

# Annual Report 2015-2016



*Indchemie*  
HEALTH SPECIALITIES PVT. LTD.

*Indchemie*  
Healthcare

**TASK***FORCE*

*Life Sciences* 

 **Gynecare**

 **Orthocare**

**Committed to Excellence in Health Care**

## **The Board of Directors**

Mr. M.K.Singh  
Managing Director  
Mr. N.Kashyap  
Executive Director  
Mr. O.P.Sharma  
Executive Director  
Mr. A.K.Sinha  
Executive Director  
Mr. A.M.Prasad  
Independent Director  
Mr. Gautam G. Parekh  
Independent Director

## **Board Committees**

### **Audit Committee**

Mr. Gautam G. Parekh  
Chairperson and Financial Expert  
Mr. A.M.Prasad  
Mr. M.K.Singh

### **Corporate Social Responsibility Committee**

Mr. N.Kashyap  
Chairperson  
Mr. A.K.Sinha  
Mr. Gautam G. Parekh

### **Nomination and Remuneration Committee**

Mr. Gautam G. Parekh  
Chairperson  
Mr. A.M.Prasad  
Mr. M.K.Singh

## **Bankers**

The Saraswat Co-op. Bank Ltd.  
Kotak Mahindra Bank Ltd.  
State Bank of India  
AXIS Bank ltd.  
HDFC Bank Ltd.

## **Auditors**

R.S.Sanghai & Associates

### **Registered Office**

510-517, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-4000 018.  
CIN.: U24230MH1986PTC039692

## **Independent Auditor's Report**

**To the Members of  
INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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



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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

### 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 sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 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 purpose 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.27 to the financial statements;
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R.S. SANGHAI & ASSOCIATES  
Chartered Accountants  
Firm's registration number: 109094W

  
R.S. SANGHAI

Partner

Membership number: 036931

Mumbai: 26<sup>th</sup> May, 2016



**“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED** for the year ended March 31, 2016, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paras 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) The Company has not given any loan, has not made any investment, has not given any guarantee or security and accordingly, the requirement of Para 3(iv) of the Order regarding compliance with the provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- v) The Company has not accepted any deposit from the public and hence the requirement of Para 3(v) of the Order regarding compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable and hence not commented upon.



- vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed records are maintained by the Company.
- vii)(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has 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, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Customs Duty, Excise Duty & Income Tax which have not been deposited on account of any dispute. The particulars of dues of Sales-Tax and Service Tax as at 31st March, 2016 which have not been deposited on account of dispute, are as follows-

Name of the Statute	Nature of Dues	Amount Rupees (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Daman and Diu Value Added Tax Regulation, 2005	Sales Tax and Interest	9.34 26.86	2008-09 2010-11	Assistant Commissioner of VAT
Finance Act, 1994	Service Tax	3.68	2011-12	Commissioner of Central Excise, Customs and Service Tax
<b>TOTAL</b>		<b>39.88</b>		

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans.



Accordingly, the provisions of para 3(ix) of the Order are not applicable to the Company and hence not commented upon.

- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided within the limit prescribed by and in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of para 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the 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 under review. Accordingly, the provisions of para 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of para 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For **R.S. SANGHAI & ASSOCIATES**  
Chartered Accountants  
Firm's registration number: 109094W

**R.S. SANGHAI**  
Partner

Membership number: 036931  
Mumbai: 26<sup>th</sup> May, 2016





**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED for the year ended March 31, 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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



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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R.S. SANGHAI & ASSOCIATES**

Chartered Accountants

Firm's registration number: 109094W

  
**R.S. SANGHAI**

Partner

Membership number: 036931

Mumbai: 26<sup>th</sup> May, 2016



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2016**



<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	25.00	25.00
Reserves and Surplus	2.2	16,545.06	14,746.70
		<b>16,570.06</b>	<b>14,771.70</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	2.3	4.20	58.62
Deferred Tax Liabilities (Net)	2.4	111.64	401.35
Long Term Provisions	2.5	537.78	422.19
		<b>653.62</b>	<b>882.16</b>
<b>Current Liabilities</b>			
Short Term Borrowings	2.6	6,900.19	6,604.51
Trade Payables	2.7	3,188.28	4,304.00
Other Current Liabilities	2.8	1,608.60	1,101.88
Short Term Provisions	2.9	1,073.81	387.67
		<b>12,770.88</b>	<b>12,398.06</b>
		<b>29,994.56</b>	<b>28,051.92</b>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	2.10		
i) Tangible Assets		4,803.95	5,167.10
ii) Capital Work in Progress		1,636.90	1,458.13
Non Current Investments	2.11	11.15	11.15
Long Term Loans and Advances	2.12	147.88	138.34
Other Non Current Assets	2.13	4,543.83	3,210.55
		<b>11,143.71</b>	<b>9,985.27</b>
<b>Current Assets</b>			
Current Investments	2.14	116.02	104.71
Inventories	2.15	3,880.04	3,950.33
Trade Receivable	2.16	3,778.92	5,827.99
Cash and Bank Balances	2.17	10,610.33	7,705.25
Short Term Loans and Advances	2.18	285.48	247.96
Other Current Assets	2.19	180.06	230.41
		<b>18,850.85</b>	<b>18,066.65</b>
<b>TOTAL</b>		<b>29,994.56</b>	<b>28,051.92</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of Financial Statements</b>	2		
<b>The accompanying notes are an integral part of financial statements</b>			

As per our report attached of even date,  
For **R.S.SANGHAI & ASSOCIATES**  
Chartered Accountants

**R.S.SANGHAI**

Partner

M.NO. 036931

Place : Mumbai

Date : 26th May, 2016



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN : U24230MH1986PTC039692

**M. K. SINGH**

Managing Director

DIN No. : 00881412

**N. KASHYAP**

Director

DIN No. : 01454570

**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016.**



<b>PARTICULARS</b>	<b>Note No.</b>	<b>For the year ended 31st March, 2016 Rs. in Lakhs</b>	<b>For the year ended 31st March, 2015 Rs. in Lakhs</b>
<b>Income:</b>			
Revenue from Operations (Gross)	2.20	<b>30,635.25</b>	28,941.00
Less: Excise Duty		<b>3,061.81</b>	1,975.32
Revenue from Operations (Net)		<b>27,573.44</b>	26,965.68
<b>Other Income</b>	2.21	<b>1,001.98</b>	1,078.59
<b>Total Revenue</b>		<b>28,575.42</b>	28,044.27
<b>Expenses:</b>			
Cost of Materials Consumed	2.22	<b>10,455.60</b>	11,775.31
Purchases of Stock-in-Trade		<b>31.60</b>	132.27
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.23	<b>(4.77)</b>	(580.63)
Employee Benefits Expenses	2.24	<b>6,394.59</b>	5,500.23
Finance Costs	2.25	<b>566.14</b>	753.12
Depreciation and Amortization Expenses		<b>598.57</b>	797.92
Other Expenses	2.26	<b>7,955.62</b>	7,935.48
<b>Total Expenses</b>		<b>25,997.35</b>	26,313.70
<b>Profit before exceptional &amp; extraordinary items</b>		<b>2,578.07</b>	1,730.57
Less: Prior Period			
Tax Adjustment		<b>(0.94)</b>	(2.92)
Other Adjustment		-	10.27
<b>Profit before Tax</b>		<b>2,579.01</b>	1,723.22
<b>Tax Expenses:</b>			
Current Tax		<b>950.00</b>	455.00
Less: MAT Credit Entitlement		-	(116.79)
Net Current Tax Expenses		<b>950.00</b>	571.79
Deferred Tax Credit (Net)		<b>(289.71)</b>	(205.60)
Total Tax Expenses		<b>660.29</b>	366.19
<b>Profit After Tax for the year</b>		<b>1,918.72</b>	1,357.03
Earning Per Equity Share (in Rs.) (Basic & Diluted)		<b>767.49</b>	542.81
Face Value of Equity Share (in Rs.)		<b>10.00</b>	10.00
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of Financial Statements</b>	2		
<b>The accompanying notes are an integral part of financial statements</b>			

As per our report attached of even date,  
For **R.S.SANGHAI & ASSOCIATES**  
Chartered Accountants

**R.S.SANGHAI**

Partner

M.NO. 036931

Place : Mumbai

Date : 26th May, 2016



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN : U24230MH1986PTC039692

**M. K. SINGH**

Managing Director

DIN No. : 00881412

**N. KASHYAP**

Director

DIN No. : 01454570

**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**



	For the year ended 31st March, 2016 Rs. in Lakhs	For the year ended 31st March, 2015 Rs. in Lakhs
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and Extraordinary items	2,578.07	1,730.57
<b>ADJUSTMENT FOR:</b>		
Depreciation and Amortization Expenses	598.57	797.92
Provision for Anticipated Sales Return	513.88	-
Provision for gratuity	93.42	74.32
Provision for leave encashment	51.64	28.50
Provision for diminution in value of investment	15.59	26.10
Interest Expenses	551.91	738.52
Interest Received	(988.34)	(1,035.84)
Dividend Received	(3.05)	(1.27)
Net Loss/(Gain) on foreign currency transaction and translation	-	(12.34)
Loss/(Profit) on Sales of Assets	3.11	2.42
Loss/(Profit) on Sales of Investment	(4.78)	(29.14)
<b>Subtotal of adjustments</b>	<b>831.95</b>	<b>589.19</b>
<b>Operating profit before working capital changes</b>	<b>3,410.02</b>	<b>2,319.76</b>
<b>Change in Working Capital:</b>		
(Increase) / Decrease in Trade & Other Receivable	2,049.07	(483.37)
(Increase) / Decrease in Loans & Advances	(181.01)	45.51
(Increase) / Decrease in Inventories	70.29	(1,436.22)
Increase / (Decrease) in Trade Payable	(609.00)	927.52
Increase / (Decrease) in Bank Borrowing availed	241.26	1,180.96
<b>Subtotal of adjustments</b>	<b>1,570.61</b>	<b>234.40</b>
<b>Cash generated from operations</b>	<b>4,980.63</b>	<b>2,554.16</b>
Add : Interest Received	0.85	0.60
Less : Interest Paid	539.13	553.51
Less : Direct Taxes Paid	746.26	433.78
<b>Cash flow before extra ordinary items</b>	<b>3,696.09</b>	<b>1,567.47</b>
Add/(Less): Prior period/Exceptional items	-	(10.27)
<b>Net cash from operating activities</b>	<b>3,696.09</b>	<b>1,557.20</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(426.11)	(334.32)
Deferred Revenue Expenditure (Not written off)		
Purchase of Investment	(221.38)	(639.50)
Sales of Fixed Assets	9.83	19.12
Sale of Investment	199.25	553.27
Interest Received	987.49	1,035.24
Dividend Received	3.06	1.27
Redemption/(Investments) of bank deposits having maturity of 12 months or more	(4,362.69)	(21.71)
<b>Net Cash Flow from Investing Activities</b>	<b>(3,810.55)</b>	<b>613.37</b>
<b>C. Cash Flow from Financing Activities</b>		
Long Term Borrowings	-	(1,631.87)
Interest Paid	(12.78)	(185.01)
Dividend Paid	(180.35)	(58.50)
<b>Net Cash Flow from Financing Activities</b>	<b>(193.13)</b>	<b>(1,875.38)</b>
<b>D. Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(307.59)</b>	<b>295.19</b>
<b>E. Cash &amp; Cash Equivalents as at 1st April 2015</b>	<b>437.92</b>	<b>142.73</b>
<b>F. Cash &amp; Cash Equivalents as at 31st March 2016 (D+E)</b>	<b>130.33</b>	<b>437.92</b>

As per our report attached of even date,  
For **R.S.SANGHAI & ASSOCIATES**  
Chartered Accountants

**R.S.SANGHAI**

Partner

M.NO. 036931

Place : Mumbai

Date : 26th May, 2016



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN : U24230MH1986PTC039692

**M. K. SINGH**

Managing Director

DIN No. : 00881412

**N. KASHYAP**

Director

DIN No. : 01454570



## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016.

#### NOTE – 1: SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1. Basis of Preparation of Financial Statements:

- a) The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) notified under Section 133 of the Companies Act, 2013 read together with rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.
- b) All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle, and other criteria set out in the schedule III to the companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non- current classification of assets and liabilities.

##### 1.2. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and disclosure that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### 1.3. Tangible Fixed Assets and Depreciation:

- a) Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use and is net of cenvat credit, trade discounts and subsidy wherever applicable.
- b) Depreciation on Tangible Fixed Assets is provided on Straight Line Method (SLM) using the rates arrived at based on the useful lives of the respective assets prescribed in Schedule II to the Companies Act, 2013. Depreciation on amounts of additions to fixed assets during the year or on its disposal/ demolition/ destruction of fixed assets during the year is provided on pro-rata basis as per Schedule II. As per Note 7 to the Schedule II to the Companies Act, 2013, the carrying amount of the fixed assets as on 1<sup>st</sup> April, 2014 has been depreciated over the remaining useful life of the asset after retaining the residual value @ 5% of cost. Wherever the remaining useful life of the asset is NIL as per Schedule II, the carrying amount as on 1<sup>st</sup> April, 2014 is recognized in the opening balance of retained earnings. Leasehold land is amortized over the period of lease.





## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

### 1.4. Impairment of Assets:

At each Balance Sheet date, the company assesses as to whether there is any indication that an asset is impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. However, as per the assessment made by the company as on the balance sheet date, there is no such indication of any impairment of any asset during the year under report and therefore there is no effect of impairment loss in the financial statement for the year under report.

### 1.5. Borrowing Costs:

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### 1.6. Foreign Exchange Transactions:

Translation in foreign currency are recorded at the rate of exchange prevailing on the date of the transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. There is no long term foreign currency items in case of the company. Exchange difference on restatement of all a monetary items is recognized in the Statement of Profit and Loss.

### 1.7. Investments:

- a) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Investments are recorded at cost on the date of purchase. Current investments are stated at lower of cost or net realizable value. Long Term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

### 1.8. Inventories:

- a) Raw Materials and Packing Materials are valued at lower of cost or net realizable value. The cost formulae used is on First-In-First-Out (FIFO) basis. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.
- b) Finished Goods and Work-in-Progress are valued at lower of cost and net realizable value. Finished Goods and Work-in-Progress include costs of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a First-in-First-Out (FIFO) basis and includes materials, labor and an appropriate share of production overheads.



- c) Trading Goods are valued at lower of cost or net realizable value.
- d) Proceeds in respect of sale of raw material (not significant) is credited to respective head. Obsolete, defective and unserviceable inventory are duly provided for.
- e) Excise duty on goods manufactured by the Company and remaining in inventory is included as a part of valuation of Finished Goods wherever applicable.
- f) Cost includes non-recoverable Duties and Taxes.

## 1.9. Government Grants:

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attaching condition will be complied with. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific Tangible/ Intangible Assets are reduced from the gross value of the respective Tangible/ Intangible Assets. Other capital grants in the nature of promoter's contribution are credited to capital reserve.

## 1.10. Revenue Recognition:

- a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.
- b) Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed on to the buyer which is generally on dispatch of goods in case of domestic sales and on the basis of bill of lading / airway bill in case of export sale. Sale of goods are recorded at net of returns, trade discounts, rebates, Sales Tax, Value Added Tax and gross of Excise Duty. Sales are netted off for probable salable and non- salable return of goods from customers, estimated on the basis of historical data of such returns.
- c) Revenue from services are recognized as they are rendered based on agreements/ arrangements with the concerned parties.
- d) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.
- e) Dividend income on investment is accounted for when the right to receive the payment is established.
- f) Profit on sale / disposal of investments is recognised as income in the period in which the investment is sold / disposed off.

## 1.11. Retirement and Other Employment Benefits:

### a) Defined Contribution Plan:

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and









## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

Superannuation schemes, which are recognized in the Statement of Profit and Loss on accrual basis.

b) Defined Benefits Plan:

The Company's liabilities under payment of Gratuity Act, Long Term compensated absences and pensions are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences, which are provided for based on estimates. Actuarial gains and losses are recognized immediately in the statement of profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

### 1.12. Taxes on Income:

a) Tax expense comprises of current and deferred tax.

b) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the assets and the liabilities on a net basis.

c) The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available. In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each Balance Sheet date the company reassesses the unrecognized deferred tax assets.

d) Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

### 1.13. Leases:

a) Operating Lease:

The company has entered into lease arrangements relating to premises where significant portion of risk and reward of ownership are retained by the lessor are classified as



## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

operating lease and for which rentals are expensed with reference to the period for which rent is paid. Premium on lease hold land is amortized and charged to the Statement of Profit and Loss over the lease period on a straight line basis.

b) Finance Lease:

The Company has not entered into any finance lease.

1.14. Cash Flow Statement:

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Company are segregated.

1.15. Cash and Cash Equivalents:

Cash and Cash Equivalent for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investment with an original maturity of three months or less.

1.16. Excise Duty and Cenvat Accounting:

In accordance with the method of accounting regularly followed by the company, Cenvat has been accounted on the basis of 'exclusive method' as recommended by the Institute of Chartered Accountants of India wherever applicable. Provision for excise duty has been made on goods lying in bonded warehouses.

1.17. Export Incentives:

Export incentives available under prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered receivable.

1.18. Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning considered in ascertaining the company's earnings per share is the net profit after tax for the period.

1.19. Provisions, Contingent Liabilities and Contingent Assets:

Contingent Liabilities are possible but not probable obligations on Balance Sheet date, based on the available evidence. Contingent Liabilities are disclosed in notes of accounts. Provisions are recognized when there is a present obligation as a result of past events, and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



PARTICULARS	As at 31st March, 2016 Rs. in Lakhs	As at 31st March, 2015 Rs. in Lakhs
<b>2.1. : SHARE CAPITAL:</b>		
<b>Authorised Share Capital:</b>		
2,50,000 (previous year : 2,50,000)	25.00	25.00
equity Shares of Rs.10/-each	25.00	25.00
<b>Issued, Subscribed and Paid up:</b>		
2,50,000 (previous year : 2,50,000)	25.00	25.00
equity Shares of Rs.10/-each fully paid-up	25.00	25.00
<b>TOTAL</b>		
<b>(a) Reconcilliation of the number of equity shares outstanding at the beginning and at the end of the year:</b>		
Number of shares outstanding as at the beginning of the year	2,50,000	2,50,000
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
<b>Number of shares outstanding as at the end of the year</b>	<b>2,50,000</b>	<b>2,50,000</b>

**(b) Rights attached to equity shares:**

The Company has only one class of equity shares with voting rights having a par value of Rs.10/- per share.

In the event of liquidation of the Company, the shareholders of equity shares will be entitle to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company:**

Name of the shareholders	As at 31st March,2016		As at 31st March,2015	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
M/s. Alkem Laboratories Ltd. (Holding Company)	127500	51.00%	127500	51.00%
Mr. Mritunjay Kumar Singh	16500	6.60%	16500	6.60%
Mr. Dhananjay Kumar Singh	16500	6.60%	16500	6.60%
Mr. Samprada Singh	16364	6.55%	16364	6.55%
Mr. Basudeo Narain Singh	18750	7.50%	18750	7.50%

**(d) During the previous year, Alkem Laboratories Ltd., has become the holding company of Indchemie Health Specialities Pvt. Ltd. by acquiring 127500 numbers of shares from the existing shareholders on 30th March, 2015.**

*(Signature)*

*(Signature)*



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b><u>2.2. : RESERVES AND SURPLUS:</u></b>		
<b><u>Capital Reserve:</u></b>		
Investment Subsidies from State Government		
Balance as per last Balance Sheet	30.00	30.00
	<b>30.00</b>	<b>30.00</b>
<b><u>General Reserve:</u></b>		
Balance as per last Balance Sheet	13,900.00	12,900.00
Add: Transferred from Surplus in the statement of profit and Loss during the year.	1,200.00	1,000.00
	<b>15,100.00</b>	<b>13,900.00</b>
<b><u>Surplus in the Statement of Profit and Loss:</u></b>		
Balance as per last Balance Sheet	816.70	650.76
Add: Profit after tax for the year profit available for appropriation	1,918.72	1,357.03
Less: Transitional Depreciation (as per para 7(b) of Schedule II to the Companies Act, 2013)	-	131.09
<b><u>Less: Appropriations:</u></b>		
Transfer to General Reserve	1,200.00	1,000.00
Interim Dividend paid on Equity Shares	100.00	-
Proposed Dividend on Equity Shares	-	50.00
Corporate Dividend Distribution Tax	20.36	10.00
Balance Carried forward	1,415.06	816.70
<b>TOTAL</b>	<b>16,545.06</b>	<b>14,746.70</b>
<b><u>2.3 : LONG TERM BORROWINGS:</u></b>		
<b><u>Secured:</u></b>		
Vehicle Finance	4.20	58.62
<b>TOTAL</b>	<b>4.20</b>	<b>58.62</b>

Note : Vehicle finance is secured against hypothecation of Company's respective vehicles.



**2.3 : LONG TERM BORROWINGS:**

Notes:

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured other long-term borrowings:

Hire Purchase loans from finance companies are secured against respective assets financed by them. There is no default, as at the balance sheet date, in repayment of any of the above loans.

The Loan is further Guaranteed by the Directors of the company.

Rs. in Lakhs

Sr. No.	Term Loans (Vehicle Finance)		Monthly Installment Amount	Balance EMI (Number of Installments)	Principal Outstanding as on 31.03.2016 Amount	Rate of Interest %	Maturity Date
	Car details	Loan A/c Number					
1	MH-01-BU-6882 Ford Ecosport 1.5 Ambiente Petrol	30265879	0.15	43	5.54	10.25	05/10/2019
					5.54		

Sr. No.	Term Loans (Vehicle Finance)		Monthly Installment Amount	Balance EMI (Number of Installments)	Principal Outstanding as on 31.03.2015 Amount	Rate of Interest %	Maturity Date
	Car details	Loan A/c Number					
1	MH-01-BK-7527 Toyota Innova 2.5 GX 7Str. BSIV	SLPUB/10480	0.31	48	11.83	10.25	05/03/2019
2	MH-01-BK-7229 Mahindra XUV 500 W8 FWD BSIV	SLPUB/10469	0.32	48	12.55	10.40	19/03/2019
3	MH-01-BK-6342 Skoda Rapid Ambition Plus MT	20141047294	0.23	22	4.76	8.31	03/01/2017
4	SK-01-PA-5748 Mahindra Bolero Plus	SLPUB/10430	0.13	44	4.66	10.40	05/11/2018
5	AS-01-BF-9931 Mahindra Bolero ZLX	SLPUB/10409	0.16	37	4.91	10.40	05/04/2018
6	WB-02-AD-3087 Mahindra Bolero ZLX	SLPUB/10369	0.16	39	5.33	10.40	05/06/2018
7	MH-01-BG-4954 Skoda Rapid Elegance 1.6 MPI MT	SLPUB/10351	0.18	38	5.73	10.40	05/05/2018
8	DD-03-G-2506 Mahindra Quanto C2 BS-IV	SLPUB/10350	0.12	36	3.60	10.40	05/03/2018
9	MH-01-BK-9157 Maruti Stingray VXI	SLPUB/10509	0.09	49	3.55	10.40	05/04/2019
10	MH-01-BU-2605 Nissan Sunny XL	SLPUB/10544	0.17	52	6.85	10.40	05/07/2019
11	MH-01-BU-6116 Nissan Sunny XL	29533630	0.17	54	7.13	10.25	05/09/2019
12	MH-01-BU-6882 Ford Ecosport 1.5 Ambiente Petrol	30265879	0.15	55	6.77	10.25	05/10/2019
					77.67		





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
Notes Forming part of the Financial Statements



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b>2.4. : DEFERRED TAX LIABILITIES (NET):</b>		
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	<b>643.24</b>	706.31
Tax effect of items constituting Deferred Tax Assets		
Provision for employee benefits	<b>263.33</b>	213.13
Others (includes provision for doubtful debts and advances, provision for anticipated Sales Returns etc.)	<b>268.27</b>	91.83
<b>TOTAL</b>	<b>111.64</b>	401.35
<b>2.5. : LONG TERM PROVISIONS:</b>		
Provisions for Employee Benefits		
Gratuity	<b>373.37</b>	291.79
Compensated Leave	<b>164.41</b>	130.40
<b>TOTAL</b>	<b>537.78</b>	422.19
<b>2.6. : SHORT TERM BORROWINGS:</b>		
<b>Secured:</b>		
Loan repayable on demand from Banks		
Bank Overdraft Facility	<b>6,900.19</b>	5,203.73
Bill Discounting (Domestic & Export bills)	-	1,400.78
<b>TOTAL</b>	<b>6,900.19</b>	6,604.51

**Notes:**

- Overdraft from banks are secured against fixed deposits placed with respective banks.
- Working Capital Loan from bank comprises of Cash Credit provided by Saraswat bank is secured against hypothecation of Co.'s stock, tangible movable property, book debts, receivable & claims and mortgage of property situated at 659/B, Somnath Indl.Area, Kevdi Road, Dabhel Village, Daman UT and the same is further secured by personal gurantee of directors of the company, however there is no working capital outstanding.
- Bill discounting is secured against trade receivables.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b><u>2.7. : TRADE PAYABLES:</u></b>		
Total outstanding dues to Micro Enterprises & Small Enterprises	<b>789.25</b>	781.82
Total outstanding dues of Trade Payables other than Micro Enterprises & Small Enterprises (Refer Note 2.28)	<b>2,399.03</b>	3,522.18
<b>TOTAL</b>	<b>3,188.28</b>	4,304.00
<b><u>2.8. : OTHER CURRENT LIABILITIES:</u></b>		
Current Maturity of Long Term debts (Refer Note 2.3)	<b>1.35</b>	19.05
Due to Statutory Authorities *	<b>91.29</b>	120.41
Payable to Employees	<b>1,164.48</b>	652.17
Accrual for Expenses	<b>284.30</b>	239.75
Interest on Deposit Payable	<b>3.68</b>	-
Deposits (Trade)	<b>63.50</b>	70.50
<b>TOTAL</b>	<b>1,608.60</b>	1,101.88
* Due to statutory authorities includes Sale tax payable, tds payable, Entry tax payable, Provident fund & Other funds payable etc.		
<b><u>2.9. : SHORT TERM PROVISIONS:</u></b>		
For Taxation (net of advance tax)	<b>311.60</b>	108.81
For Proposed Dividend on Equity Shares	-	50.00
For Tax on Proposed Dividend	-	10.00
Provision for Anticipated Sales Returns (Refer Note 2.32)	<b>513.88</b>	-
<u>Provision for Employee Benefits:</u>		
Gratuity	<b>129.72</b>	117.88
Compensated Leave	<b>118.61</b>	100.98
<b>TOTAL</b>	<b>1,073.81</b>	387.67



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**Notes Forming part of the Financial Statement**

**2.10. : FIXED ASSETS:**
**Rs. in Lakhs**

Description of Assets	Gross Block (At cost)				Depreciation & Amortisation				Net Block		
	As at 1st April 2015	Additions during the year	Deductions during the year	As at 31st March 2016	As at 1st April 2015	For the year	Deductions during the year	Adjustment during the year	As at 31st March 2016	As at 31st March 2016	As at 31st March, 2015
Tangible Assets											
Land	429.85	-	-	429.85	17.77	1.74	-	-	19.51	410.34	412.08
Building	2,417.77	6.54	-	2,424.31	744.86	76.23	-	-	821.09	1,603.22	1,672.91
Plant & Equipments	5,235.09	182.24	7.12	5,410.21	2,445.13	451.76	2.24	-	2,894.66	2,515.55	2,796.56
Furniture & Fixtures	207.29	1.79	-	209.08	148.06	14.20	-	-	162.26	46.82	59.23
Vehicles	285.86	42.68	16.82	311.72	89.23	37.81	9.55	-	117.50	194.22	196.63
Office Equipments	34.53	9.17	-	43.70	27.54	2.84	-	-	30.38	13.32	6.99
Others	169.49	11.77	-	181.26	146.79	13.99	-	-	160.78	20.48	22.70
<b>Total</b>	<b>8,779.88</b>	<b>254.19</b>	<b>23.94</b>	<b>9,010.13</b>	<b>3,619.38</b>	<b>598.57</b>	<b>11.79</b>	<b>-</b>	<b>4,206.18</b>	<b>4,803.95</b>	<b>5,167.10</b>
<b>Previous Year</b>	<b>8,511.55</b>	<b>294.31</b>	<b>19.12</b>	<b>8,786.74</b>	<b>2,702.14</b>	<b>797.92</b>	<b>11.51</b>	<b>131.09</b>	<b>3,619.64</b>	<b>5,167.10</b>	<b>5,825.43</b>
<b>Capital Work-in-progress</b>				<b>1,636.90</b>							<b>1,458.13</b>
Note : Others include Computer Peripherals											





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b>2.11. : NON-CURRENT INVESTMENTS:</b>		
<b>Investments in equity shares:</b>		
<b>UNQUOTED (Trade)</b>		
Shivalik Solid Waste Management Ltd. 9000 equity shares of Rs.10/- each of	0.90	0.90
<b>UNQUOTED (Non Trade)</b>		
2500 equity shares of Rs.10/- each of Saraswat Bank, fully paid.	0.25	0.25
100000 equity shares of Rs.10/- each of Saraswat Bank, fully paid.(PNCPS)	10.00	10.00
<b>TOTAL</b>	<b>11.15</b>	<b>11.15</b>
<b>2.12. : LONG TERM LOANS AND ADVANCES:</b>		
Unsecured Considered Good	104.72	96.11
Security Deposits	43.16	42.23
Loans and Advances to Employees		
<b>TOTAL</b>	<b>147.88</b>	<b>138.34</b>
Note: Above security deposits include amount paid to related parties Rs. 20.00 Lacs (P.Y. Rs. 20.00 Lacs).		
<b>2.13. : OTHER NON-CURRENT ASSETS:</b>		
In Deposit Accounts	4,329.03	3,179.00
In Deposit Accounts Maturity Beyond 12 months	214.80	31.55
Interest on Deposits, accrued but not due		
<b>TOTAL</b>	<b>4,543.83</b>	<b>3,210.55</b>
Note: Out of the above bank deposits, deposits of Rs. 4,329.03 Lacs (P.Y.Rs. 3,179.00 Lacs) is under lien with banks.		



*[Handwritten signature]*

**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**  
Notes Forming part of the Financial Statement.



**2.14. : CURRENT INVESTMENTS:**

Current investment consist of the following:

Current investment consist of the following:					
Description	Face Value per share	As at 31st March, 2016		As at 31st March, 2015	
		Numbers	Value Rs. in Lakhs	Numbers	Value Rs. in Lakhs
Trade investment (valued at cost less diminution other than temporary, if any)					
Other Investement (at cost)					
Fully paid equity shares (Quoted)					
Bhushan Steel Limited.	2	2,000	6.07	2,000	6.07
Cairn India Limited.	10	1,000	2.77	1,000	2.77
Chambal Fertilisers & Chemical Limited.	10	3,000	2.28	3,000	2.28
Elecon Engineering Co. Limited.	2	NIL	-	5,000	2.91
Essar Oil Limited.	10	NIL	-	3,000	3.28
Financial Technologies	2	5,500	8.54	5,000	10.09
Future Retail Limited.	2	1,000	1.04	2,560	2.64
Gitanjali Gems Limited.	10	5,000	3.69	5,000	3.69
Hindustan Construction Co. Limited.	1	8,000	2.96	8,000	2.96
Hindustan Copper Limited.	5	1,000	1.37	1,000	1.37
ICICI Bank Limited.	2	1,200	3.96	1,000	3.41
Infra Dev. Finance Ltd.	10	2,000	1.88	NIL	-
IFCI Limited.	10	15,000	4.96	10,000	4.17
Infosys Technologies Ltd.	5	100	1.04	NIL	-
ITC Limited.	1	NIL	-	500	1.71
The Karnataka Bank Limited.	10	5,000	6.18	5,000	6.58
L&T Finance Holdings Limited.	10	25,000	18.23	25,000	18.23
Mahindra & Mahindra Financial Services Limited.	2	500	1.67	500	1.67
MOIL Limited.	10	800	2.68	800	2.68
NHPC Limited.	10	1,010	0.36	1,010	0.36
Oil & Natural Gas Corporation Limited.	5	3,500	12.99	2,500	10.04
Punj Lloyd Limited.	2	10,000	5.02	10,000	6.02
Punjab & Sind Bank	10	981	1.18	981	1.18
Reliance Communications Limited.	5	5,000	3.90	5,000	4.14
Reliance Infrastructure Limited.	10	450	2.39	450	2.39
Rural Electrification Corpn. Limited.	10	500	1.23	NIL	-
Vedanta Ltd. [Sesa Goa Ltd.]	1	5,000	6.19	NIL	-
Shasun Pharmaceuticals Limited.	2	NIL	-	1,000	3.67
SKS Microfinance Limited.	10	750	3.93	750	3.93
State Bank of India	1	6,500	12.02	6,000	10.78
Sun Pharmaceutical Industries Ltd.	1	600	5.62	NIL	-
Sun Pharma Advance Research	1	500	2.06	NIL	-
Tata Coffee Limited.	1	5,000	5.25	5,000	5.25
Tata Consultancy Services Limited.	1	100	2.32	100	2.50
Tech Mahindra	5	500	2.81	NIL	-
TV 18 Broadcast Limited.	2	5,000	1.80	10,000	3.49
UCO Bank	10	500	0.55	500	0.55
Colgate Palmolive (India)	1	100	0.98	NIL	-
Nestle India	10	50	3.25	NIL	-
Axis Bank	2	200	0.97	NIL	-
IDFC Bank Ltd.	10	2,000	1.23	NIL	-
Dr. Reddy's Lab. Ltd.	5	200	7.14	NIL	-
MCX India Ltd.	10	500	4.28	NIL	-
Vivimed Labs.	2	200	0.91	NIL	-
Total			157.70		130.81
Less:					
1. Provision for Diminution in the Value of Current Investment			41.68		26.10
Total			116.02		104.71
		Cost	Market Value	Cost	Market Value
Note :-					
1. Aggregate value of Quoted investment		157.70	117.64	130.81	112.83

Note :-

- Aggregate value of Quoted investment
- All investments in Shares and Securities are fully paid up.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b>2.15. : INVENTORIES:</b>		
Valued at Lower of Cost or Net realisable value (Refer Note 1.8)		
Raw and Packing Materials	<b>2,108.34</b>	2,183.39
Work-in-Progress	<b>201.46</b>	312.87
Finished Goods	<b>1,565.58</b>	1,391.44
Stock-in-Trade	<b>4.66</b>	62.63
<b>TOTAL</b>	<b>3,880.04</b>	3,950.33
<b>2.16. : TRADE RECEIVABLES:</b>		
<b>Unsecured:</b>		
Outstanding for a period exceeding six months:		
Considered Good	<b>125.16</b>	267.29
Considered Doubtful	<b>67.37</b>	90.12
Less: Provision for doubtful trade receivables	<b>67.37</b>	90.12
	<b>125.16</b>	267.29
Other Trade Receivables:		
Considered Good	<b>3,653.76</b>	5,560.70
<b>TOTAL</b>	<b>3,778.92</b>	5,827.99

Note:

Above Trade Receivables include amount due from related parties Rs. 634.47 Lacs (P.Y.Rs. 2,618.58 Lacs)

*(Signature)*

*(Signature)*



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>As at 31st March, 2016 Rs. in Lakhs</b>	<b>As at 31st March, 2015 Rs. in Lakhs</b>
<b>2.17. : CASH AND BANK BALANCES:</b>		
<b>Cash and Cash Equivalents:</b>		
Balance with Banks:		
In Current Account	<b>113.40</b>	420.92
Cash on hand	<b>16.93</b>	17.00
<b>Other Bank Balances:</b>		
In Deposit with original maturity of 12 months or more	<b>10,480.00</b>	7,267.33
<b>TOTAL</b>	<b>10,610.33</b>	7,705.25
Note: Out of the above bank deposits, deposits of Rs. 4,775.70 Lacs (P.Y.Rs. 3,773.21 Lacs) is under lien with banks.		
<b>2.18. : SHORT TERM LOANS AND ADVANCES:</b>		
Balances with Government Authorities (VAT/Cenvat/Service Tax credit receivables)	<b>206.03</b>	163.10
Prepaid Expenses	<b>79.45</b>	84.86
<b>TOTAL</b>	<b>285.48</b>	247.96
<b>2.19. : OTHER CURRENT ASSETS:</b>		
Interest Accrued on Bank Deposits	<b>133.56</b>	196.44
Export Incentives Receivable	<b>14.92</b>	0.35
Other Receivable	<b>31.58</b>	33.62
<b>TOTAL</b>	<b>180.06</b>	230.41



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>For the year ended 31st March, 2016 Rs. in Lakhs</b>	<b>For the year ended 31st March, 2015 Rs. in Lakhs</b>
<b><u>2.20 : REVENUE FROM OPERATIONS:</u></b>		
Sale of Products	29,681.16	27,895.43
<b><u>Other Operating Revenue:</u></b>		
Manufacturing Charges	738.82	927.83
Export Incentives	150.30	35.32
Scrap Sales	63.17	80.11
Miscellaneous Receipts	1.80	2.31
	954.09	1,045.57
<b>TOTAL</b>	<b>30,635.25</b>	<b>28,941.00</b>
<b><u>2.21 : OTHER INCOME:</u></b>		
Interest on Bank Deposits	987.48	1,035.24
Other Interest	0.85	0.60
Dividend Income	3.05	1.27
Net Gain on Sale of Investment	4.78	29.14
Net Gain on Foreign Currency Transaction and Translation	5.82	12.34
<b>TOTAL</b>	<b>1,001.98</b>	<b>1,078.59</b>
<b><u>2.22 : COST OF MATERIALS CONSUMED:</u></b>		
Raw Material Consumed	7,095.16	7,774.55
Packing Material Consumed	3,360.44	4,000.76
<b>TOTAL</b>	<b>10,455.60</b>	<b>11,775.31</b>
<b><u>2.23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</u></b>		
<b><u>Opening Stock:</u></b>		
Finished Goods	1,391.44	915.53
Stock-in-Trade	62.63	40.54
Work-in-Progress	312.87	230.24
	1,766.94	1,186.31
<b><u>Less: Closing Stock:</u></b>		
Finished Goods	1,565.58	1,391.44
Stock-in-Trade	4.67	62.63
Work-in-Progress	201.46	312.87
	1,771.71	1,766.94
<b>TOTAL</b>	<b>(4.77)</b>	<b>(580.63)</b>

*[Handwritten signature]*

*[Handwritten signature]*



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**Notes Forming part of the Financial Statements**



<b>PARTICULARS</b>	<b>For the year ended 31st March, 2016 Rs. in Lakhs</b>	<b>For the year ended 31st March, 2015 Rs. in Lakhs</b>
<b><u>2.24 : EMPLOYEE BENEFITS EXPENSES:</u></b>		
Salaries, Wages and Bonus	5,900.39	5,007.22
Contribution to Provident and Other Fund	300.93	279.53
Employees' Welfare Expenses	193.27	213.48
<b>TOTAL</b>	<b>6,394.59</b>	<b>5,500.23</b>
<b><u>2.25 : FINANCE COST:</u></b>		
Interest on Borrowings	539.13	553.51
Other Borrowing Costs	27.01	199.61
<b>TOTAL</b>	<b>566.14</b>	<b>753.12</b>
<b><u>2.26 : OTHER EXPENSES:</u></b>		
Consumption of Stores and Spares	251.73	300.20
Power and Fuel	648.32	842.62
Rent	225.10	197.72
Rates & Taxes	161.37	112.12
Insurance	105.65	98.60
Marketing Expenses	2,110.38	2,144.43
Selling & Distribution Expenses	1,123.48	1,196.24
Commission & Discount	361.63	296.45
Travelling & Conveyance	2,020.55	1,828.14
<u>Repairs:</u>		
-Buildings	13.81	19.46
-Plant & Machineries	92.72	117.12
-Others	47.28	18.95
Provision for diminution value of investments	15.58	26.10
Vehicle Expenses	109.43	107.30
Corporate Social Responsibility (CSR) Expenses	130.00	-
Miscellaneous Expenses	538.59	630.03
<b>TOTAL</b>	<b>7,955.62</b>	<b>7,935.48</b>

*(Signature)*

*(Signature)*





# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS THE YEAR ENDED 31<sup>st</sup> MARCH, 2016.

### NOTE -2 : NOTES TO ACCOUNTS:

#### 2.27 Contingent Liabilities not provided for:

Sr. No.	Particulars	31 <sup>st</sup> March, 2016 (Rs. in Lakhs)	31 <sup>st</sup> March, 2015 (Rs. in Lakhs)
1.	Letter of Credit opened by the Bank	360.19	235.34
2.	Outstanding Bank Guarantees	24.82	15.82
3.	Service Tax demand disputed in appeal	3.68	3.68
4.	Sales Tax demand disputed in appeal	36.20	9.34
5.	Pending Export Obligation under advance license / EPCG Scheme	19.02	21.47

#### 2.28 Sundry Creditors – Outstanding dues of Micro and Small Enterprises:

- Principal amount outstanding to Micro and Small Enterprises as at the year end is **Rs. 789.25 Lakhs** (Rs. 781.82 Lakhs).
- No amount of interest is paid in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 and there is no delay in payment to these suppliers beyond the appointed day.
- No amount of interest is due or payable for any delay in payment as specified under the Micro, Small and Medium Enterprise Development Act, 2006.
- No amount of interest has accrued and remained unpaid at the end of the accounting year.
- The above disclosure is made based on the information available with the company and auditors have relied upon it.

#### 2.29 Disclosure of Employee Benefits as per Accounting Standard 15 is as under:

##### (i) Defined contribution plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the government administrated employment provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The minimum interest rate payable to the beneficiaries every year is being notified to the government. The Company recognised **Rs. 268.79 Lakhs** (Previous year Rs.252.42 Lakhs) for provident fund contributions.

##### (ii) Defined benefit plan:

The Company earmarks liability towards unfunded Group Gratuity and Compensated absences and provides for payment to vested employees as under:

- On Normal retirement/ early retirement/ withdrawal/resignation:  
As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service:  
As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.





## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2016 by the actuary.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2016.

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2016 (Rs. in Lakhs)	As at 31 <sup>st</sup> March, 2015 (Rs. in Lakhs)
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	57.24	73.54
	Interest Cost	32.11	26.09
	Actuarial (gain) / losses	20.66	(76.96)
	Benefits paid	(16.60)	(18.53)
	PVO at the beginning of the year	409.68	335.35
	PVO at end of the year	503.09	409.68
II)	Change in fair value of plan assets		
	Expected return on plan assets	-	-
	Actuarial gain/(losses)	-	-
	Contributions by the employer	16.60	18.53
	Benefits paid	(16.60)	(18.53)
	Fair value of plan assets at beginning of the year	-	-
	Fair value of plan assets at end of the year	-	-
III)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of period	503.09	409.68
	Fair Value of planned assets at end of year	-	-
	Funded status	(503.09)	(409.68)
	Unrecognised actuarial gain/ (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	(503.09)	(409.68)
IV)	Net cost for the year :		
	Current Service cost	57.24	73.54
	Interest cost	32.11	26.09
	Expected return on plan assets	-	-
	Actuarial (gain) / losses	20.66	76.96
	Net cost	110.01	92.86
V)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	7.46	8.00
	Salary escalation rate (%)	7.00	7.00







## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

The amount of the present value of the obligation, fair value of plan assets, and experience adjustment arising on plan liabilities and plan assets are as below:

Particulars	As at / for the year ended				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Defined Benefit Obligation at end of the year	503.09	409.68	335.34	283.39	230.76
Plan assets at the end of the year	-	-	-	-	-
Funded assets	-	-	-	-	-
Experience (gain) / loss adjustment on plan liabilities	1.04	(74.21)	(11.79)	(6.57)	(29.90)
Experience (gain) / loss adjustment on plan assets	-	-	-	-	-
Actuarial (gain) / loss to change in assumption	19.62	(2.75)	(2.36)	(4.55)	33.44

### 2.30 Details of un-hedged foreign currency exposure:

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as below:

#### a. Amount receivable in foreign currency on account of the following

Particulars	As at 31.03.2016		As at 31.03.2015		Currency
	Rs. in Lakhs	Amount in Foreign Currency	Rs. in Lakhs	Amount in Foreign Currency	
Export of goods:					
	113.42	1,70,993	76.75	1,22,624	US\$

#### b. Amount payable in foreign currency on account of the following

Particulars	As at 31.03.2016		As at 31.03.2015		Currency
	Rs. in Lakhs	Amount in Foreign Currency	Rs. in Lakhs	Amount in Foreign Currency	
Import of goods and Services:					
	237.47	3,58,000	235.34	3,76,000	US\$

2.31 The Company has taken certain assets on operating lease and has paid lease rentals amounting to Rs. 225.10 Lakhs (Previous year Rs. 197.72 Lakhs) which has been debited to the Statement of Profit and Loss.





## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

### 2.32 Earnings per Share (EPS):

Particulars	2015-16 (Rs. in Lakhs)	2014-15 (Rs. in Lakhs)
Profit attributable to equity shareholders	1918.72	1357.03
Weighted Average number of equity shares	2.50	2.50
Earnings per Share (in Rs) - Basic and Diluted	767.49	542.81

2.33 The Company is engaged in pharmaceutical business, which is identified as the only primary reportable business segment as per Accounting Standard -17. The geographical segmentation is not relevant as the quantum of exports is insignificant considering the total volume of business of the Company.

2.34 **Disclosure as per Accounting Standard (AS 29) for provision is as under:**  
Provision for anticipated sales return:

Particulars	As at 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	As at 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Carrying amount at the beginning of the period / year	-	-
Add : Provision made during the period / year	513.88	-
Less : Amount used / utilised during the period / year	-	-
Carrying amount at the end of the period / year	513.88	-

Until 31<sup>st</sup> March, 2015, company accounted for sales returns on actual returns. With effect from 1<sup>st</sup> April, 2015, in line with an opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India on accounting for sales returns, the company has revised its accounting for anticipated sales returns and has recorded a cumulative provision for anticipated sales returns as at 31<sup>st</sup> March, 2016, by charging it to Statement of profit and loss.

2.35 **As required by Accounting Standard-18, the related parties' disclosures are as follows:**

Name of related parties and description of relationship:

#### A. Key management Personnel:

Mr. Mritunjay Kumar Singh	- Managing Director
Mr. Nagendra Kashyap	- Director
Mr. O. P. Sharma	- Director
Mr. Abhay Kumar Sinha	- Director



## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

### B. Relatives of Key Management Personnel with whom transactions have taken place during the year:

Mr. Basudeo Narain Singh	- Father of Mr. Mritunjay Kumar Singh
Mrs. Rekha Singh	- Mother of Mr. Mritunjay Kumar Singh
Mrs. Seema Singh	- Wife of Mr. Mritunjay Kumar Singh
Miss. Meghana Singh	- Daughter of Mr. Mritunjay Kumar Singh
Master Shrey Shree Anant Singh	- Son of Mr. Mritunjay Kumar Singh
Mr. Dhananjay Kumar Singh	- Brother of Mr. Mritunjay Kumar Singh

### C. Holding Company & Fellow Subsidiaries :

#### Holding Company: -

Name of the Company	Country of Incorporation
Alkem Laboratories Ltd. [w.e.f. 30 <sup>th</sup> March, 2015]	- India

#### Fellow Subsidiaries: -

Name of the Company	Country of Incorporation
Alkem Laboratories (NIG) Limited	- Nigeria
Alkem Laboratories (PTY) Limited	- South Africa
Alkem Pharma GmbH	- Germany
Alkem Laboratories Corporation	- Philippines
S & B Holdings B.V.	- Netherlands
Pharmacor Pty Limited	- Australia
The Pharmanetwork, LLC	- United States of America
Ascends Laboratories SDN BHD.	- Malaysia
Ascends Laboratories SpA	- Chile
Alkem Laboratories Korea Inc	- Korea
Pharmacor Ltd.	- Kenya
S & B Pharma Inc.	- United States of America
The PharmaNetwork, LLP	- Kazakhstan
Ascend Laboratories, LLC	- United States of America
Ascend Laboratories (UK) Ltd.	- United Kingdom
Enzene Biosciences Ltd.	- India
Cachet Pharmaceuticals Private Limited	- India
Alkem Real Estate LLP (Upto 11 <sup>th</sup> Sep 2015)	- India

### D. Others

Name of the Entity	
Galpha Laboratories Ltd.	- Others
Mrs. Madhurima Singh	- Others
Miss. Divya Singh	- Others
Master Anirudh Singh	- Others







# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

## E. Transactions with related parties

Rs. in Lakhs

Sr. No	Transactions	Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
1	Directors Remuneration	<b>95.62</b> (175.13)	—	—	—	<b>95.62</b> (175.13)
2	Loans Taken	<b>Nil</b> (408.62)	<b>Nil</b> (308.07)	—	—	<b>Nil</b> (716.69)
3	Loans Repaid	<b>Nil</b> (1245.73)	<b>Nil</b> (995.85)	—	—	<b>Nil</b> (2241.58)
4	Interest expense on loans taken	<b>Nil</b> (88.99)	<b>Nil</b> (72.98)	—	—	<b>Nil</b> (161.97)
5	Sale of Finished Goods	—	—	<b>9470.99</b> (8667.66)	<b>137.75</b> (427.17)	<b>9608.74</b> (9094.83)
6	Sale of Raw & Packing Materials	—	—	<b>9.73</b> (0.85)	<b>0.06</b> (Nil)	<b>9.79</b> (0.85)
7	Purchase of Raw & Packing Materials	—	—	<b>174.23</b> (127.88)	<b>0.20</b> (0.02)	<b>174.43</b> (127.90)
8	Purchase of Capital goods	—	—	<b>Nil</b> (5.25)	—	<b>Nil</b> (5.25)
9	Purchase of Gas	—	—	<b>3.53</b> (8.86)	—	<b>3.53</b> (8.86)
10	Receiving of Services	—	—	<b>2.76</b> (3.12)	—	<b>2.76</b> (3.12)
11	Rendering of Services	—	—	<b>647.35</b> (801.23)	<b>41.71</b> (Nil)	<b>689.06</b> (801.23)
12	Payment of Rent	<b>2.40</b> (2.40)	—	<b>121.35</b> (114.54)	—	<b>123.75</b> (116.94)
13	Dividend Paid / Payable	<b>6.60</b> (3.30)	—	<b>51.00</b> (25.50)	<b>42.40</b> (21.20)	<b>100.00</b> (50.00)

*[Signature]*

*[Signature]*





# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

Out of the above items transactions in excess of 10% of the total related party transactions

Sr. No.	Transactions	Related Party relation	(Rs. In Lakhs )	
			2015-16	2014-15
1	Directors Remuneration			
	Mr. Mritunjay Kumar Singh	Key Management Personnel	Nil	69.33
	Mr. Om Prakash Sharma	Key Management Personnel	40.69	36.63
	Mr. Shashank Shekhar	Key Management Personnel	Nil	23.60
	Mr. Abhay Kumar Sinha	Key Management Personnel	50.96	41.57
2	Interest Expenses on loan taken			
	Mr. Mritunjay Kumar Singh	Key Management Personnel	Nil	88.98
	Mrs. Seema Singh	Relatives of Key Management Personnel	Nil	40.06
3	Loans Taken			
	Mr. Mritunjay Kumar Singh	Key Management Personnel	Nil	408.62
	Mrs. Seema Singh	Relatives of Key Management Personnel	Nil	187.33
	Mrs. Meghana Singh	Relatives of Key Management Personnel	Nil	58.51
4	Loans Repaid			
	Mr. Mritunjay Kumar Singh	Key Management Personnel	Nil	1245.63
	Mrs. Seema Singh	Relatives of Key Management Personnel	Nil	555.08
5	Sale of Goods			
	Alkem Laboratories Ltd.	Entities	9470.99	8667.66
6	Sale of Raw & Packing Materials			
	Alkem Laboratories Ltd.	Entities	9.73	0.85
7	Purchase of Raw & Packing Materials			
	Alkem Laboratories Ltd.	Entities	174.23	127.88
8	Purchase of Capital goods			
	Alkem Laboratories Ltd.	Entities	Nil	5.25
9	Purchase of Gas			
	Alkem Laboratories Ltd.	Entities	3.53	8.86
10	Receiving of Services			
	Alkem Laboratories Ltd.	Entities	2.76	3.12
11	Rendering of Services			
	Alkem Laboratories Ltd.	Entities	647.35	801.23
12	Payment of Rent			
	Alkem Laboratories Ltd.	Entities	121.35	114.54
13	Dividend Paid / Payable			
	Alkem Laboratories Ltd.	Entities	51.00	25.50

*(Signature)*

*(Signature)*





# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

## Balance due from / to the related parties

Rs in Lakhs

Sr. No.	Transactions	Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
1	Outstanding Receivables	—	—	577.48 (2344.60)	56.99 (273.98)	634.47 (2618.58)
2	Security Deposit Receivable	—	—	20.00 (20.00)	—	20.00 (20.00)

## 2.36 Managerial Remuneration:

Particulars	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Salaries & Allowances	88.87	175.13
Contribution to Provident Fund	6.75	16.84
Value of Perquisites	Nil	Nil
<b>Total</b>	<b>95.62</b>	<b>191.97</b>

## 2.37 Auditor's Remuneration:

Particulars	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
As Statutory Audit Fees	7.00	6.00
As Tax Audit Fees	4.00	3.00
For any other services such as certification, etc.	1.00	1.00
<b>Total</b>	<b>12.00</b>	<b>10.00</b>

\* Excluding service taxes.

## 2.38 Additional information pursuant to the provisions of Paragraph 5 of Part II of Schedule III to the Companies Act, 2013

### (a) Consumption of Raw Materials:

Items	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Antibiotics	1842.29	2683.10
Analgesics & Others	5252.87	5091.45
<b>Total</b>	<b>7095.16</b>	<b>7774.55</b>

*[Signature]*

*[Signature]*





# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

## (b) Value and % of imported & indigenous Raw Materials, Spare parts & Components consumed:

(i) Raw Materials:	Value [Rs. in Lakhs]	% of total Consumption
Imported	750.01 (974.62)	10.54% (12.54%)
Indigenous	6345.15 (6799.93)	89.43% (87.46%)
<b>Total</b>	<b>7095.16</b> <b>(7774.55)</b>	<b>100.00%</b> <b>(100.00%)</b>

(ii) Stores & Spares:	Value [Rs. in Lakhs]	% of total Consumption
Imported	-	-
Indigenous	251.73 (300.20)	100.00% (100.00%)
<b>Total</b>	<b>251.73</b> <b>(300.20)</b>	<b>100.00%</b> <b>(100.00%)</b>

## (c) Earning in Foreign Exchange:

Particulars	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Exports of goods (at FOB)	1176.81	983.97
Insurance & Others	57.03	38.10
<b>Total</b>	<b>1233.84</b>	<b>1022.07</b>

## (d) Expenditure in Foreign Currency:

Particulars	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Travelling Expenses	8.61	11.48
License Fees and Product Registration	8.09	24.49
Other Expenses	2.15	18.83
<b>Total</b>	<b>18.85</b>	<b>54.80</b>





# INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

## 2.39 Details of Purchases, Turnover and Inventory:

### A) Details of Purchases:

Classification	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Tablets	31.60	49.72
Gel/Creams	---	82.55
<b>Total</b>	<b>31.60</b>	<b>132.27</b>

### B) Details of Turnover:

Classification	For the year ended 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	For the year ended 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Tablets	8048.16	7974.45
Capsule	2160.02	1802.33
Injections	33.51	42.18
Liquid	7212.71	6663.50
Gel/Creams	844.03	698.20
Softgel Capsule	10839.31	10064.61
Other	543.42	648.12
<b>Total</b>	<b>29681.16</b>	<b>27893.39</b>

### C) Details of Inventories (Finished Goods including Stock in Trade):

Classification	As at 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	As at 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Tablets	589.22	524.29
Capsule	112.43	80.51
Injections	22.41	24.93
Liquid	416.52	603.59
Gel/Creams	58.61	53.52
Softgel Capsule	368.57	166.68
Other	2.48	0.55
<b>Total</b>	<b>1570.24</b>	<b>1454.07</b>

*[Signature]*

*[Signature]*







## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

### D) Details of Inventories (Work-in-Progress):

Classification	As at 31 <sup>st</sup> March 2016 [Rs. in Lakhs]	As at 31 <sup>st</sup> March 2015 [Rs. in Lakhs]
Formulations	192.58	309.62
Other	8.88	3.25
<b>Total</b>	<b>201.46</b>	<b>312.87</b>

**2.40** Figures of the previous year have been regrouped, rearranged, recast and reclassified wherever considered necessary to make them comparable to that of the current year or for a better presentation of accounts.

**2.41** Figures in brackets indicate corresponding figures of previous year.

### Signatures to Notes 1 & 2.41

As per our report attached of even date,  
For **R. S. SANGHAI & ASSOCIATES**  
Chartered Accountants.

**R. S. SANGHAI**  
Partner  
M.NO. 036931



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN: U24230MH1986PTC039692

**M. K. Singh**  
Managing Director  
DIN No. : 00881412

**N. Kashyap**  
Director  
DIN No. : 01454570

Place : Mumbai  
Date : 26<sup>th</sup> May, 2016