipment scrapped	0.61	0.32
Commission on sales and brokerage	25.66	22.34
Field staff expenses	76.34	77.16
Sales and marketing expenses	189.44	160.56
Product information catalogue	23.78	20.12
Expenditure on scientific research	20.74	26.62
Laboratory expenses and analytical charges	30.94	30.28
Rent	19.83	19.65
Rates and taxes	8.23	13.88
Travelling expenses	41.89	43.37
Professional charges	56.83	59.61
Printing and stationery	7.15	7.61
Books, subscription and software	13.51	9.85
Product registration expenses	17.60	10.72
Excise duty/ GST Expenses (refer note no.37)	27.49	25.81
Communication expenses	6.01	5.94
Insurance	12.00	12.37
Intellectual property right expenses	1.22	1.76
Remuneration to auditors	0.41	0.34
Bank charges	2.60	3.44
Provision for doubtful debts/advances	0.12	0.64
Bad debts and other balance w/off	2.02	2.57
CSR expenses	7.79	10.17
Compensation towards failure to supply of goods/services	6.93	4.94
Foreign exchange (gain)/loss-net	17.50	(2.36)
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	11.22	11.78
Total	1,027.99	952.31
Details of:		
1. Repairs and maintenance:		
Building	11.35	14.01
Machinery	81.00	72.64
Others	5.13	3.40
	97.48	90.05
2. Remuneration to auditors:		
Audit fees including limited review	0.39	0.34
Certification and other services	0.02	-
	0.41	0.34

Notes to standalone financial statements as at and for the year ended March 31, 2019

Disclosures:

Total expenditure on R & D is included in respective heads of accounts as under: (₹ Crores)

Particulars	2018-19	2017-18
Expenditure on Scientific Research (Includes stores and chemicals, bio-availability, bio-equivalence and toxicity studies)	20.74	26.61
Cost of materials consumed	1.52	0.62
Employee benefits expenses	42.07	48.70
Other expenses	18.52	23.72
Depreciation	17.31	17.14
Total	100.16	116.79

29. Tax Expense (₹ Crores)

Particulars	2018-19	2017-18
Current tax	119.90	60.01
Tax expense of previous year	(5.02)	(0.34)
Deferred tax	(12.40)	(9.98)
Total	102.48	49.69
i. Reconciliation of current rate of tax and effective rate of tax:		
Profit before Income taxes	557.39	282.80
Enacted tax rates in India (%)	34.94%	34.61%
Computed expected tax expenses	194.78	97.87
Tax effect due to incentives	(85.09)	(67.23)
Depreciation Differential	6.68	1.31
Effect of non- deductible expenses	7.13	7.12
Additional deduction on Research and Development Expenses	(14.99)	(23.52)
Others	(4.97)	(0.15)
Income tax expenses - Net	103.54	15.40
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	21.55%	21.34%
Computed tax liability on book profits	120.11	60.35
Tax effect on adjustments:		
Adjustment of OCI	0.30	(0.49)
Others	(0.51)	0.15
Minimum Alternate Tax on book Profit	119.90	60.01

ii. Reconciliation of Deferred Tax

Deferred tax (assets)/ liabilities in relation to : (₹ Crores)

Particulars	As at March 31, 2019	Recognised in profit / (loss)	As at March 31, 2018
Property, plant & equipment	229.68	(4.41)	234.09
MAT credit available	(72.43)	(8.00)	(64.43)
Compensated absences	(9.94)	0.01	(9.95)
Bonus expenses	(1.05)	-	(1.05)
Total	146.26	(12.40)	158.66

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		2018-19		2017-18	
i	Profit after tax		454.91		233.11
ii	Profit after tax and exceptional Items		454.91		233.11
iii	Closing equity shares outstanding (nos.)				
	Opening equity shares outstanding (nos.)	12,61,99,109		12,61,99,109	
	Add: Shares issued during the year pursuant to exercise of ESOS (nos.)	1,53,000		-	
	Closing equity shares outstanding (nos.)		12,63,52,109		12,61,99,109
iv	Weighted avg no. of shares outstanding (nos.) (basic)		12,63,26,609		12,61,99,109
v	Weighted avg no. of shares outstanding (nos.) (diluted)		12,63,26,609		12,62,08,734
vi	Nominal value of equity share (₹)		2.00		2.00
vii	Basic EPS (i / iv) (₹)		36.01		18.47
viii	Diluted EPS (i / v) (₹)		36.01		18.47

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

Notes to standalone financial statements as at and for the year ended March 31, 2019

Relationships		Country
Step-down subsidiaries		
Ipca Pharma (NZ) Pty. Ltd.		New Zealand
Onyx Scientific Limited		United Kingdom
Pisgah Laboratories Inc		USA
Bayshore Pharmaceuticals LLC (w.e.f. 02.10.2018)		USA
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 (Till 31st March,2019)	Independent Director	Indian
Mr. Anand T. Kusre	Independent Director	Indian
Mr. Dev Parkash Yadava	Independent Director	Indian
Dr. Ramakanta M. Panda (Till 7th March,2019)	Independent Director	Indian
Mrs. Manisha Premnath	Independent Director	Indian
Mr. Kamal Kishore Seth (w.e.f. 29th March,2019)	Independent Director	Indian
v. Other related parties (Entities in which directors or their relatives have significant influence and with whom there were transactions during the period)		
Nipra Industries Pvt.Ltd.		India
Nipra Packaging Pvt. Ltd.		India
Prabhat Foundation		India
Vandhara Resorts Pvt. Ltd.		India
Makers Laboratories Ltd.		India

Details of related party transaction are given in Statement 1 attached to the financial statement. The value of related party transaction and balances reported are based on actual transactions and without giving effect to notional Ind AS adjustment entries.

34. CSR Expenditure:

a. Gross amount required to be spent by the Company during the year ₹ 4.30 crores (previous year ₹ 4.64 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.	3.13	-	3.13
2	Promotion of education, vocational training & skill enhancement etc.	4.26	-	4.26
3	Environmental sustainability, animal welfare, natural resource conservation etc.	0.30		0.30
4	Promoting of gender equality and empowering women	0.01	-	0.01
5	Protection of national heritage, art, culture etc.	-	-	-
6	Promotion of rural sports	0.01	-	0.01
7	Rural development	0.08	-	0.08
	Total	7.79	-	7.79

Note: The above includes ₹ 0.24 crore being scrap value of assets given away under CSR projects.

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.	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

35. Contingent liabilities and Commitments

A. Contingent Liabilities

(₹ Crores)

i.

Particulars	As at March 31, 2019	As at March 31, 2018
Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company *	18.11	22.09
Amount deposited under protest	(1.88)	(1.23)
Claims against the Company not acknowledged as debts	9.15	6.98
Corporate guarantee given to others	2.28	2.28
Guarantees given by banks in favour of Govt. & others *	12.74	12.93
Total	40.40	43.05

*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.

ii. The Hon'ble Supreme Court of India by their order dated February 28, 2019, has clarified the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions or clarification from the EPFO, the quantification of impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

B. Commitments

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible Assets	39.63	10.43
Intangible Assets	28.82	27.17
	68.45	37.60
(b) Other Commitments		
Purchase orders backed by LC opened by bankers	55.99	25.64
	55.99	25.64
Total (a+b)	124.44	63.24

36. Contingent Assets

Application for capital investment subsidy of ₹ 8.23 crores for Sikkim Unit- II factory under The North East Industrial & Investment Promotion Policy (NEIIPP),2007 has been submitted and is awaiting approval from the concerned Authority. Maximum limit under the Scheme is capped ₹ 5 crores.

37. Goods and Services Tax

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, for the quarter 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 revenue in terms of Ind AS 115. This has resulted in lower reported sales w.e.f. July 1,2017 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.

38. Financial Instruments

The carrying value and fair value of financial instruments by categorywise is as follows:

(₹ Crores)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Amortised cost				
Investments				
- Equity instruments	-	-	-	-
- Preference shares	-	-	-	-
Loans	119.08	112.59	119.08	112.59
Others	107.47	90.24	107.47	90.24
Trade receivables	632.06	594.38	632.06	594.38
Cash and cash equivalents	259.81	131.03	259.81	131.03
FVTPL				
Equity instruments	-	-	-	-
Mutual funds considered as cash and cash equivalents	90.38	69.35	90.38	69.35
FVTOCI				
Derivative assets	0.28	3.69	0.28	3.69
Total financial assets	1,209.08	1,001.28	1,209.08	1,001.28
Financial liabilities				
Amortised cost				
Borrowings	329.80	473.05	329.80	473.05
Trade payables	464.09	414.75	464.09	414.75
Others	196.91	229.51	196.91	229.51
FVTOCI				
Derivative liabilities	-	2.10	-	2.10
Total financial liabilities	990.80	1,119.41	990.80	1,119.41

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.

39. 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	Date of Valuation	Fair Value measurement using			
		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	31/03/2019	90.38	-	-	90.38
Derivative financial assets	31/03/2019	-	0.28	-	0.28
Total financial assets		90.38	0.28	-	90.66
Financial liabilities					
Derivative financial liabilities	31/03/2019	-	-	-	-
Total financial liabilities		-	-	-	-
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

40. 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 APIs 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, 2019		As at March 31, 2018	
			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	36.11	249.73	57.88	377.26
b.	Buyers credit & interest	EUR	-	-	1.65	13.35
c.	Packing credit & interest	USD	15.02	103.91	17.93	116.89
d.	Trade & other payables incl. advances received	USD	16.48	113.95	15.47	100.85
		EUR	0.12	0.94	0.32	2.62
		GBP	0.00	0.03	0.00	0.03
		CHF	0.00	0.01	0.00	0.01
		CAD	0.02	0.09	-	-
II)	**Unhedged receivables in foreign currency**					
a.	Trade & other receivables incl. advances given	USD	37.33	258.17	38.76	252.60
		EUR	4.39	34.11	4.32	34.88
		GBP	5.98	54.09	5.15	47.55
		AUD	6.69	32.83	3.43	17.14
		CAD	1.95	10.06	2.23	11.32
		NZD	1.28	6.03	2.14	10.11
		COP	888.21	1.93	864.46	2.02
b.	Unbilled revenue	USD	-	-	0.04	0.26
		CAD	0.49	2.51	0.74	3.74

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.

vi. The Company has entered into Interest Rate Swap (IRS) Contracts against the underlying of USD ECB loans. The actual net gain of ₹ 3.88 crores upon unwinding of one of the IRS on ECB loan and gain on net settlement is credited to interest expenses under finance cost. (Refer note no.26).

vii. Other Price Risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. However, the Company is investing only in debt funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2019, the investments in mutual funds is ₹ 90.38 crores (Previous year : ₹ 69.34 crores).These are exposed to price risk. In order to minimize price risk arising from investments in mutual funds, the Company predominately invest in liquid funds where price risk is minimum.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/loss before tax and on other components of investment value :

(₹ Crores)

Particulars	Impact on Profit		Impact on Investment Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Price - increase by 0.10%*	0.09	0.07	0.09	0.07
Price - decrease by 0.10% *	(0.09)	(0.07)	(0.09)	(0.07)

* assuming all other variables as constant

41. 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 maximize 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, 2019	As at March 31, 2018
Borrowings other than convertible preference shares	329.80	473.05
Trade payables	464.09	414.75
Other payables	196.91	231.61
Less: Cash and cash Equivalents (C&CE)	(259.81)	(131.03)
Less: Investment in MF (part of C&CE)	(90.38)	(69.35)
Net debt	640.61	919.03
Total Equity	3,136.66	2,694.95
Capital and net debt gearing ratio	20.42%	34.10%

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 years ended March 31, 2019 and March 31, 2018.

42. Derivative Financial Instruments

The details of outstanding foreign exchange forward contracts and other derivatives designated as cash flow hedges:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency	In million	Currency	In million
Forward contracts exports	USD	30.71	USD	24.00
	STG	12.22	STG	6.00
	EUR	-	EUR	2.00
	AUD	11.00	AUD	5.00
	CAD	1.23	CAD	-
	NZD	0.50	NZD	0.74
Forward contracts - imports	USD	0.01	-	-
Other derivatives:				
Options	USD	4.00	-	-
Interest rate swaps (notional o/s)	USD	22.84	USD	37.08

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, 2019	As at March 31, 2018
		In million	In million
Not later than one month	USD	7.46	6.00
	STG	1.10	0.00
	CAD	0.73	0.00
	AUD	1.50	1.00
	NZD	0.50	0.74
Later than one month and not later than three months	USD	10.00	14.00
	STG	2.12	2.00
	CAD	0.50	0.00
	AUD	3.50	2.00
Later than three months and not later than one year	USD	13.25	4.00
	STG	9.00	4.00
	AUD	6.00	2.00
	EUR	0.00	2.00
Later than one year and not later than two years	-	NIL	NIL

During the year ended March 31, 2019 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 31,2019 there are no transactions in the hedge reserve that are required to be reclassified to the revenue in the statement of profit and loss.

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 rebalanced 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, 2019 is as follows:

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	3.69	3.83
Changes in the fair value of effective portion of cash flow	(7.29)	0.78
Gain/(loss) transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	3.88	(0.92)
Deferred tax on fair value of effective portion of cash flow	-	-
Balance at the end of the period	0.28	3.69

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, 2019		As at March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset / liability	0.28	-	3.69	-
Amount set-off	-	-	-	-
Net amount presented in balance sheet	0.28	-	3.69	-

43. Figures for the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

44. 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, 2019.

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of goods and services												
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	9.88	6.92	9.88	6.92
Ipca Pharmaceuticals, Inc. USA	3.46	4.00	-	-	-	-	-	-	-	-	3.46	4.00
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	30.33	20.32	-	-	30.33	20.32
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	-	-	4.43	3.79	4.43	3.79
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	-	-	1.46	1.57	1.46	1.57
Krebs Biochemicals & Industries Ltd.	-	-	-	-	56.15	36.35	-	-	-	-	56.15	36.35
Vandhara Resorts Pvt Ltd.	-	-	-	-	-	-	-	-	1.04	0.75	1.04	0.75
Total	3.46	4.00	-	-	56.15	36.35	30.33	20.32	16.81	13.03	106.75	73.70
Sales of goods and services												
Ipca Pharma Nigeria Ltd.	3.73	2.28	-	-	-	-	-	-	-	-	3.73	2.28
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	0.37	1.39	0.37	1.39
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	4.20	0.92	-	-	4.20	0.92
Krebs Biochemicals & Industries Ltd.	-	-	-	-	8.30	3.72	-	-	-	-	8.30	3.72
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.72	0.62	-	-	-	-	0.72	0.62
Total	3.73	2.28	-	-	9.02	4.34	4.20	0.92	0.37	1.39	17.32	8.93
Rent income												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.11	0.43	-	-	0.11	0.43
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	0.23	0.19	0.23	0.19
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.26	0.29	-	-	-	-	0.26	0.29
Total	-	-	-	-	0.26	0.29	0.11	0.43	0.23	0.19	0.60	0.91
Interest income												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	1.73	1.66	-	-	1.73	1.66
Krebs Biochemicals & Industries Ltd.	-	-	-	-	4.90	4.49	-	-	-	-	4.90	4.49
Total	-	-	-	-	4.90	4.49	1.73	1.66	-	-	6.63	6.15
Sale of fixed assets												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	2.13	-	-	-	2.13	-
Total	-	-	-	-	-	-	2.13	-	-	-	2.13	-
Rent and other expenses												
Ipca Pharma (Australia) Pty Ltd. Australia	0.43	0.20	-	-	-	-	-	-	-	-	0.43	0.20
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	0.02	0.03	0.02	0.03
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	-	0.24	-	-	-	0.24
Krebs Biochemicals & Industries Ltd.	-	-	-	-	1.20	1.28	-	-	-	-	1.20	1.28
Tonira Exports Ltd	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Ipca Pharmaceuticals Ltd. SA de CV	0.07	0.08	-	-	-	-	-	-	-	-	0.07	0.08
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.00	0.00	-	-	-	-	0.00	0.00
Total	0.52	0.30	-	-	1.20	1.28	-	0.24	0.02	0.03	1.74	1.85
Excise duty reimbursements												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	-	(1.26)	-	-	-	-	-	(1.26)
Total	-	-	-	-	-	(1.26)	-	-	-	-	-	(1.26)
Net loans and advances given/(recovered)												
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	1.36	(0.45)	-	-	1.36	(0.45)
Krebs Biochemicals & Industries Ltd.	-	-	-	-	-	12.36	-	-	-	-	-	12.36
Total	-	-	-	-	-	12.36	1.36	(0.45)	-	-	1.36	11.91
Deposit given/ (refund)												
Tonira Exports Ltd	-	(0.11)	-	-	-	-	-	-	-	-	-	(0.11)
Total	-	(0.11)	-	-	-	-	-	-	-	-	-	(0.11)
Investments made / (redemption)												
Ipca Laboratories (U.K.) Ltd.	(12.56)	(10.26)	-	-	-	-	-	-	-	-	(12.56)	(10.26)
Ipca Pharmaceuticals, Inc. USA	83.40	58.56	-	-	-	-	-	-	-	-	83.40	58.56
Krebs Biochemicals & Industries Ltd.	-	-	-	-	14.41	-	-	-	-	-	14.41	-
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.33	-	-	-	0.33	-
Total	70.84	48.30	-	-	14.41	-	0.33	-	-	-	85.58	48.30

(₹ Crores)

Description	Entities where control exists - Subsidiaries		Key Management Personnel		Associates		Joint Venture		Other Related Parties		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Remuneration to directors												
Mr. Premchand Godha	-	-	10.43	7.66	-	-	-	-	-	-	10.43	7.66
Mr. Ajit Kumar Jain	-	-	4.45	3.71	-	-	-	-	-	-	4.45	3.71
Mr. Pranay Godha	-	-	2.83	2.39	-	-	-	-	-	-	2.83	2.39
Mr. Prashant Godha	-	-	2.68	2.41	-	-	-	-	-	-	2.68	2.41
Total	-	-	20.39	16.17	-	-	-	-	-	-	20.39	16.17
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	-	-	0.09	0.08	-	-	-	-	-	-	0.09	0.08
Mr. Prashant Godha	-	-	0.08	0.08	-	-	-	-	-	-	0.08	0.08
Total	-	-	0.77	0.76	-	-	-	-	-	-	0.77	0.76
Post employment benefits of directors												
Mr. Ajit Kumar Jain	-	-	0.26	0.28	-	-	-	-	-	-	0.26	0.28
Mr. Pranay Godha	-	-	0.06	0.05	-	-	-	-	-	-	0.06	0.05
Mr. Prashant Godha	-	-	0.03	0.02	-	-	-	-	-	-	0.03	0.02
Total	-	-	0.35	0.35	-	-	-	-	-	-	0.35	0.35
Sitting fee to non-executive directors												
Mr. Anand T Kusre	-	-	0.07	0.06	-	-	-	-	-	-	0.07	0.06
Mr. Babulal Jain (till 31.03.2019)	-	-	0.08	0.07	-	-	-	-	-	-	0.08	0.07
Mr. Dev Prakash Yadava	-	-	0.08	0.05	-	-	-	-	-	-	0.08	0.05
Mrs. Manisha Premnath	-	-	0.03	0.02	-	-	-	-	-	-	0.03	0.02
Dr. Ramakanta M. Panda (till 07.03.2019)	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Mr. Kamal Kishore Seth (w.e.f 29.03.2019)	-	-	0.01	-	-	-	-	-	-	-	0.01	-
Total	-	-	0.29	0.22	-	-	-	-	-	-	0.29	0.22
Donation												
Prabhat Foundation	-	-	-	-	-	-	-	-	1.75	0.75	1.75	0.75
Total	-	-	-	-	-	-	-	-	1.75	0.75	1.75	0.75
Balance at year end												
Trade receivables												
Ipca Pharma Nigeria Ltd.	0.92	1.37	-	-	-	-	-	-	-	-	0.92	1.37
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	-	0.16	-	-	-	0.16
Krebs Biochemicals & Industries Ltd.	-	-	-	-	4.08	3.17	-	-	-	-	4.08	3.17
Trophic Wellness Pvt. Ltd.	-	-	-	-	0.09	0.19	-	-	-	-	0.09	0.19
Loan given												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	47.33	47.33	-	-	-	-	47.33	47.33
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	15.98	14.62	-	-	15.98	14.62
Deposit given												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	45.00	45.00	-	-	-	-	45.00	45.00
Interest receivable												
Krebs Biochemicals & Industries Ltd.	-	-	-	-	12.25	7.35	-	-	-	-	12.25	7.35
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.13	0.62	-	-	0.13	0.62
Total	0.92	1.37	-	-	108.74	103.04	16.11	15.40	-	-	125.78	119.81
Directors remuneration payable												
Mr. Premchand Godha	-	-	6.40	3.66	-	-	-	-	-	-	6.40	3.66
Mr. Ajit Kumar Jain	-	-	2.16	1.51	-	-	-	-	-	-	2.16	1.51
Mr. Pranay Godha	-	-	1.66	1.33	-	-	-	-	-	-	1.66	1.33
Mr. Prashant Godha	-	-	1.60	1.36	-	-	-	-	-	-	1.60	1.36
Trade payable												
Ipca Pharmaceuticals, Inc. USA	-	1.70	-	-	-	-	-	-	-	-	-	1.70
Avik Pharmaceutical Ltd.	-	-	-	-	-	-	0.07	-	-	-	0.07	-
Makers Laboratories Ltd.	-	-	-	-	-	-	-	-	1.49	1.00	1.49	1.00
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	-	-	0.19	0.19	0.19	0.19
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	-	-	0.40	0.43	0.40	0.43
Vandhara Resorts Pvt Ltd.	-	-	-	-	-	-	-	-	0.37	0.30	0.37	0.30
Tonira Exports Ltd	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Other	0.00	-	-	-	-	-	-	-	-	-	0.00	-
Total	0.02	1.70	11.82	7.86	-	-	0.07	-	2.45	1.92	14.36	11.48

INDEPENDENT AUDITOR'S REPORT

To the Members of Ipca Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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) and its joint venture and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

Basis of Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matters (KAMs)	How the KAMs were addressed in our audit
1.	**Inventory Valuation** Refer note (g) of the Statement of Significant Accounting Policies. The Holding Company manufactures and sells pharmaceutical products which carry shelf life. As a result, significant level of judgement is involved in estimating inventory valuation. Judgement is required to assess the appropriate net realisable value for short dated pharmaceutical products. Such judgments include management expectations for future sales and inventory liquidation plans.	Our procedures included, amongst others: • We attended stock counts to identify whether any inventory was obsolete; • We assessed the basis for the inventory valuation, the consistency in policy and the rationale in its application; • We tested the accuracy of the ageing of inventories based on system generated reports; • We tested the arithmetical accuracy of valuation files; and • We reviewed product-wise historical data relating to sales return etc. and also its impact on valuation.
2.	**Impairment of Property, plant & equipment** Refer note (b) of the Statement of Significant Accounting Policies. There is a risk of impairment on the Group property, plant and equipment (PPE) on account of inherent nature of the PPE and the business environment in which the Group operates. As on March 31, 2019 the carrying amount of PPE was Rs. 1746.47 crores which represent 38.38% of total assets.	• We assessed the determination of the recoverable amount of the PPE based on our understanding of the nature of the Group business and the economic environment surrounding its operations. • We reviewed the Group historical performances and held discussions with the Management to understand their assessment of the Group future performance. This included obtaining an understanding of management's planned strategies around business expansion and revenue growth strategies.

Sr. No.	Key Audit Matters (KAMs)	How the KAMs were addressed in our audit
	The Management determines at the end of each reporting period the existence of any objective evidence that the Group PPE may be impaired. If there are indicators of impairment of class of assets, the deficit between the recoverable amount of the PPE and its carrying amount would be recognised as impairment loss in profit or loss. The process of identifying indicators of impairment and determining the recoverable amount of the PPE by the Management requires significant judgement and estimation. The determination of the recoverable amounts inter alia requires estimates of forecasted revenues, growth rates, profit margins, tax rates and discount rates.	• We also reviewed performance of individual units and carried out analytical review of relevant data. • We assessed management's estimates applied in the value-in-use model and compared them against historical performance and tested the arithmetical accuracy. • We evaluated the sensitivity of the outcomes by considering the downside scenarios against changes to the key assumptions. • We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.
3.	**Implementation of new accounting standard on revenue recognition** Refer note (n) of the Statement of Significant Accounting Policies. The accuracy of recognition, measurement, presentation and disclosure of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue. Additionally, Ind AS 115 contains disclosures which involves collation of information in respect of various matters such as disaggregation revenue.	• We had discussion with the Management about its process to assess implementation issues relating to adoption of Ind AS 115. • Our audit approach consisted testing of the effectiveness of the internal controls relating to such process including substantive testing, which included review of terms and conditions of selected sample of existing contracts and new contracts. • We inter alia tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price, criteria relating to transfer of control over the promised goods and measurement and recording of revenue. • We also evaluated appropriateness of the disclosures required under Ind AS 115 and verified the process of compilation and accuracy of such disclosures. • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period.

Information Other than the Consolidated Financial Statements and Our Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and take appropriate actions in accordance with Standards on Auditing.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Joint Venture and Associates in accordance with the accounting principles generally accepted in India, including Ind AS and relevant provisions of the Act. The respective Board of Directors of the companies 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 its joint venture and its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture and its associates are responsible for assessing the ability of the Group and of its associates and its joint venture to continue as a going concern, disclosing, as applicable and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture and its associates are responsible for overseeing the financials reporting process of the Group and its joint venture and its associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements of seven subsidiaries (including six foreign subsidiaries) which reflect total assets of Rs. 477.21 crores as at March 31, 2019 and total revenue of Rs. 162.21 crores for the year ended on that date and financial statements of one joint venture and two associates, where the Group's share of the net loss is Rs. 1.91 crores for the year ended March 31, 2019, as considered in the preparation of the consolidated financial statements, have been audited by other auditors whose reports have been furnished to us.

In addition, we did not audit the financial statements of three foreign subsidiaries, whose financial statements reflect total assets of Rs. 0.77 crores as at March 31, 2019 and total revenue of Rs. 0.48 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.

The Management of the Company has also furnished us details of adjustments that are required in case of financial statements of 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, joint venture and associates, is based solely on the report of such other auditors and such certification from the Management. In our opinion and according to the information and explanations given to us by the Management of the Company, financial statements of three unaudited subsidiaries and adjustments that are required so as to make financial statements of foreign subsidiaries fit for consolidation are not material to the Group.

Report on Other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 by the Holding Company so far as appears from our examination of those books;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement 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 Financial Statements comply with the Ind AS specified under section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;

   (e) On the basis of written representations received from the Directors of the Holding Company as on March 31, 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary, joint venture and its associates incorporated in India, none of the Directors of the Group companies and its joint venture and its associates company incorporated in India are disqualified as on March 31, 2019 from being appointed as a Director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, joint venture and associates incorporated in India and the operating effectiveness of such controls, we give our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors of subsidiaries, joint venture and associates, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group, its joint venture and its associates. Refer note no 34 to the consolidated financial statements.

ii. The Group, its joint venture and its associates has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its joint venture and its associates.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 29, 2019

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 Ipca Laboratories Limited ("the Holding Company") on the consolidated financial statements for the year ended 31st March, 2019

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, 2019, 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 subsidiaries, its joint venture and its 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 subsidiaries, 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 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 internal financial controls with reference to financial statements of the Holding Company, its subsidiary, joint venture and associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control 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 consolidated 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 authorizations 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 consolidated 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 consolidated 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, its subsidiary, its joint venture and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to consolidated 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 subsidiary, associates and joint venture, 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's Registration No: 104767W

Atul Shah
Partner
Membership No: 39569

Mumbai
Dated: May 29, 2019

IPCA LABORATORIES LIMITED

Consolidated Balance Sheet as at March 31, 2019

	Particulars	Note ref.	As at March 31, 2019 (₹ Crores)	As at March 31, 2018 (₹ Crores)
	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant & equipment	1	1,746.47	1,853.61
	(b) Capital work-in-progress		36.09	41.79
	(c) Goodwill on consolidation		23.59	23.59
	(d) Goodwill on acquisition	1A	23.61	23.61
	(e) Other intangible assets	1B	146.71	52.15
	(f) Intangible assets under development		30.24	31.21
	(g) Investment accounted for using the equity method		30.05	17.52
	(h) Financial assets			
	(i) Investments	2A	-	-
	(ii) Loans	3	117.01	110.48
	(iii) Others	4	3.24	3.32
	(i) Deferred tax assets (net)	15	1.84	1.74
	(j) Other non-current assets	5	14.07	12.80
	Total Non-current assets		2,172.92	2,171.82
2.	**Current assets**			
	(a) Inventories	6	1,072.50	880.59
	(b) Financial assets			
	(i) Investments	2B	90.38	69.35
	(ii) Trade receivables	7	681.51	602.27
	(iii) Cash and cash equivalents	8	281.18	149.28
	(iv) Bank balances other than (iii) above	9	1.12	1.29
	(v) Loans	3	2.57	2.87
	(vi) Others	4	105.13	92.75
	(c) Current tax assets (net)		-	-
	(d) Other current assets	5	143.36	147.08
	Total current assets		2,377.75	1,945.48
	Total Assets		4,550.67	4,117.30
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	10	25.27	25.24
	(b) Other equity	11	3,097.12	2,663.33
	Equity attributable to shareholders of the holding Company		3,122.39	2,688.57
	Non-controlling interests		15.54	-
	Total Equity		3,137.93	2,688.57
	Liabilities			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	140.85	234.01
	(ii) Other financial liabilities	13	-	-
	(b) Provisions	14	25.28	25.88
	(c) Deferred tax liabilities (net)	15	147.55	159.71
	(d) Other non-current liabilities	16	1.56	1.56
	Total Non-current liabilities		315.24	421.16
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17	209.69	239.04
	(ii) Trade payables	18		
	Total dues of Micro & small enterprises		4.34	2.19
	Total dues of Others		519.98	421.28
	(iii) Other financial liabilities	13	197.59	233.87
	(b) Current tax liabilities (net)	19	18.35	11.10
	(c) Provisions	14	70.40	67.21
	(d) Other current liabilities	16	77.15	32.88
	Total Current liabilities		1,097.50	1,007.57
	Total Equity and Liabilities		4,550.67	4,117.30

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

	Particulars	Note ref.	2018-19 (₹ Crores)		2017-18 (₹ Crores)	
I	Revenue from operations	20		3,773.18		3,283.57
II	Other income	21		57.68		41.80
III	**Total income (I + II)**			3,830.86		3,325.37
IV	**Expenses:**					
	Cost of materials consumed	22		1,106.08		932.37
	Purchase of stock-in-trade	23		249.07		168.91
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24		(115.42)		23.51
	Employee benefit expenses	25		787.40		735.88
	Finance cost	26		18.87		24.02
	Depreciation & amortisation	27		182.42		177.73
	Other expenses	28		1,054.17		968.19
	Total expenses (IV)			3,282.59		3,030.61
V	**Profit from ordinary activity before share of profit of associate & joint venture, exceptional item & tax (III-IV)**			548.27		294.76
VI	Share of profit / (loss) of Associates & Joint venture accounted by using the equity method			(1.81)		(4.23)
VII	**Profit before exceptional items and tax (V+VI)**			546.46		290.53
VIII	Exceptional items			-		-
IX	**Profit before tax (VII-VIII)**			546.46		290.53
X	Tax expense					
	1. Current tax		121.81		61.35	
	2. Short / (excess) provision of taxes for earlier years		(5.44)		0.72	
	3. Deferred tax liability / (asset) incl. MAT credit		(12.13)	104.24	(10.96)	51.11
XI	**Profit for the period (IX-X)**			442.22		239.42
XII	**Other comprehensive income**					
	A (i) Items that will not be reclassified to profit or loss : Acturial gain/ (loss)			(1.39)		2.30
	(ii) Income tax relating to items that will not be reclassified to profit or loss			0.30		(0.49)
	B (i) Items that will be reclassified to profit or loss : Exchange difference in translating the financial statement of foreign operation			1.07		7.52
	Gain/(loss) on cash flow hedge			(3.41)		(0.14)
	(ii) Income tax relating to items that will be reclassified to profit or loss			-		-
	C Share of OCI from investment in associates			(0.40)		(0.44)
	Other comprehensive income/(loss) for the year, net of tax			(3.83)		8.75
XIII	**Total comprehensive income for the year (XI+XII)**			438.39		248.17
	Profit for the year attributable to:					
	Owners of the parent			444.83		239.42
	Non-controlling interest- profit/(loss)			(2.61)		-
				442.22		239.42
	Other comprehensive income for the year attributable to:					
	Owners of the parent			(3.08)		8.75
	Non-controlling interest- profit/(loss)			(0.75)		-
				(3.83)		8.75
	Total comprehensive income for the year attributable to:					
	Owners of the parent			441.75		248.17
	Non-controlling interest- profit/(loss)			(3.36)		-
				438.39		248.17
XIV	**Earnings per equity share (Face value of ₹ 2/- each) :**	30				
	Basic (in ₹)			35.01		18.97
	Diluted (in ₹)			35.01		18.97

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, 2019

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Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2019

	2018-19 (₹ in Crores)		2017-18 (₹ in Crores)	
A. Cash Flow from Operating Activities				
1) Net profit before taxation and extraordinary item		546.46		290.53
Adjustments for :				
Depreciation, amortisation and impairment expense	182.42		177.73	
(Profit) / loss on sale of property, plant & equipment	0.63		0.14	
(Profit) / loss on mutual fund investments	(8.75)		(6.53)	
Share of profit / (loss) of Associates & Joint venture accounted by using the equity method	1.81		4.23	
Net gain on financial asset through FVTPL	(0.16)		(0.32)	
Adjustment on account of Revenue from contract with customer	2.04		-	
Interest income on financial asset at amortised cost	(5.06)		(4.44)	
Property, plant & equipment scrapped/Transferred	0.92		0.32	
Miscellaneous Income	(1.00)		-	
Sundry balances written off /(back)	(2.34)		(2.55)	
Provision for doubtful debts / advances	0.12		0.64	
Bad debts written off	2.02		2.57	
Unwinding of lease rent	4.38		4.38	
Employee Stock Option forfeited	0.01		0.32	
Unrealised foreign exchange (gain) / loss	5.08		2.69	
Interest income	(22.38)		(10.69)	
Interest expense	18.87	178.61	24.02	192.51
2) Operating profit before working capital changes		725.07		483.04
Decrease / (increase) in inventories	(191.91)		1.63	
Decrease / (increase) in trade receivables	(75.49)		(95.26)	
Decrease / (increase) in other financial assets	(4.41)		(1.28)	
Decrease / (increase) in other assets	2.47		(20.51)	
Increase / (decrease) in trade payables	101.88		26.35	
Increase / (decrease) in other financial liabilities	(0.29)		(0.08)	
Increase / (decrease) in other liabilities	44.28		(4.27)	
Increase / (decrease) in provisions	1.50	(121.97)	8.98	(84.44)
3) Cash generated from operation		603.10		398.60
Income tax paid (net)		(110.82)		(57.47)
Net cash from operating activities		492.28		341.13
B. Cash Flow from Investing Activities				
Purchase of property, plant & equipment including Capital Work in progress	(180.54)		(136.73)	
Investment in Associate	(14.41)		-	
Investment in Joint Venture	(0.33)		-	
Loan given to Associate	-		(12.36)	
Loan given to Joint Venture	(1.36)		-	
Repayment of loan by Joint Venture	-		0.44	
Sale of investment - others	-		0.05	
Purchase of mutual funds	(2,613.92)		(2,456.04)	
Redemption of mutual funds	2,622.67	8.75	2,462.57	6.53
Proceeds from sale of property, plant and equipment	1.87		1.15	
Capital investment subsidy received	14.86		-	
Movement in other bank balances	0.16		5.09	
Interest received	14.69		0.43	
Net cash from / (used in) investing activities		(156.31)		(135.40)
C. Cash Flow from Financing Activities				
ESOS Commitment deposit	-		0.02	
Proceeds from issue of shares	4.57		-	
Increase / (decrease) in short term borrowings	(26.60)		61.39	
Proceeds from long-term borrowings	6.91		32.76	
Repayment of long-term borrowings	(154.91)		(181.78)	
Repayment of debentures	-		(5.00)	
Increase in Minority Interest	18.90		-	
Interest paid	(16.66)		(22.48)	
Dividend & dividend tax paid	(15.41)		(15.32)	
Net cash from / (used in) financing activities		(183.20)		(130.41)
Net increase / (decrease) in cash and cash equivalents (A + B + C)		152.77		75.32
Cash and cash equivalents at beginning of year		218.15		142.83
Cash and cash equivalents at end of year		370.92		218.15
Components of cash & cash equivalents :				
Cash and cheques on hand		1.14		1.60
Balance with banks		280.04		147.68
Mutual Funds	90.38		69.35	
Less : Fair value (gain)/ loss on Mutual funds	(0.64)	89.74	(0.48)	68.87
		370.92		218.15

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, 2019

For and on behalf of the Board of Directors
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Chairman & Managing Director (DIN 00012691)
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Joint Managing Director & CFO (DIN 00012657)
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Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

IPCA LABORATORIES LIMITED

Consolidated Statement of changes in equity for the year ended March 31, 2019

(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, 2017	10	126,199,109	25.24
Changes in equity share capital during the year		-	-
Balance as at March 31, 2018	10	126,199,109	25.24
Changes in equity share capital during the year		153,000	0.03
Balance as at March 31, 2019	10	126,352,109	25.27

(B) Other equity (₹ Crores)

Particulars	Other equity											Total
	Reserves and surplus							Other comprehensive income		Equity attributable to shareholders of the company	Non-controlling interest	
								Items that will be reclassified to P&L				
	Capital reserve	Securities premium	Capital redem. reserve	Debenture redem. reserve	Share Options Outstanding Account	General reserve	Retained earnings	Effective portion of cash flow hedges	Foreign currency translation reserve			
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	-	2,430.02
Transfer to general reserve	-	-	-	(5.00)	-	5.00	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	243.65	-	-	243.65	-	243.65
Share of Profits / (Loss) from investment in associates	-	-	-	-	-	-	(4.23)	-	-	(4.23)	-	(4.23)
Dividend	-	-	-	-	-	-	(12.62)	-	-	(12.62)	-	(12.62)
Tax on dividend	-	-	-	-	-	-	(2.56)	-	-	(2.56)	-	(2.56)
Share option outstanding account	-	-	-	-	0.32	-	-	-	-	0.32	-	0.32
Other Comprehensive Income for the year	-	-	-	-	-	-	1.37	(0.14)	7.52	8.75	-	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	-	2,663.33
Non-controlling interests arising on the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	18.90	18.90
Profit for the Year	-	-	-	-	-	-	447.39	-	-	447.39	(2.61)	444.78
Share of profit / (loss) of Associates & Joint venture accounted by using the equity method	-	-	-	-	-	-	(1.81)	-	-	(1.81)	-	(1.81)
Dividend	-	-	-	-	-	-	(12.64)	-	-	(12.64)	-	(12.64)
Tax on dividend	-	-	-	-	-	-	(2.60)	-	-	(2.60)	-	(2.60)
Share option outstanding account	-	4.88	-	-	(0.32)	-	-	-	-	4.56	-	4.56
Dividend adjustment of prior period	-	-	-	-	-	-	0.13	-	-	0.13	-	0.13
Transition Adjustment on adoption of new revenue recognition standards Ind AS 115	-	-	-	-	-	-	2.59	-	-	2.59	-	2.59
Other Comprehensive Income for the year	-	-	-	-	-	-	*(1.49)	(3.41)	1.07	(3.83)	(0.75)	(4.58)
Balance as on March 31, 2019	**0.59**	**48.87**	**0.26**	**-**	**-**	**1,311.05**	**1,731.22**	**0.28**	**4.85**	**3,097.12**	**15.54**	**3,112.66**

* 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, 2019

For and on behalf of the Board of Directors
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Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

Consolidated Statement of Significant Accounting Policies and Other Explanatory Notes

(A) Corporate Information

Ipca Laboratories Limited (CIN L24239MH 1949PLC007837) incorporated in the year 1949, is a integrated pharmaceutical company manufacturing and marketing over 350 formulations and 80 APIs covering various therapeutic segments. The products of the Company are sold in over 100 countries across the globe. The Company has 17 manufacturing units in India manufacturing APIs 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, 2019.

(B) Principles of Consolidation:

The consolidated financial statements relates to the Company, and its various Subsidiaries (the holding and subsidiaries together referred to as "The Group"), Associates and its Joint Venture. 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 Venture" of the 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 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 and Joint Venture 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, Associates and Joint Venture 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 venture included in consolidation and Group Company's holding therein are as under: -

Name of the Companies	Relationship	Country of Incorporation	% of ultimate holding	
			2018-19	2017-18
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)	Step down subsidiary	USA	100.00	100.00
Bayshore Pharmaceuticals LLC. (Subsidiary of Ipca Laboratories Inc, USA) (W.E.F 02.10.18)	Step down subsidiary	USA	80.00	-
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	48.99	49.02
CCPL Software Private Ltd.#	Associate	India	28.95	28.95

Name of the Companies	Relationship	Country of Incorporation	% of ultimate holding	
			2018-19	2017-18
Trophic Wellness Pvt. Ltd.	Associate	India	19.26	19.26
Krebs Biochemicals & Industries Ltd.	Associate	India	34.73	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 .

i. 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.

ii. 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. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

iv. Impairment of Property, Plant and Equipment

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

v. Impairment of investment

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

vi. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

vii. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

III) Summary of Significant Accounting Policies

(a) Current and Non-current Classification

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.

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.

(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 & 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	18 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	3.5 to10
Vehicles	3 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.

Revenue expenditure pertaining to research is charged to the Statement of profit and loss. Development costs of products are also charged to the Statement of profit and loss in the year it is incurred, unless product's technological feasibility as well as other related conditions have been established, in which case such expenditures are capitalised. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment. Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

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
Research and Development	7

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 and 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 Ventures 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 at 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-progress and Finished Goods	At lower of cost (material cost net of refundable taxes, labour cost and all manufacturing overheads) and net realisable value.
Stores and Spares	Stores and spare parts are valued at lower of purchase cost computed on First-in-First-out method and net realisble value.
Traded Goods	Traded Goods are valued at lower of purchase cost and net realisable value.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, estimated shelf life, price changes, introduction of competitive new products and such other related factors.

Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overhead incurred in bringing such items of inventory to its present location and condition

(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 on 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 employee 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 post employment 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.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia, bonus and performance incentive are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(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 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.

(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) For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognized in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate).

(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) The Group derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns, product expiry claims and discounts.

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from Contracts with Customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Under this method, the comparative amounts of revenue and the corresponding contract assets / liabilities were not required to be adjusted retrospectively. The effect on adoption of Ind AS 115 was insignificant.

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 Group 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.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognized over time.

1. The customer simultaneously receives and consumes the benefits provided by the Group performance; or
2. The Group performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Where Revenue is recognized over time, the amount of revenue is determined on the basis of contract costs incurred in relation to estimated contract expenses.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group presents revenues net of indirect taxes in its statement of profit and loss.

(ii) In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. In other export incentives are grouped under other operating revenue.

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

(iv) 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).

(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) 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.

(r) Dividend Distribution

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

(s) 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.

(t) 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.

(u) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The above criteria is also used for recognition of incentives under various scheme notified by the Government. When the grant relates to an asset, the Company deducts such grant amount from the carrying amount of the asset.

(D) Recent accouning pronouncements:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessee recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

Notes to consolidated financial statements as at and for the year ended March 31,2019

1. Property, Plant & Equipment **(₹ Crores)**

	Freehold land	Leasehold land	Building	Plant & equipments	Plant & Equipment (Given on Lease)	Office & other equipment	Effluent treatment plant	furniture & fixture	Vehicles	R&D building	R&D equipment	R&D furniture	Total
Gross Block													
As at April 1, 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 at 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
Additions	-	-	3.73	63.10	-	1.86	1.16	1.71	0.46	-	5.80	0.09	77.91
Adjustments/Disposals *	0.39	(0.01)	1.23	(15.75)	(3.71)	(0.46)	(0.33)	(0.05)	(0.66)	-	(0.41)	-	(19.76)
As at March 31, 2019	56.99	48.15	538.88	1,425.15	-	21.93	79.79	51.64	16.55	14.33	134.23	2.92	2,390.56
Accumulated Deprecation/Amortisation													
As at April 1,2017	-	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 at 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
For the year 2018-19	-	0.97	18.26	113.99	0.14	3.83	6.60	5.62	2.46	0.61	15.70	0.30	168.48
Adjustments/Disposals	-	-	0.04	(0.79)	(1.44)	(0.22)	-	(0.03)	(0.49)	-	(0.26)	-	(3.19)
As at March 31, 2019	-	3.86	72.26	432.32	-	14.80	24.60	21.86	11.44	2.46	59.33	1.16	644.09
Net Block As at March 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
Net Block As at March 31,2019	56.99	44.29	466.62	992.83	-	7.13	55.19	29.78	5.11	11.87	74.90	1.76	1,746.47

Notes:

1. Buildings include cost of shares in Co-operative societies.
2. *During the year, Central Capital Investment Subsidy of ₹ 14.86 crores is recognised for Sikkim-Unit-I under The North East Industrial and Investment Promotion Policy (NEIIPP), 2007. Out of this, subsidy of ₹ 13.86 crores is reduced from cost of respective items of Property, Plant and Equipment and is reported under 'Disposal / Adjustments' during the current year. Balance amount of ₹ 1.00 crore being amount in excess of depreciable amount of certain assets as on the date of recognition of the subsidy is credited to 'Misc. Income – Non-operational'.

Notes to consolidated financial statements as at and for the year ended March 31,2019

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	Product Related Intangible	Total
Gross Block						
As at April 1 , 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 at March 31 ,2018	27.68	5.90	48.26	2.88	-	84.72
Additions	3.04	-	-	0.61	105.43	109.08
Disposals/Adjustments	-	-	2.37	-	(1.07)	1.30
As at March 31,2019	30.72	5.90	50.63	3.49	104.36	195.10
Accumulated Deprecation/Amortisation						
As at April 1, 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 at March 31, 2018	18.88	5.28	6.73	1.68	-	32.57
For the year 2018-19	5.38	0.16	5.97	0.70	1.73	13.94
Disposals/Adjustments	-	-	0.02	-	1.86	1.88
As at March 31, 2019	24.26	5.44	12.72	2.38	3.59	48.39
Net Block As at March 31,2018	8.80	0.62	41.53	1.20	-	52.15
Net Block As at March 31,2019	6.46	0.46	37.91	1.11	100.77	146.71

Range of remaining period of amortisation as at March 31,2019 of Intangible assets is as below :

(₹ Crores)

Assets	Range of remaining period of amortisation			
	< 5 year	6-10 year	>10 year	Net Block
Software	6.46	-	-	6.46
Brand / Trade Mark	0.46	-	-	0.46
Know-How	2.11	35.80	-	37.91
Software - R&D	1.11	-	-	1.11
Product Related Intangible	-	100.77	-	100.77
Total	10.14	136.57	-	146.71

2. Financial Assets - Investments

Investments in Joint Venture / Associate at Cost

(₹ Crores)

Sr. no.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Equity instrument in Joint Venture	6.36	4.47
2	Equity instrument in Associates	23.69	13.05
	Total	30.05	17.52
2A	**Other Non-Current Investments**		
	Investment in Equity	-	-
	Investment in Preference shares	-	-
	Total	-	-
2B	**Current Investments**		
	Investment in Mutual fund	90.38	69.35
	Total	90.38	69.35

2. Investment in Joint Venture / Associate

Sr. No.	Name of the Body Corporate	Relationship	Face Value	Extent of Holding (%) No. of shares		(₹ Crores)	
				As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-Current Investment							
Investments at cost							
(1)	**Unquoted equity shares**						
	Investment in Equity Instruments (At cost)						
1	Avik Pharmaceutical Ltd.	Joint Venture	₹ 100	48.99%	49.02%	6.36	4.47
				5,33,000	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%	9.36	6.89
				7,80,000	7,80,000		
	Total					15.72	11.36
(2)	**Quoted equity shares**						
	Investment in Equity Instruments (At cost)						
1	Krebs Biochemicals & Industries Ltd.	Associate	₹ 10	34.73%	29.83%	14.33	6.16
				57,75,195	41,00,100		
	Total quoted investments					14.33	6.16
	Total Non Current Investments at cost (1+2)					30.05	17.52

Cost fully written off in books

i) Aggregate value of investments

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of quoted investments	14.33	6.16
Aggregate market value of quoted investments	66.99	67.28
Aggregate book value of unquoted investments	15.72	11.36

ii) Details of Investments in Joint Venture / Associates 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 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. During the year the Company has been alloted 33000 shares under right issue. Now Group's holding in Avik Pharmaceutical Ltd is 48.99%.

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. 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.During the year the company has been allotted 16,75,095 shares under right issue .Now Group's holding in Krebs Biochemical is 34.73%.

Notes to consolidated financial statements as at and for the year ended March 31,2019

2A Other Long term Investments

Sr. No.	Name of the Body Corporate	Relationship	Face Value	No. Of Shares		(₹ Crores)	
				As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
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)	Others	₹ 10	35,000	35,000	-	-
	Total					-	-

2B Current Investment

Sr. No.	Name of the Mutual Fund Scheme	No. Of Units		(₹ Crores)	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Quoted investment					
Investments at fair value through P&L (fully paid)					
A.	**Investment in Mutual Fund**				
	Invesco India liquid Fund- Growth	64,492	1,05,029	16.52	25.04
	Kotak Low Duration Fund	-	1,16,320	-	25.48
	Kotak Floater Short Term Fund	-	66,179	-	18.83
	Aditya Birla Sun Life Liquid Fund- Reg - Growth	10,89,420	-	32.57	-
	Kotak Liquid Scheme - Growth	57,078	-	21.53	-
	Kotak Quarterly Interval-S12- Direct-Growth	49,00,808	-	5.06	-
	Reliance Liquid Fund- Treasury Plan- Growth	32,391	-	14.70	-
	Total Current Investments	61,44,189	2,87,528	90.38	69.35

Aggregate value of investments

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of quoted investments	90.38	69.35
Aggregate market value of quoted investments	90.38	69.35
Aggregate value of unquoted investment	-	-

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)

S r . No.	Name of the party	Nature	Relation	Purpose	2018-19	2017-18
1	Krebs Biochemicals & Industries Ltd.	Loan Given	Associate	Loan (ICD) given to Associate for business purpose	-	12.36
2	Krebs Biochemicals & Industries Ltd.	Investment	Associate	Equity Share contribution	14.40	-
3	Avik Pharmaceutical Ltd.	Investment	Joint Venture	Equity Share contribution	0.33	-
4	Avik Pharmaceutical Ltd.	Loan Given	Joint Venture	Receivable converted into loan	2.13	-
5	Avik Pharmaceutical Ltd.	Loan Given	Joint Venture	Loan given to Joint Venture for Plant Expansion	0.50	-
	Total				17.36	12.36

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

The associates and Joint venture of the Company and the ownership interest are as follows: -

Name of the Associate	CCPL Software Private 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 01/04/2018	(0.51)*	(5.49)	(16.71)	(2.02)	(24.22)
Accumulated Other comprehensive income up to 01/04/2018	-	0.04	0.91	(0.02)	0.93
% of Share held for 2018-19	28.95%	19.26%	34.73%	48.99%	
Investment made during the year 2018-19	-	-	14.41	0.33	14.74
Share of Profit / (Loss) for the year 2018-19 Plus Proportionate Dividend received by Associates	*	2.48	(5.85)	1.56	(1.81)
Share of other comprehensive income 2018-19	-	(0.01)	(0.39)	-	(0.40)
Dividend received from associates	-	-	-	-	-
Less: - Disposal of Investment	-	-	-	-	-
Carrying value of Investment on 31/03/2019	NIL**	9.36	14.33	6.36	30.05

* 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 (Unsecured) **(₹ Crores)**

Particulars		As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
(a)	Deposits with others:				
	Considered good				
	-With related party	40.74	0.26	35.67	1.25
	-With others	12.24	0.99	12.29	-
	Which have significant increase in Credit Risk	0.02	-	0.02	-
		53.00	1.25	47.98	1.25
	Less : Allowance for doubtful deposits	(0.02)	-	(0.02)	-
		52.98	1.25	47.96	1.25
(b)	Loans to related parties - considered good	63.31	-	61.95	-
(c)	Others				
	Loans given to employees- considered good	0.72	1.32	0.57	1.62
	Total	117.01	2.57	110.48	2.87

Note: No amount is due from any of the directors or officers of the Holding Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

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, 2019	Maximum outstanding during the year 2018-19	Balance as at Mar 31, 2018	Maximum outstanding during the year 2017-18
i)	Krebs Biochemicals & Industries Limited - Associate	47.33	47.33	47.33	47.33
ii)	Avik Pharmaceutical Limited - Joint Venture	15.98	15.98	14.62	15.06

b) Investment by the loanee in the shares of the Holding Company:

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

4. Financial Assets - Others

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Advances to employees				
- Considered good	-	1.06	-	0.56
- Considered doubtful	-	0.26	-	1.30
	-	1.32	-	1.86
Less : Provision for doubtful advances	-	(0.26)	-	(1.30)
	-	1.06	-	0.56
Other income receivables	0.09	17.11	0.06	14.22
Claim receivables	-	3.96	-	6.04
Unbilled revenue	-	2.51	-	4.00
Forward contract gain receivable	-	13.21	-	-
Hedging gain receivable	-	0.28	-	3.69
Deposit with other	0.85	-	0.82	-
Duties and Taxes Refundable	-	67.00	0.15	64.24
Term deposits with banks kept as margin money #	2.30	-	2.29	-
Total	3.24	105.13	3.32	92.75

#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, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
(i)	Capital advances	8.93	-	4.53	-
	(Unsecured, considered good)				
(ii)	Prepaid expenses	1.92	15.28	4.87	16.77
(iii)	Deposits with Govt. departments				
	- Considered good	-	1.59	-	1.25
(iv)	Unutilised Indirect tax credit	-	71.34	-	93.01
(v)	Advance to suppliers	0.03	23.68	-	6.90
(vi)	Export benefits receivables	-	27.35	-	25.92
(vii)	Advances to employees	-	2.54	-	2.86
(viii)	Others	1.65	1.58	0.01	0.37
(ix)	Prepaid taxes (net of provisions)	1.54	-	3.39	-
	Total	14.07	143.36	12.80	147.08

Note: No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

6. Inventories

(₹ Crores)

Particulars		As at March 31, 2019		As at March 31, 2018	
i)	Raw Materials				
	In hand	390.63		351.34	
	In transit	55.65	446.28	23.53	374.87
ii)	Packing Materials				
	In hand	31.24		29.49	
	In transit	0.27	31.51	0.29	29.78
iii)	Work-in-progress		225.33		182.75
iv)	Finished goods				
	In hand				
	Own	273.91		219.23	
	Traded	48.57	322.48	45.43	264.66
	In transit				
	Own	20.54		8.81	
	Traded	3.85	24.39	0.56	9.37
v)	Stores and spares		22.51		19.16
	Total		1,072.50		880.59

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, 2019	As at March 31, 2018
(i)	Amount of inventories recognised as an expense during the period.	1,272.94	1,152.99
(ii)	Amount of write - down of inventories recognised as an expense during the period.	4.79	5.79
	Total	1,277.73	1,158.78

Notes to consolidated financial statements as at and for the year ended March 31,2019

7. Financial Assets - Trade receivables (Unsecured) **(₹ Crores)**

Particulars	As at March 31, 2019		As at March 31, 2018	
Considered good	681.51		602.28	
Which have significant increase in Credit Risk	0.32		0.47	
Credit impaired	0.01		0.01	
	681.84		602.76	
Less: Allowance for doubtful trade receivable	(0.33)	681.51	(0.49)	602.27
Total		681.51		602.27

Note: No amount is due from any of the directors or officers of the Holding Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

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, 2019	As at March 31, 2018
Default rate - Local	0.15%	0.16%
Default rate - Export	0.87%	0.89%

Movement in the expected credit loss allowance **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	0.48	0.56
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(0.16)	(0.08)
Provision at the end of the period	0.32	0.48

8. Financial Assets - Cash & Cash Equivalents **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
In Current Accounts	24.83	25.94
Deposit with original maturity of less than three months	255.21	121.74
Cheques, drafts on hand	0.60	1.37
Cash on hand	0.54	0.23
Total	281.18	149.28

9. Financial Assets - Bank balances other than (8) above **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend accounts	1.12	1.29
Total	1.12	1.29

10. Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of share	(₹ Crores)	Number of share	(₹ 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	12,76,33,204	25.53	12,74,80,204	25.50
Paid up Equity Shares of ₹ 2 each	12,63,52,109	25.27	12,61,99,109	25.24
Total		25.27		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, 2019		As at March 31, 2018	
	Numbers of share	(₹ Crores)	Numbers of share	(₹ Crores)
Shares outstanding at the beginning of the year	12,61,99,109	25.24	12,61,99,109	25.24
Equity Shares issued during the year pursuant to exercise of ESOS	1,53,000	0.03	-	-
Shares outstanding at the end of the year	12,63,52,109	25.27	12,61,99,109	25.24

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	%	Number of shares held	%
Kaygee Investments Private Limited	2,70,18,195	21.38%	2,70,18,195	21.41%
Kaygee Laboratories Private Limited	83,21,000	6.59%	83,21,000	6.59%
Chandurkar Investments Private Limited	69,78,005	5.52%	69,78,005	5.53%
DSP Blackrock	85,56,403	6.77%	67,79,844	5.37%

iii) Rights and obligations of shareholders

The Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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 General Meeting.

iv) Refer point (ii) of note 14.1 for number of employee stock options against which equity shares are issued by the Holding Company.

Notes to consolidated financial statements as at and for the year ended March 31,2019

11. Other Equity

(₹ Crores)

Particulars		As at March 31, 2019		As at March 31, 2018	
(a)	Capital Reserve		0.59		0.59
(b)	Securities Premium		48.87		43.99
(c)	Capital Redemption Reserve		0.26		0.26
(d)	Share option outstanding account		-		0.32
(e)	General Reserve		1,311.05		1,311.05
(f)	Retained Earnings		1,731.22		1,299.65
(g)	OCI Reserve				
	- Cash flow hedging reserve	0.28		3.69	
	- Foreign currency translation reserve	4.85	5.13	3.78	7.47
	Total		3,097.12		2,663.33

Note : The Board of directors in their meeting held on May 29, 2019 have recommended a dividend of ₹ 3/- 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 ₹ 45.70 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.

Share Options Outstanding Account

The Holding Company has established 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 basic 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		Current Maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i.	Foreign currency term loan	133.94	234.01	114.41	141.23
ii.	Buyers credit	-	-	-	7.93
	Total (a)	133.94	234.01	114.41	149.16

Details of above:-

(₹ Crores)

Sr. No.	Name of the Instruments/ Institutions	Non - Current Portion		Current Maturities	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i.	**Foreign Currency Term Loans**				
1	BNP PARIBAS, Singapore Branch	5.32	25.07	21.28	20.06
2	DBS BANK, Singapore Branch	-	-	-	7.68
3	Citibank N.A., Jersey	25.92	32.56	8.65	-
4	a) HSBC Bank Mauritius Ltd.	-	-	-	14.48
	b) HSBC Bank Mauritius Ltd.	-	8.14	8.64	32.55
	c) HSBC Bank Mauritius Ltd.	72.44	90.88	24.01	17.68
5	Standard Chartered Bank- London	30.26	44.81	17.29	16.30
6	United Overseas Bank Ltd.	-	32.55	34.54	32.48
	Total (i)	133.94	234.01	114.41	141.23
ii.	**Buyers Credit**				
1	Standard Chartered Bank	-	-	-	7.93
	Total (ii)	-	-	-	7.93
Total (i + ii)		133.94	234.01	114.41	149.16
b)	**Long-term Borrowings - Unsecured**				
(i)	Buyers credit	-	-	-	5.35
(ii)	Borrowing from Unit holders	6.91	-	-	-
Grand Total (a+b)		140.85	234.01	114.41	154.51

c) Details of securities and repayment terms of secured loans stated above

(i) 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 installments 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 installments 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 buyers credit.

Repayable in 16 equal quarterly installments 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 16 equal quarterly instalments from September 30, 2015.

c. 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 installments from February 15, 2018.

6 United Overseas Bank Ltd.

Secured by first pari passu charge by way of hypothecation of movable fixed assets both present and future Including Pithampur plant (Indore).

Repayable in 4 equal half yearly installments from June 29, 2018.

(ii) Buyer's Credit - Standard Chartered Bank

Exclusive Charge by way of hypothecation of 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 is as per the original sanction terms without Ind AS effects.

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Installment payable between 1 to 2 years	62.38	108.05
Installment payable between 2 to 5 years	71.75	126.41
Installment payable beyond 5 years	-	-
Total	134.13	234.46

e) The long term loans are taken at the following rates.

Particulars	Interest Band
Foreign currency loan	Libor +0 .60 % to 1.50%

13. Other Financial Liabilities

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Deposits from customers	-	0.79	-	1.03
Current maturities of long term debt	-	114.41	-	154.51
Interest accrued but not due on borrowings	-	1.46	-	1.36
Unpaid dividends	-	1.12	-	1.29
Amount payable on hedging transactions	-	-	-	2.10
Payable for capital goods	-	14.10	-	9.79
Dividend Payable	-	-	-	2.27
Other payable	-	65.71	-	61.52
Total	-	197.59	-	233.87

14. Provisions

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Gratuity	-	-	-	2.12
Provision for leave encashment	25.28	3.16	25.88	2.59
Other employee related provision	-	1.26	-	4.61
Provision for breakage/damage	-	3.06	-	2.78
Provision for product expiry	-	52.25	-	46.11
Provision for sales return	-	10.67	-	9.00
Total	25.28	70.40	25.88	67.21

The disclosure of provisions movement as required by Ind AS 37 is as follows:-

(₹ Crores)

Particulars		2018-19	2017-18
(i)	**Provision for breakage/damage**		
	Balance at the beginning of the period	2.78	2.38
	Provisions made during the period	3.26	2.99
	Utilisations during the period	(2.98)	(2.59)
	Provision at the end of the period	3.06	2.78
(ii)	**Provision for product expiry**		
	Balance at the beginning of the period	46.11	43.46
	Provisions made during the period	36.70	32.40
	Utilisations during the period	(30.56)	(29.75)
	Provision at the end of the period	52.25	46.11
(iii)	**Provision for sales return**		
	Balance at the beginning of the period	9.00	6.35
	Provisions made during the period	33.98	22.37
	Utilisations during the period	(32.31)	(19.72)
	Provision at the end of the period	10.67	9.00
(iv)	**Provision for wage arrears under negotiation**		
	Balance at the beginning of the period	4.61	2.16
	Provisions made during the period	0.69	2.80
	Utilisations during the period	(4.04)	(0.35)
	Provision at the end of the period	1.26	4.61

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 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 employee's 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

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, 2019	As at March 31, 2018
Expense recognised in Statement of Profit & Loss		
Current service cost	7.19	7.14
Interest expense	4.13	3.66
Expected return on plan assets	(4.31)	(3.70)
Total	7.01	7.10
Expense recognised in Other Comprehensive Income		
Return on plan assets (greater)/less than discount rate	0.38	(0.58)
Actuarial (gain)/loss due to experience on DBO	1.01	(1.72)
Total	1.39	(2.30)
Present value of funded defined benefit obligation	64.71	58.12
Fair value of plan assets	(65.50)	(56.00)
Funded status	(0.79)	2.12
Net defined benefit (Asset)	(0.79)	2.12
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	58.11	54.49
Current service cost	7.19	7.14
Interest cost	4.13	3.66
Actuarial (gain)/loss	1.01	(1.72)
Benefits paid	(5.73)	(5.46)
Present value of defined benefit obligation at the end of the year	64.71	58.11
Movements in fair value of the plan assets are as follows		
Opening fair value of plan assets	55.99	51.10
Expected returns on plan assets	4.31	3.70
Remeasurement (gains)/losses:		
Actuarial (gain)/loss on plan assets	(0.38)	0.58
Contribution from employer	11.31	6.07
Benefits paid	(5.73)	(5.46)
Closing fair value of the plan asset	65.50	55.99
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (gain)/loss arising from experience adjustments	1.01	(1.72)
Actuarial (gain)/loss on plan assets	0.38	(0.58)
Total Actuarial (Gain)/Loss included in OCI	1.39	(2.30)

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assumptions		
Discount rate	7.60%	7.70%
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.

Particulars	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation		
Discount rate		
a. Discount rate - 100 basis points	69.89	62.36
b. Discount rate + 100 basis points	60.19	53.67
Salary increase rate		
a. Rate - 100 basis points	60.38	53.83
b. Rate + 100 basis points	69.59	62.09

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 25th April, 2017 had granted 1,65,000 (One Lakh Sixty Five Thousand) option under Ipca Laboratories Limited -Employees Stock option Scheme- 2014 (ESOS). The Option granted got vested on completion of 1 year from the date of grant of the option.

The compensation cost for ESOS 2014 is recognized based on the fair value at the date of grant in accordance with the Black-Scholes method determined by an independent merchant banker. 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.

Particulars	Year ended March 31, 2019	
	No of options	Exercise price
Outstanding, beginning of year	1,56,500	₹ 300
Granted during the year	-	-
Exercised during the year	1,53,000	₹ 300
Forfeited during the year	3,500	-
Outstanding, end of year	-	-

Notes to consolidated financial statements as at and for the year ended March 31,2019

15. Deferred Tax Liabilities (Net)

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
Deferred tax liabilities on account of :				
Depreciation including on R & D Assets,Amortisation and impairment		230.97		232.46
Deferred tax asset on account of :				
Leave encashment	9.94		9.95	
Bonus expenses	1.05		1.05	
MAT Credit available	72.43	83.42	61.75	72.75
Net deferred tax liability		147.55		159.71

Deferred Tax Assets (Net)

(₹ Crores)

Particulars	As at March 31, 2018	As at March 31, 2018
Deferred tax assets of subsidaries	1.84	1.74
Net deferred tax assets	1.84	1.74

16. Other Non-financial liabilities

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Security deposit	1.56	-	1.56	-
Revenue received in advance	-	50.30	-	7.77
Duties & taxes payable	-	16.09	-	18.50
Forward hedging payable	-	-	-	0.43
Profit split payable	-	4.51	-	-
Other payables	-	6.25	-	6.18
Total	1.56	77.15	1.56	32.88

17. Financial Liabilities - Borrowings

(₹ Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
Secured Loans:				
Working capital loan from banks *		195.86		239.04
Short term loan from unit holders**		13.83		-
Total		209.69		239.04

*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.

**Secured against trade receivable of subsidiary company Bayshore Pharmaceuticals LLC.

18. Financial Liabilities - Trade Payables

(₹ Crores)

Particulars		As at March 31, 2019	As at March 31, 2018
a)	Trade Payables for goods and services:		
	- Total dues of Micro and small enterprises	4.34	2.19
	- Others	455.65	382.47
b)	Acceptances	64.33	38.81
	Total	524.32	423.47

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, 2019	As at March 31, 2018
Principal amount due	4.34	2.19
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	4.21	3.12
- 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	-	-

The Holding Company has compiled the above information based on written confirmations collected by the Company from suppliers.

19. Current Tax Liabilities (Net) **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of taxes paid)	18.35	11.10
Total	18.35	11.10

20. Revenue from Operations (net) **(₹ Crores)**

Particulars	2018-19	2017-18
Sale of products (refer note no.36)	3,652.57	3,175.83
Sale of services	67.11	56.57
Other operating revenues:		
Export incentives	42.11	37.42
Sundry balances w/back	2.34	2.55
Miscellaneous income	9.05	11.20
Total	3,773.18	3,283.57

20.1 Disclosure relating to disaggregation by geography of revenue in terms of Ind AS 115 **(₹ Crores)**

Particulars		2018-19			
		Branded Generics	Generic	API	Total
A	**Domestic**	1,646.83	-	201.98	1,848.81
B	**Exports**				
	Europe	48.93	262.96	286.03	597.92
	Africa	48.13	222.49	39.47	310.09
	Americas	42.02	116.85	207.08	365.95
	Asia (Excluding India)	65.00	22.04	200.32	287.36
	CIS	155.91	0.52	9.24	165.67
	Australasia	0.95	137.08	5.85	143.88
	Total (B)	360.94	761.94	747.99	1,870.87
	Total (A+B)	2,007.77	761.94	949.97	3,719.68

(₹ Crores)

Particulars		2017-18			
		Branded Generics	Generic	API	Total
A	**Domestic**	1,425.38	-	178.45	1,603.83
B	**Exports**				
	Europe	38.42	251.92	258.60	548.94
	Africa	59.66	215.91	20.99	296.56
	Americas	43.04	59.48	154.34	256.86
	Asia (Excluding India)	48.48	18.02	172.84	239.34
	CIS	142.03	0.12	11.87	154.02
	Australasia	0.03	128.39	4.43	132.85
	Total (B)	331.66	673.84	623.07	1,628.57
	Total (A+B)	1,757.04	673.84	801.52	3,232.40

20.2 Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

20.3 Contract Liability

The Contract liability primarily relate to advances received from the customer against orders. Significant changes in the contract liabilites balance during the period are as under:

(₹ Crores)

Particulars	2018-19
Balances at the beginning of the year	7.77
Revenue recognised that is included at the beginning of the period	7.63
Advances received which have remained outstanding at the end of the year	50.30

21. Other Income

(₹ Crores)

Particulars	2018-19	2017-18
Interest income	22.38	10.69
Interest income on financial asset at amortised cost	5.07	4.44
Profit on sale of investments - current (net)	8.75	6.53
Net gain on financial asset through FVTPL	0.08	0.48
Profit on sale of property, plant & equipment	0.33	0.51
Miscellaneous income	19.29	17.55
Royalty income	1.78	1.60
Total	57.68	41.80

22. Cost of Materials Consumed

(₹ Crores)

Particulars	2018-19		2017-18	
Raw Materials Consumed				
Opening stock	374.87		331.86	
Add : Purchases (net of discount)	1,002.10		812.42	
Add : Raw material conversion charges	26.00		16.51	
	1,402.97		1,160.79	
Less : Closing stock	446.28	956.69	374.87	785.92
Packing Materials Consumed				
Opening stock	29.78		31.25	
Add : Purchases (net of discount)	168.10		160.78	
	197.88		192.03	
Less : Closing stock	31.51	166.37	29.78	162.25
Neutralisation of duties and taxes on inputs for exports - Drawback benefits		(16.98)		(15.80)
Total		1,106.08		932.37

23. Purchases of Traded Goods

(₹ Crores)

Particulars	2018-19	2017-18
Formulations	241.72	123.89
Active Pharmaceutical ingredients/ Intermediates	6.44	40.67
Others	0.91	4.35
Total	249.07	168.91

24. Changes in inventories of Finished Goods(FG), Work-in-progress(WIP) and Traded Goods

(₹ Crores)

Particulars	2018-19		2017-18	
Inventory Adjustments - WIP				
Stock at commencement	182.75		187.92	
Less: - Stock at closing	225.33	(42.58)	182.75	5.17
Inventory Adjustments - FG				
Stock at commencement	228.04		273.08	
Less : Stock at closing	294.45	(66.41)	228.04	45.04
Inventory Adjustments - Traded Goods				
Stock at commencement	45.99		43.97	
Less : Stock at closing	52.42	(6.43)	45.99	(2.02)
Variation in Excise duty on : (refer note no.36)				
Closing stock of finished goods	-		-	
Less: Opening stock of finished goods	-	-	24.68	(24.68)
Total		(115.42)		23.51

25. Employee Benefits Expenses

(₹ Crores)

Particulars	2018-19	2017-18
Salaries , bonus , perquisites , etc.	705.32	658.57
Contribution to provident and other funds	39.19	37.37
Leave encashment	6.63	7.57
Leave travel assistance	3.21	2.02
Gratuity fund contributions	7.01	7.10
ESOS compensation	0.01	0.32
Staff welfare expenses	24.33	20.99
Recruitment & training	1.70	1.94
Total	787.40	735.88

26. Finance Cost

(₹ Crores)

Particulars	2018-19	2017-18
Interest expense (refer point no.(vi) of note no. 39)	16.60	22.20
Other borrowing cost	0.57	0.59
Interest on income tax	1.70	1.23
Total	18.87	24.02

27. Depreciation & Amortisation

(₹ Crores)

Particulars	2018-19	2017-18
Depreciation on tangible assets	168.48	165.64
Amortisation on intangible assets	13.94	12.09
Total	182.42	177.73

Notes to consolidated financial statements as at and for the year ended March 31,2019

28. Other Expenses

(₹ Crores)

Particulars	2018-19	2017-18
Consumption of stores and spares	38.00	33.99
Power and fuel	169.89	155.49
Water charges	6.61	6.43
Freight, forwarding and transportation	79.54	72.54
Outside manufacturing charges	12.65	17.43
Repairs and maintenance	103.04	93.97
Loss on sale of property, plant & equipment	0.96	0.65
Property, plant & equipment scrapped	0.61	0.32
Commission on sales and brokerage	25.66	22.34
Field staff expenses	76.34	77.16
Sales and marketing expenses	188.86	157.68
Product information catalogue	23.78	20.12
Expenditure on scientific research	20.74	26.62
Laboratory expenses and analytical charges	33.46	32.66
Rent	21.92	20.94
Rates and taxes	9.21	14.05
Travelling expenses	44.24	45.09
Professional charges	59.74	60.96
Printing and stationery	7.20	7.67
Books, subscription and software	14.08	10.22
Product registration expenses	17.70	10.82
Excise duty/ GST Expenses (refer note no.36)	27.49	25.81
Communication expenses	6.56	6.29
Insurance	13.09	13.09
Intellectual property right expenses	1.22	1.76
Remuneration to auditors	0.41	0.34
Remuneration to components' auditors	0.14	0.13
Bank charges	3.37	3.55
Provision for doubtful debts/advances	0.12	0.64
Bad debts and other balance w/off	2.02	2.57
CSR expenses	7.79	10.17
Compensation towards failure to supply of goods/services	6.93	4.94
Foreign exchange (gain)/loss-net	18.64	(0.48)
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	12.16	12.23
Total	1,054.17	968.19

Details of:

(₹ Crores)

1.	**Repairs and Maintenance:**		
	Building	15.86	17.87
	Machinery	81.44	72.64
	Others	5.74	3.46
		103.04	93.97
2.	**Remuneration To Auditors:**		
	Audit fees including Limited Review	0.39	0.34
	Certification and other services	0.02	-
		0.41	0.34

Disclosures:

Total expenditure on R & D is included in respective heads of accounts as under: **(₹ Crores)**

Particulars	2018-19	2017-18
Expenditure on Scientific Research (Includes stores and chemicals, Bio-availability, Bio-equivalence and Toxicity Studies)	20.74	26.61
Cost of materials consumed	1.52	0.62
Employee benefits expenses	42.07	48.70
Other expenses	18.52	23.72
Depreciation	17.31	17.14
Total	100.16	116.79

29. Tax Expense **(₹ Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax	121.81	61.35
Tax expense of previous year	(5.44)	0.72
Deferred Tax	(12.13)	(10.96)
Total	104.24	51.11
i. Reconciliation of current rate of tax and effective rate of tax:		
Profit before Income taxes	546.46	290.53
Enacted tax rates in India (%)	34.94%	34.61%
Computed expected tax expenses	190.95	100.55
Tax effect due to incentives	(85.09)	(66.45)
Accelerated Depreciation	6.20	1.47
Effect of exempt income	-	(0.02)
Effect of non- deductible expenses	7.13	7.12
Effect of differential overseas tax rates	(3.09)	(1.28)
Additional deduction on Research and Development Expenses	(14.99)	(24.66)
Trading loss brought forward	-	(0.12)
Others	(1.39)	0.15
Income tax expenses - net	99.72	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	21.55%	21.34%
Computed tax liability on book profits	117.76	61.95
Tax effect on adjustments:		
Adjustment of OCI	0.30	(1.26)
Effect of differential overseas tax rates	4.26	0.66
Others	(0.51)	-
Minimum Alternate Tax on Book Profit of Holding company and Income tax of Group Company	121.81	61.35

ii. Reconciliation of Deferred Tax

Deferred tax (assets) / liabilities in relation to: **(₹ Crores)**

Particulars	As at March 31, 2019	Recognised in profit/loss	As at March 31, 2018
Property, plant & equipment	229.13	(1.59)	230.72
MAT credit available	(72.43)	(10.68)	(61.75)
Compensated absences	(9.94)	0.01	(9.95)
Bonus expenses	(1.05)	-	(1.05)
Exchange Difference	-	0.13	-
Total	145.71	(12.13)	157.97

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		2018-19		2017-18	
i	Profit after tax		442.22		239.42
ii	Profit after tax and exceptional Items		442.22		239.42
iii	Closing equity shares outstanding (Nos.)				
	Opening equity shares outstanding (Nos.)	12,61,99,109		12,61,99,109	
	Add: Shares issued during the year pursuant to exercise of ESOS (nos.)	1,53,000		-	
	Closing equity shares outstanding (Nos.)		12,63,52,109		12,61,99,109
iv	Weighted avg. no. of shares outstanding (Nos.) (Basic)		12,63,26,609		12,61,99,109
v	Weighted avg. no. of shares outstanding (Nos.) (Diluted)		12,63,26,609		12,62,08,734
vi	Nominal value of equity share (₹)		2.00		2.00
vii	Basic EPS (i / iv) (₹)		35.01		18.97
viii	Diluted EPS (i / v) (₹)		35.01		18.97

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 recognized 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)**

Particulars	As at March 31, 2019	As at March 31, 2018
Expiring:		
Within one year	0.02	0.02
Between one and five years	1.37	1.40
Total	1.39	1.42

32. Segment Reporting

Disclosure as required by IND AS 108 "Operating Segments", 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 Segments", the Company has only one reportable operating segment i.e. Pharmaceuticals.

Additional disclosure required as per Ind AS 108 **(₹ Crores)**

Particulars	2018-19	2017-18
(i) The revenue from Geographical region :		
India	1,860.20	1,616.97
Outside India	1,912.98	1,666.60
Total	3,773.18	3,283.57

Of the above revenue from sales to United Kingdom amounts to ₹ 128.87 crores (previous year ₹ 152.08 crores).

The non-current assets attributable to any particular geographical segment is not material for disclosure.

No single customer represents 10% or more of the company's total revenue during the year ended March 31,2019 and March 31, 2018.

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 (till 31st March, 2019)	Independent Director	Indian
Mr. Anand T. Kusre	Independent Director	Indian
Mr. Dev Parkash Yadava	Independent Director	Indian
Dr. Ramakanta M. Panda (till 07th March, 2019)	Independent Director	Indian
Mrs. Manisha Premnath	Independent Director	Indian
Mr. Kamal Kishore Seth (w.e.f 29th March, 2019)	Independent Director	Indian
v. Other Related Parties		
(Entities in which directors or their relatives have significant influence and with whom there were transactions during the period)		
Nipra Industries Pvt. Ltd.		India
Nipra Packaging Pvt. Ltd.		India
Prabhat Foundation		India
Vandhara Resorts Pvt. Ltd.		India
Makers Laboratories Ltd.		India

Details of related party transaction are given in Statement 1 attached to the financial statement. The value of related party transactions and balances reported are based on actual transaction and without giving effect to notional Ind AS adjustment entries.

Notes to consolidated financial statements as at and for the year ended March 31,2019

34. Contingent liabilities and Commitments

A. Contingent Liabilities

(₹ Crores)

(i) Particulars	As at March 31, 2019	As at March 31, 2018
Other moneys for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the Company *	18.11	22.09
Amount deposited under protest	(1.88)	(1.23)
Claims against the Company not acknowledged as debts	9.15	6.98
Corporate guarantee given to others	2.28	2.28
Guarantees given by banks in favour of Govt. & others *	12.74	12.93
Total	40.40	43.05

*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.

(ii) The Hon'ble Supreme Court of India by their order dated February 28, 2019, has clarified the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions or clarification from the EPFO, the quantification of impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

B. Commitments

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for :		
Tangible Assets	40.09	11.22
Intangible Assets	28.82	27.17
	68.91	38.39
(b) Other Commitments		
Purchase orders backed by LC opened by bankers.	55.99	25.64
	55.99	25.64
Total (a+b)	124.90	64.03

35. Contingent Assets

Application for capital investment subsidy of ₹ 8.23 Crores. for Sikkim Unit- II factory under The North East Industrial & Investment Promotion Policy (NEIIPP),2007 has been submitted and is awaiting approval from the concerned Authority. Maximun limit under the Scheme is capped ₹ 5 Crores.

36. Goods and Service Tax (GST)

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, for the quarter 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 revenue in terms of Ind AS 18. This has resulted in lower reported sales w.e.f. July 1,2017 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.

37. Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

(₹ Crores)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Amortised Cost				
Investments				
- Equity Instruments	-	-	-	-
- Preference Shares	-	-	-	-
Loans	119.58	113.35	119.58	113.35
Others	108.09	92.38	108.09	92.38
Trade receivables	681.51	602.27	681.51	602.27
Cash and cash equivalents	282.30	150.57	282.30	150.57
FVTPL				
Equity Instruments	-	-	-	-
Mutual funds considered as Cash and cash equivalents	90.38	69.35	90.38	69.35
FVTOCI				
Derivative Assets	0.28	3.69	0.28	3.69
Total Financial Assets	1282.14	1031.61	1282.14	1031.61
Financial liabilities				
Amortised Cost				
Borrowings	350.54	473.05	350.54	473.05
Trade payables	524.32	423.47	524.32	423.47
Others	197.59	231.77	197.59	231.77
FVTOCI				
Derivative Liabilities	-	2.10	-	2.10
Total Financial Liabilities	1,072.45	1,130.39	1,072.45	1,130.39

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)

Particular	Date of Valuation	Fair Value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at fair value					
Mutual funds - Growth plan	31/03/2019	90.38	-	-	90.38
Derivative financial assets	31/03/2019	-	0.28	-	0.28
Total financial assets		90.38	0.28	-	90.66
Financial liabilities					
Derivatives designated as hedges	31/03/2019	-	-	-	-
Derivative financial liabilities	31/03/2019	-	-	-	-
Total financial liabilities		-	-	-	-
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					
Derivatives designated as hedges	31/03/2018	-	-	-	-
Derivative financial liabilities	31/03/2018	-	2.10	-	2.10
Total financial liabilities		-	2.10	-	2.10

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 APIs 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, 2019		As at March 31, 2018	
			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	26.11	249.73	57.88	377.26
b.	Buyers Credit & Interest	EUR	-	-	1.65	13.35
c.	Packing Credit & Interest	USD	15.20	103.91	17.93	116.89
d.	Trade & Other Payables Incl. advances received	USD	16.48	114.01	15.47	100.85
		EUR	0.12	0.94	0.32	2.62
		GBP	0.01	0.07	-	0.03
		CHF	-	-	-	0.01
		CAD	0.02	0.09	-	-
II)	**Unhedged receivables in foreign currency**					
a.	Trade & Other receivables incl. advances given	USD	37.33	258.18	38.79	252.83
		EUR	4.39	34.11	4.32	34.88
		GBP	5.98	54.09	5.15	47.55
		AUD	6.69	32.83	3.43	17.14
		CAD	1.95	10.06	2.23	11.32
		NZD	1.28	6.03	2.14	10.11
		COP	888.21	1.93	864.46	2.02
b.	Unbilled Revenue	USD	-	-	0.04	0.26
		CAD	0.49	2.51	0.74	3.74

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.

(vi) The Company has entered into Interest Rate Swap (IRS) Contracts against the underlying of USD ECB loans. The actual net gain of ₹ 3.88 crores upon unwinding of one of the IRS on ECB loan and gain on net settlement is credited to interest expenses under finance cost (refer note no. 26).

(vii) Other Price Risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. However, the Company is investing only in debt funds. The price risk arises due to uncertainties about the future market values of these investments. At March 31 2019, the investments in mutual funds is ₹ 90.38 crores (Previous year ₹ 69.34 crores). These are exposed to price risk. In order to minimise price risk arising from investments in mutual funds, the Company predominately invest in liquid funds where price risk is minimum.

Price risk sensitivity:

0.10% increase or decrease in prices will have the following impact on profit/loss before tax and on other components of investment value.

(₹ Crores)

Particulars	Impact on Profit		Impact on Investment Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Price - increase by 0.10%*	0.09	0.07	0.09	0.07
Price - decrease by 0.10% *	(0.09)	(0.07)	(0.09)	(0.07)

* assuming all other variables as constant

40. 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, 2019	As at March 31, 2018
Borrowings other than convertible preference shares	350.54	473.05
Trade payables	524.32	423.47
Other payables	197.59	233.87
Less: Cash and Cash Equivalents (C&CE)	(282.30)	(150.57)
Less: Investment in MF (part of C&CE)	(90.38)	(69.35)
Net debt	699.77	910.47
Total Equity	3,137.93	2,688.57
Capital and net debt Gearing ratio	22.30%	33.86%

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 years ended March 31, 2019 and March 31, 2018.

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, 2019		As at March 31, 2018	
	Currency	In Million	Currency	In Million
Forward Contracts Exports	USD	30.71	USD	24.00
	STG	12.23	STG	6.00
	EUR	-	EUR	2.00
	AUD	11.00	AUD	5.00
	CAD	1.23	CAD	-
	NZD	0.50	NZD	0.74
Forward Contracts -Imports	USD	0.01	-	-
Other Derivatives:				
Options	USD	4.00	-	-
Interest Rate Swaps (notional o/s)	USD	22.84	USD	37.08

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, 2019	As at March 31, 2018
		In Million	In Million
Not later than one month	USD	7.46	6.00
	STG	1.10	0.00
	CAD	0.73	0.00
	AUD	1.50	1.00
	NZD	0.50	0.74
Later than one month and not later than three months	USD	10.00	14.00
	STG	2.12	2.00
	CAD	0.50	0.00
	AUD	3.50	2.00
Later than three months and not later than one year	USD	13.25	4.00
	STG	9.00	4.00
	AUD	6.00	2.00
	EUR	0.00	2.00
Later than one year and not later than two years	-	NIL	NIL

During the year ended March 31, 2019 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 31,2019 , there are no transations in the Hedge Reserve that are required to be reclassified to the revenue in the statement of Profit and Loss.

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 mangement 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 rebalanced 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 rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows:

(₹ Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	3.69	3.83
Changes in the fair value of effective portion of cash flow hedges	(7.29)	0.78
Gain/(Loss) transferred to the Statement of Profit & Loss on occurrence of forecasted hedge transactions	3.88	(0.92)
Balance at the end of the period	0.28	3.69

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, 2019		As at March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset / liability	0.28	-	3.69	-
Net amount presented in balance sheet	0.28	-	3.69	-

42. 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, 2019	Proportion of ownership (%) as at March 31, 2018
(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 Pharma,Inc. USA)	USA	100.00	100.00
4	Bayshore Pharmaceuticals LLC. (Subsidiary of Ipca Laboratories Inc, USA) (w.e.f 02.10.2018)	USA	80.00	-
(iii)	**Joint Ventures / Operations**			
1	Avik Pharmaceutical Ltd.	India	48.99	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	34.73	29.83

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, 2019	Proportion of ownership (%) as at March 31, 2018
1	Avik Pharmaceutical Ltd.	Joint Venture	Manufacturing	India	48.99	49.02
2	Trophic Wellness Pvt. Ltd.	Associate	Manufacturing & Marketing	India	19.26	19.26
3	Krebs Biochemicals & Industries Ltd.	Associate	Manufacturing	India	34.73	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, 2019	March 31, 2018
Share of Profit /(loss) in associates(net)- Non - Material	(3.77)	(5.79)
Share of Profit /(loss) in joint ventures (net)- Non - Material	1.56	1.12
Total Share of loss in associates and joint venture	(2.21)	(4.67)

V Carrying amount of immaterial entities **(₹ Crores)**

Description	March 31, 2019	March 31, 2018
Carrying amount of interests in the Associate	23.69	13.05
Carrying amount of interests in the Joint Venture	6.36	4.47

VI Financial information about the entities investments in aggregate for all individually immaterial Joint Venture

(₹ Crores)

Particulars	March 31, 2019	March 31, 2018
Profit or loss from continuing operations	1.56	1.14
Post-tax profit /(loss) from discountinued operations	-	-
Other Comprehensive Income	-	(0.02)
Total Comprehensive Income	1.56	1.12

VII Financial information about the entities investments in aggregate for all individually immaterial Associates

(₹ Crores)

Particulars	March 31, 2019	March 31, 2018
Profit or loss from continuing operations	(3.37)	(5.37)
Post-tax profit /(loss) from discountinued operations	-	-
Other Comprehensive Income	(0.40)	(0.42)
Total Comprehensive Income	(3.77)	(5.79)

VIII Contingent Liabilities for Associates and Joint Venture **(₹ Crores)**

Description	March 31, 2019	March 31, 2018
Contingent Liabilities including bank guarantee	3.11	0.09
Amount deposited under protest	(0.13)	-
Total	2.98	0.09
Commitments	0.50	-

Notes to consolidated financial statements as at and for the year ended March 31,2019

43. Disclosure under schedule III of the companies Act, 2013 relating to consolidated financial statements are given in Statement 2 attached to the financial statements.

44. Figures for the previous year have been regrouped / reclassified /restated wherever considered necessary.

45. 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, 2019.

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, 2019

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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)
Mumbai,
May 29, 2019

Notes to consolidated financial statements as at and for the year ended March 31,2019

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

(₹ Crores)

Description	Key Management Personnel		Associates		Joint Venture		Other Related Parties		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of goods and services										
Makers Laboratories Ltd.	-	-	-	-	-	-	9.88	6.92	9.88	6.92
Avik Pharmaceutical Ltd.	-	-	-	-	30.33	20.32	-	-	30.33	20.32
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	4.43	3.79	4.43	3.79
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	1.46	1.57	1.46	1.57
Krebs Biochemicals & Industries Ltd.	-	-	56.15	36.35	-	-	-	-	56.15	36.35
Vandhara Resorts Pvt. Ltd.	-	-	-	-	-	-	1.04	0.75	1.04	0.75
Total	-	-	56.15	36.35	30.33	20.32	16.81	13.03	103.29	69.70
Sales of goods and services										
Makers Laboratories Ltd.	-	-	-	-	-	-	0.37	1.39	0.37	1.39
Avik Pharmaceutical Ltd.	-	-	-	-	4.20	0.92	-	-	4.20	0.92
Krebs Biochemicals & Industries Ltd.	-	-	8.30	3.72	-	-	-	-	8.30	3.72
Trophic Wellness Pvt. Ltd.	-	-	0.72	0.62	-	-	-	-	0.72	0.62
Total	-	-	9.02	4.34	4.20	0.92	0.37	1.39	13.59	6.65
Rent income										
Avik Pharmaceutical Ltd.	-	-	-	-	0.11	0.43	-	-	0.11	0.43
Makers Laboratories Ltd.	-	-	-	-	-	-	0.23	0.19	0.23	0.19
Trophic Wellness Pvt. Ltd.	-	-	0.26	0.29	-	-	-	-	0.26	0.29
Total	-	-	0.26	0.29	0.11	0.43	0.23	0.19	0.60	0.91
Interest income										
Avik Pharmaceutical Ltd.	-	-	-	-	1.73	1.66	-	-	1.73	1.66
Krebs Biochemicals & Industries Ltd.	-	-	4.90	4.49	-	-	-	-	4.90	4.49
Total	-	-	4.90	4.49	1.73	1.66	-	-	6.63	6.15
Sale of fixed assets										
Avik Pharmaceutical Ltd.	-	-	-	-	2.13	-	-	-	2.13	-
Total	-	-	-	-	2.13	-	-	-	2.13	-
Rent and other expenses										
Makers Laboratories Ltd.	-	-	-	-	-	-	0.02	0.03	0.02	0.03
Avik Pharmaceutical Ltd.	-	-	-	-	-	0.24	-	-	-	0.24
Krebs Biochemicals & Industries Ltd.	-	-	1.20	1.28	-	-	-	-	1.20	1.28
Trophic Wellness Pvt. Ltd.	-	-	0.00	0.00	-	-	-	-	0.00	0.00
Total	-	-	1.20	1.28	-	0.24	0.02	0.03	1.22	1.55
Excise duty reimbursements										
Krebs Biochemicals & Industries Ltd.	-	-	-	(1.26)	-	-	-	-	-	(1.26)
Total	-	-	-	(1.26)	-	-	-	-	-	(1.26)
Net loans and advances given/(recovered)										
Avik Pharmaceutical Ltd.	-	-	-	-	1.36	(0.45)	-	-	1.36	(0.45)
Krebs Biochemicals & Industries Ltd.	-	-	-	12.36	-	-	-	-	-	12.36
Total	-	-	-	12.36	1.36	(0.45)	-	-	1.36	11.91
Investments made / (redemption)										
Krebs Biochemicals & Industries Ltd.	-	-	14.41	-	-	-	-	-	14.41	-
Avik Pharmaceutical Ltd.	-	-	-	-	0.33	-	-	-	0.33	-
Total	-	-	14.41	-	0.33	-	-	-	14.74	-
Remuneration to Directors										
Mr. Premchand Godha	10.43	7.66	-	-	-	-	-	-	10.43	7.66
Mr. Ajit Kumar Jain	4.45	3.71	-	-	-	-	-	-	4.45	3.71
Mr. Pranay Godha	2.83	2.39	-	-	-	-	-	-	2.83	2.39
Mr. Prashant Godha	2.68	2.41	-	-	-	-	-	-	2.68	2.41
Total	20.39	16.17	-	-	-	-	-	-	20.39	16.17
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	0.09	0.08	-	-	-	-	-	-	0.09	0.08
Mr. Prashant Godha	0.08	0.08	-	-	-	-	-	-	0.08	0.08
Total	0.77	0.76	-	-	-	-	-	-	0.77	0.76

Notes to consolidated financial statements as at and for the year ended March 31,2019

Description	Key Management Personnel		Associates		Joint Venture		Other Related Parties		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Post employment benefits of Directors										
Mr. Ajit Kumar Jain	0.26	0.28	-	-	-	-	-	-	0.26	0.28
Mr. Pranay Godha	0.06	0.05	-	-	-	-	-	-	0.06	0.05
Mr. Prashant Godha	0.03	0.02	-	-	-	-	-	-	0.03	0.02
Total	0.35	0.35	-	-	-	-	-	-	0.35	0.35
Sitting Fee to Non-executive Directors										
Mr. Anand T Kusre	0.07	0.06	-	-	-	-	-	-	0.07	0.06
Mr. Babulal Jain (till 31.03.2019)	0.08	0.07	-	-	-	-	-	-	0.08	0.07
Mr. Dev Prakash Yadava	0.08	0.05	-	-	-	-	-	-	0.08	0.05
Mrs. Manisha Premnath	0.03	0.02	-	-	-	-	-	-	0.03	0.02
Dr. Ramakanta M. Panda (till 07.03.2019)	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Mr. Kamal Kishore Seth (w.e.f 29.03.2019)	0.01	-	-	-	-	-	-	-	0.01	-
Total	0.29	0.22	-	-	-	-	-	-	0.29	0.22
Donation										
Prabhat Foundation	-	-	-	-	-	-	1.75	0.75	1.75	0.75
Total	-	-	-	-	-	-	1.75	0.75	1.75	0.75
Balance at year end										
Trade receivables										
Avik Pharmaceutical Ltd.	-	-	-	-	-	0.16	-	-	-	0.16
Krebs Biochemicals & Industries Ltd.	-	-	4.08	3.17	-	-	-	-	4.08	3.17
Trophic Wellness Pvt. Ltd.	-	-	0.09	0.19	-	-	-	-	0.09	0.19
Loan given										
Krebs Biochemicals & Industries Ltd.	-	-	47.33	47.33	-	-	-	-	47.33	47.33
Avik Pharmaceutical Ltd.	-	-	-	-	15.98	14.62	-	-	15.98	14.62
Deposit given										
Krebs Biochemicals & Industries Ltd.	-	-	45.00	45.00	-	-	-	-	45.00	45.00
Interest receivable										
Krebs Biochemicals & Industries Ltd.	-	-	12.25	7.35	-	-	-	-	12.25	7.35
Avik Pharmaceutical Ltd.	-	-	-	-	0.13	0.62	-	-	0.13	0.62
Total	-	-	108.74	103.04	16.11	15.40	-	-	124.86	118.44
Directors remuneration payable										
Mr. Premchand Godha	6.40	3.66	-	-	-	-	-	-	6.40	3.66
Mr. Ajit Kumar Jain	2.16	1.51	-	-	-	-	-	-	2.16	1.51
Mr. Pranay Godha	1.66	1.33	-	-	-	-	-	-	1.66	1.33
Mr. Prashant Godha	1.60	1.36	-	-	-	-	-	-	1.60	1.36
Trade payable										
Avik Pharmaceutical Ltd.	-	-	-	-	0.07	-	-	-	0.07	-
Makers Laboratories Ltd.	-	-	-	-	-	-	1.49	1.00	1.49	1.00
Nipra Packaging Pvt. Ltd.	-	-	-	-	-	-	0.19	0.19	0.19	0.19
Nipra Industries Pvt. Ltd.	-	-	-	-	-	-	0.40	0.43	0.40	0.43
Vandhara Resorts Pvt. Ltd.	-	-	-	-	-	-	0.37	0.30	0.37	0.30
Total	11.82	7.86	-	-	0.07	-	2.45	1.92	14.34	9.78

Statement 2 (Refer Note No.43)

Disclosure under Schedule III of the Companies Act, 2013 relating to consolidated financial statements.

(₹ Crores)

Name of the entity in the	2018-19								2017-18							
	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	100.26	3,146.28	103.17	456.26	135.25	(5.18)	102.89	451.08	100.56	2,703.89	98.64	236.17	18.06	1.58	95.81	237.75
Subsidiaries In India																
Tonira Export Limited	-	0.11	-	(0.01)	-	-	-	(0.01)	0.01	0.20	0.05	0.13	-	-	0.05	0.13
Subsidiaries Out Of India																
Ipca Pharmaceuticals, Inc.	0.07	2.24	(1.03)	(4.53)	(24.80)	0.95	(0.82)	(3.58)	0.04	0.98	(1.51)	(3.62)	20.23	1.77	(0.75)	(1.85)
Pisgah Laboratories, Inc, USA	(0.50)	(15.83)	(3.44)	(15.22)	(14.88)	0.57	(3.34)	(14.65)	(0.05)	(1.30)	(1.00)	(2.40)	12.57	1.10	(0.52)	(1.30)
Bayshore Pharmaceuticals LLC	(0.32)	(9.99)	(2.36)	(10.45)	(12.01)	0.46	(2.28)	(9.99)	-	-	-	-	-	-	-	-
Ipca Laboratories (UK) Ltd.	0.93	29.30	(0.02)	(0.08)	45.69	(1.75)	(0.42)	(1.83)	0.74	19.82	0.05	0.11	78.29	6.85	2.80	6.96
Onyx Scientific Ltd.	(0.35)	(10.98)	3.88	17.16	(67.10)	2.57	4.50	19.73	(0.72)	(19.39)	5.11	12.24	(25.03)	(2.19)	4.05	10.05
Ipca Pharma (Australia) Pty Ltd.	-	(0.05)	(0.01)	(0.05)	-	-	(0.01)	(0.05)	-	0.01	(0.06)	(0.14)	0.11	0.01	(0.05)	(0.13)
Ipca Pharma (NZ) Pty Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ipca Pharma Nigeria Ltd.	0.05	1.59	0.79	3.49	7.83	(0.30)	0.73	3.19	0.10	2.57	0.52	1.25	0.80	0.07	0.53	1.32
Ipca Pharmaceuticals Ltd SA de CV	(0.03)	(1.05)	0.02	0.07	-	-	0.02	0.07	(0.04)	(1.19)	(0.04)	(0.09)	-	-	(0.04)	(0.09)
Non Controlling Interest in Subsidiary	0.50	15.54	(0.59)	(2.61)	19.58	(0.75)	(0.77)	(3.36)	-	-	-	-	-	-	-	-
Associates and Joint venture (Investment as per the equity method)																
Indian																
Trophic Wellness Pvt Ltd.	0.22	6.90	0.56	2.47	0.26	(0.01)	0.56	2.46	0.19	5.17	0.12	0.29	0.11	0.01	0.12	0.30
Krebs Biochemicals & Industries Limited	(0.68)	(21.30)	(1.32)	(5.84)	10.18	(0.39)	(1.42)	(6.23)	(0.59)	(15.80)	(2.36)	(5.66)	(4.91)	(0.43)	(2.45)	(6.09)
Avik Pharmaceutical Ltd.	(0.15)	(4.83)	0.35	1.56	-	-	0.36	1.56	(0.24)	(6.39)	0.48	1.14	(0.23)	(0.02)	0.45	1.12
TOTAL	100.00	3,137.93	100.00	442.22	100.00	(3.83)	100.00	438.39	100.00	2,688.57	100.00	239.42	100.00	8.75	100.00	248.17

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	191.47	831.29	831.29	-	1004.22	6.55	1.26	5.29	-	100%
2	Ipca Pharmaceuticals, Inc. USA	USD	15,116.96	121.13	15,250.19	15,250.19	14,449.66	479.77	25.27	11.20	14.07	-	100%
3	Ipca Pharmaceuticals Ltd. SA de CV, Mexico	Mexican Peso	115.15	(105.04)	20.31	20.31	-	18.56	14.38	-	14.38	-	100%
4	Ipca Pharma (Australia) Pty. Ltd., Australia	AUD $	12.98	34.81	54.97	54.97	0.04	29.31	(4.54)	0.31	(4.85)	-	100%
5	Ipca Pharma (NZ) Pty. Ltd., New Zealand	AUD $	0.04	-	1.33	1.33	-	-	-	-	-	-	100%
6	Ipca Laboratories (UK) Ltd., UK	STG £	2,256.86	3,018.88	5,279.59	5,279.59	4,428.11	1,131.20	1,123.02	-	1,123.02	-	100%
7	Onyx Scientific Ltd., UK	STG £	249.63	3,080.53	4,566.37	4,566.37	652.47	6,519.07	1,866.11	150.03	1,716.08	-	100%
8	Pisgah Laboratories Inc., USA	USD	1,165.30	5,138.39	6,379.19	6,379.19	-	211.43	(1,509.57)	13.02	(1,522.59)	-	100%
9	Tonira Exports Limited	INR	10.00	10.83	20.95	20.95	-	1.80	1.11	-	1.11	-	100%
10	Bayshore Pharmaceuticals LLC, USA	USD	1,010.90	6,759.98	15,393.42	15,393.42	-	6,873.51	(1,306.21)	-	(1,306.21)	-	80%

1) Financials reporting period of all subsidiaries is 31st March.
2) Exchange rate considered as on 31st March 2019: 1 USD= ₹ 69.15, 1 STG £= ₹ 95.5035, 1 N(Negerian Naira) = ₹ 0.1921, 1 AUD $ = ₹ 49.0135, 1 MXN (Maxican Peso)= ₹ 3.5896.
3) The Company own 100% interest in all the above subsidiaries except Bayshore Pharmaceuticals LLC, USA.
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) Ipca Pharmaceuticals, Inc. USA holds 90% and Onyx Secientific Ltd., UK holds 10% share capital of Pisgah Laboratories Inc. USA.
7) During the year 2018-19, Ipca Pharmaceuticals, Inc. USA acquired 80 % share capital of Bayshore Pharmaceuticals LLC. 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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Mumbai,
May 29, 2019

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, 2019	-	31st March, 2019	31st March, 2019
2. Shares of the Associate/ Joint venture held by Ipca Laboratories Limited as at March 31, 2019 :				
- Number of Shares	7,80,000	55,000	57,75,195	5,33,000
- Amount of Investment in Associates/ Joint venture	₹ 1234 Lacs	*	₹ 3637 Lacs	₹ 684 Lacs
- Extent of Holding %	19.26 %	28.95 %	34.73%	48.99%
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	₹ 1293.63 Lacs	-	₹ (496.26 Lacs)	₹ (60.78 Lacs)
6. Profit/ (Loss) for the Year :				
i. considered in consolidation	₹ 246.66 Lacs	*	₹ (623.57 Lacs)	₹ 155.59 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)
Pranay Godha
Executive Director (DIN 00016525)
Prashant Godha
Executive Director (DIN 00012759)
Harish P. Kamath
Company Secretary (ACS - 6792)

Mumbai,
May 29, 2019

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

ATTENDANCE SLIP

69th ANNUAL GENERAL MEETING ON TUESDAY, 13th AUGUST, 2019 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 69th ANNUAL GENERAL MEETING of the Company at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai – 400 064 on Tuesday, 13th August, 2019 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 69th Annual General Meeting of the Company to be held at Aspee Auditorium, Laxminarayan Mandir Complex, Near Nutan School, Marve Road, Malad (West), Mumbai – 400 064 on Tuesday, 13th August, 2019 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, 2019, Reports of the Board of Directors and Auditors thereon			
	b) Adoption of Audited Consolidated Financial Statements for the financial year ended on 31st March, 2019 and Report of the Auditors thereon			
2.	Declaration of dividend on equity shares			
3.	Re-appointment of Mr. Prashant Godha (DIN 00012759), who retires by rotation, as a Director.			
4.	Re-appointment of Mr. Premchand Godha (DIN 00012691), who retires by rotation, as a Director.			
	Special Business:			
5.	Re-appointment of Mr. Pranay Godha (DIN 00016525) as the Executive Director of the Company for a further period of 5 years and remuneration payable to him.			
6.	Re-appointment of Mr. Ajit Kumar Jain (DIN 00012657) as the Joint Managing Director of the Company for a further period of 5 years and remuneration payable to him.			
7.	Special Resolution for appointment of Mr. Kamal Kishore Seth (DIN 00194986) as a Director / Independent Director.			
8.	Remuneration payable to Cost Auditors.			

Signature of shareholder(s) …… Signed this …….. day of ……..……., 2019

₹ 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 69th Annual General Meeting.

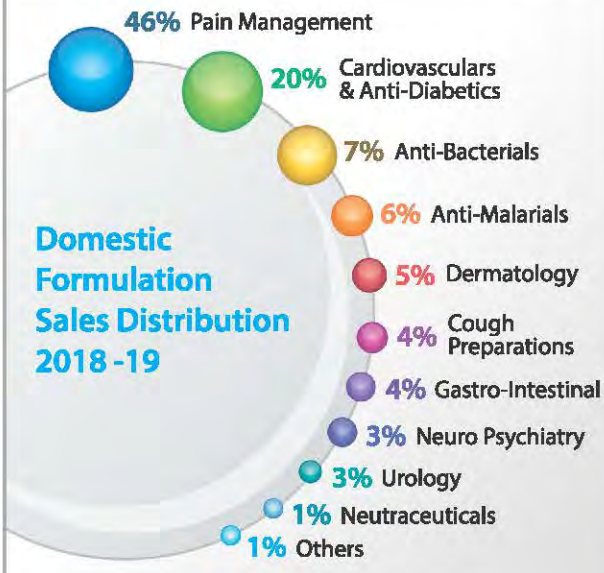
Notes

Total Income 2018-19
₹ 3687.74 Crores



- 3% Other
- 24% APIs & Intermediates
- 73% Formulations

Domestic Formulation Sales Distribution 2018 -19

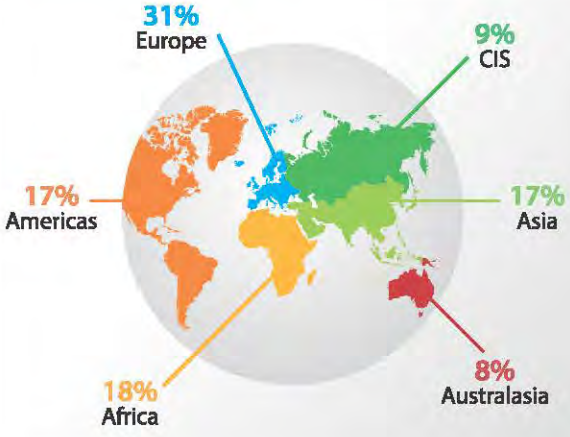


Domestic Income 2018-19
₹ 1956.90 Crores



- 6% Other
- 10% APIs & Intermediates
- 84% Formulations

Continent Wise Exports (%)

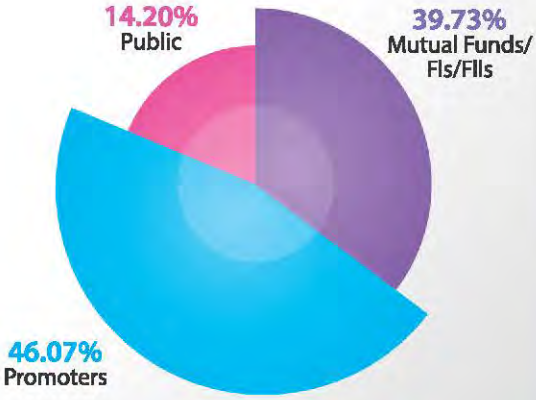


Export Income 2018-19
₹ 1730.84 Crores



- 39% APIs & Intermediates
- 61% Formulations

Distribution of Shareholding as on 31st March, 2019



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

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

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

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

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

UK
Onyx Scientific Ltd.
Silverbriar
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Sunderland SR5 2TQ, UK
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F: + 44 191 516 6 526
E: info@onyxipca.com

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51, Cragwood Road, Suite No. 307
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E: ipca.usa@ipca.com

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CIN: L24239MH1949PLC007837