



Indchemie
HEALTH SPECIALITIES PVT. LTD.

Indchemie
Healthcare

TASK*FORCE*

Life Sciences 

 *Gynecare*

 **Orthocare**

Annual Report 2016-2017

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 Raod, Worli, Mumbai-4000 018.
CIN.: U24230MH1986PTC039692

Independent Auditor's Report

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

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the statement of changes in equity 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

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 Ind AS 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 Ind AS 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 there under.



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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) 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 statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;



R.S.Sanghai & Associates
Chartered Accountants

- d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued there under.
- e) on the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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**"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note 3.30 to the Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 3.41 to the Ind AS financial statements.

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

Chartered Accountants

Firm's registration number: 109094W



R.S. SANGHAI

Partner

Membership number: 036931

Mumbai : 24th May, 2017



"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 Ind AS financial statements of the Company for the year ended March 31, 2017, 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 asset has 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) According to the information and explanation given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted the 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 loans, 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 para 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence 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, 2015 with regard to the deposits accepted from the public are not applicable.
- 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 records of the Company amounts deducted/ accrued in the books of account in respect of 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 have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of employees' state insurance and duty of excise.

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, 2017 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 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales-tax and service tax as at 31st March, 2017 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	36.20	2008-09	Assistant Commissioner VAT
Finance Act,1994	Service Tax	3.68	2011-12	The Commissioner of Central Excise ,Customs and Service Tax ,Ahmadabad
Income tax Act 1961	Income Tax	1.86	2012-13	Commissioner of Income Tax (Appeal)
Income tax Act 1961	Income Tax	0.30	2013-14	Commissioner of Income Tax (Appeal)
Income tax Act 1961	Income Tax	21.24	2014-15	Assistant Commissioner of Income Tax
TOTAL		63.28		



- 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) According to the information and explanation given to us and based on our examination of the record 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 Companies Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of para 3 (xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 were applicable and details of such transaction have been disclosed in the Ind AS 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.



R.S.Sanghai & Associates
Chartered Accountants

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

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


R.S. SANGHAI

Partner

Membership number: 036931

Mumbai : 24th May, 2017



"Annexure B" to the Independent Auditor's Report

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 **INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 ('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 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 Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, 2017, 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 : 24th May, 2017



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
SEPARATE FINANCIAL STATEMENTS
BALANCE SHEET AS ON 31 MARCH 2017

(₹ In Lakhs)				
Particulars	Note No.	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
I. ASSETS				
1 Non-Current Assets				
(a) Property, plant and equipment	3.1	6,724.11	4,803.93	5,167.09
(b) Capital work in progress	3.1	835.97	1,636.90	1,458.13
(c) Financial assets				
(i) Investments	3.2	11.15	11.15	11.15
(ii) Others	3.3	7,201.15	6,201.47	4,709.72
(d) Deferred tax assets	3.4A	58.92	-	-
(e) Other non-current assets	3.5	62.69	90.63	15.06
Total Non-Current Assets		14,893.99	12,744.08	11,361.15
2 Current Assets				
(a) Inventories	3.6	3,879.30	3,891.90	3,974.87
(b) Financial assets				
(i) Investments	3.7	144.57	117.64	112.83
(ii) Trade receivables	3.8	4,327.16	3,698.80	5,794.35
(iii) Cash and cash equivalents	3.9	87.28	130.32	437.92
(iv) Bank balances other than (iii) above	3.10	5,348.11	8,927.08	5,864.27
(v) Loans	3.11	41.08	43.16	42.23
(vi) Other current financial assets	3.12	289.15	180.06	230.42
(c) Other current assets	3.13	575.55	321.56	265.91
Total Current Assets		14,692.20	17,310.52	16,722.80
TOTAL ASSETS		29,586.19	30,054.60	28,083.95
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	3.14	25.00	25.00	25.00
(b) Other equity (Refer statement of changes in equity)	3.14	18,905.33	16,443.76	14,711.94
Total Equity		18,930.33	16,468.76	14,736.94
2 Liabilities				
2a Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	3.15	-	4.20	58.63
(b) Provisions	3.16	1,289.15	1,051.67	422.19
(c) Deferred tax liabilities	3.4A	132.65	146.26	435.13
Total Non-Current Liabilities		1,421.80	1,202.13	915.95
2b Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	3.17	3,626.52	6,900.19	6,804.51
(ii) Trade payables	3.18	3,259.02	3,315.00	4,337.01
(iii) Other financial liability	3.19	1,861.41	1,517.31	981.47
(b) Other current liabilities	3.20	105.96	91.29	120.40
(c) Provisions	3.21	287.04	248.32	278.86
(d) Current tax liabilities (Net)	3.22	94.11	311.60	108.81
Total Current Liabilities		9,234.06	12,383.71	12,431.06
Total Liabilities		10,655.86	13,585.84	13,347.02
TOTAL EQUITY AND LIABILITIES		29,586.19	30,054.60	28,083.95

Significant Accounting Policies

1

Critical accounting judgments and key sources of estimation uncertainty

2

Notes to the Separate Financial Statements

3

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,

For R.S.SANGHAI & ASSOCIATES

Chartered Accountants

FRN-109094W

R. S. Sanghai

Partner

M.NO.036931

Place: Mumbai

Date: 24th May 2017



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.
SEPARATE FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(₹ In Lakhs)

Particulars	Note No.	For the Year ended 31 March 2017 (₹)	For the Year ended 31 March 2016 (₹)
1 Income			
(a) Revenue from operations	3.23	35,015.74	30,535.41
(b) Other income	3.24	1,328.12	996.16
Total Income		36,343.86	31,531.57
2 Expenses			
(a) Cost of materials consumed	3.25	11,389.57	10,459.39
(b) Purchases of stock-in-trade		195.25	31.60
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.26	(305.59)	3.03
(d) Employee benefits expense	3.27	7,182.37	6,339.12
(e) Finance costs	3.28	829.81	583.63
(f) Depreciation and amortisation expense	3.1	664.86	598.57
(g) Other expenses	3.29	13,285.69	10,983.20
Total Expenses		33,241.96	28,998.54
3 Profit Before Tax (1) - (2)		3,101.90	2,533.03
4 Tax Expenses	3.4B		
(a) Current tax		685.00	950.00
(b) Adjustment of tax relating to previous year		27.05	(0.94)
(c) Deferred tax		0.07	(281.73)
(d) MAT credit entitlement		(58.92)	-
Total Income Tax Expenses		653.20	667.34
5 Profit for the Period (3) - (4)		2,448.70	1,865.70
6 Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		(39.54)	(20.67)
(ii) Tax on Remeasurements of defined benefit plans		13.68	7.15
Total of Other Comprehensive Income for the Period, Net of Tax		(25.86)	(13.51)
7 Total Comprehensive Income for the Period (5) + (6)		2,422.83	1,852.18
8 Basic and Diluted Earnings per Share	3.35	979.48	746.28

Significant Accounting Policies

Critical accounting judgments and key sources of estimation uncertainty

Notes to the Separate Financial Statements

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,
For R.S.SANGHAI & ASSOCIATES
Chartered Accountants
FRN-109094W

R. S. Sanghai

Partner

M.NO.036931

Place: Mumbai

Date: 24th May 2017



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.
SEPARATE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2017

(₹ in Lakhs)

Particulars	For the year ended 31 March 2017 (₹)	For the year ended 31 March 2016 (₹)
A. Cash Flow from Operating Activities:		
Profit before tax	3,101.90	2,533.03
<u>Adjustment to reconcile profit before tax to net cash flow</u>		
Depreciation and amortisation	664.86	598.57
Provision for employee benefits	141.10	124.39
Provision for anticipated sales return	95.56	513.88
Fair valuation of investments	(31.63)	22.10
Profit on sale of investments (net)	(20.15)	(4.78)
Loss on sale of fixed assets (net)	0.56	3.11
Dividend income	(2.63)	(3.05)
Interest income	(1,273.71)	(988.34)
Interest expenses	808.82	569.40
Subtotal of Adjustments	382.78	835.28
Operating profit before working capital changes	3,484.68	3,368.31
Changes in working capital:		
Adjustments for (increase)/decrease in:		
(Increase) / Decrease in trade receivables	(628.36)	2,095.55
(Increase) / Decrease in loans and advances and other current assets	(142.02)	(274.69)
(Increase) / Decrease in inventories	12.61	82.97
Increase / (Decrease) in trade payable and other liabilities	302.79	(515.28)
Increase / (Decrease) in Bank Borrowing availed	(3,277.86)	241.25
Subtotal of Adjustments	(3,732.86)	1,629.80
Cash generated from operations	(248.16)	4,998.11
Less: Income taxes paid (net of refund)	(929.39)	(746.27)
Cash Flow before extraordinary items	(1,177.55)	4,251.84
Net cash from operating activities	(1,177.55)	4,251.84
B Cash Flow from Investing Activities:		
Purchases of fixed assets	(1,790.04)	(426.11)
Sale of fixed assets	6.98	9.83
Proceeds from investments (net)	24.81	(22.11)
Capital subsidiaries received	38.72	-
Redemption/(investments) of bank deposits having maturity of more than 12 months	2,386.52	(4,362.69)
Dividend received	2.63	3.05
Interest received	1,273.71	988.34
Net Cash from/(used in) investing activities	1,943.33	(3,809.69)
C Cash Flow from Financing Activities:		
Dividends and corporate dividend tax paid	-	(180.35)
Interest paid	(808.82)	(569.40)
Net cash (used in)/generated from financing activities	(808.82)	(749.75)
D Net (decrease)/Increase in cash and cash equivalents (A+B+C)	(43.04)	(307.60)
E Cash and cash equivalents as at beginning of the year	130.32	437.92
F Cash and cash equivalents as at end of the year (D+E)	87.28	130.32
Notes:		
1 Cash and cash equivalents include:		
Cash on hand	17.34	16.92
Balance with banks	69.94	113.40
Total cash and cash equivalents	87.28	130.32
2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.		

As per our Report attached of even date,
For R.S.SANGHAI & ASSOCIATES
Chartered Accountants
FRN-109094W

R. S. Sanghai
Partner
M.NO.036931
Place: Mumbai
Date: 24th May 2017



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.

NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Statement of Changes in Equity for the period ended 31 March 2017

(₹ in Lakhs)

(a) Equity share capital	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Balance at the beginning of the reporting period	2,50,000	25.00	2,50,000	25.00	2,50,000	25.00
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	2,50,000	25.00	2,50,000	25.00	2,50,000	25.00

OTHER EQUITY

Particulars	Reserves and Surplus			
	Capital Reserve (₹)	General Reserve (₹)	Retained Earnings (₹)	Total Other Equity (₹)
Balance at 1 April 2015	30.00	13,900.00	781.94	14,711.94
Total Comprehensive Income for the year ended 31 March 2016				
Profit for the year	-	1,200.00	665.70	1,865.70
Other Comprehensive Income	-	-	(13.51)	(13.51)
Transactions with owners of the company				
Interim Dividend on Equity Shares	-	-	(100.00)	(100.00)
Dividend Distribution Tax	-	-	(20.36)	(20.36)
Balance at 1 April 2016	30.00	15,100.00	1,313.76	16,443.76
Total Comprehensive Income for the year ended 31 March 2017				
Profit for the year	-	-	1,048.70	1,048.70
Other Comprehensive Income	-	-	(25.86)	(25.86)
Addition during the year	38.72	1,400.00	-	1,438.72
Balance at 31 March 2017	68.72	16,500.00	2,336.60	18,905.33



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1A. General Information

INDCHEMIE HEALTH SPECIALITIES PVT LTD ('the Company') was incorporated in 1986 under the provisions of Companies Act, 1956 of India, as a company with limited liability. The Company is domiciled in India with its registered office address being 510, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai – 400018, India.

1B. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of Financial Statements:

a) Statement of compliance

The financial statements of the Company as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the "Previous GAAP" for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 3.45. The Financial statement are prepared in Indian rupees rounded off to the nearest lakhs.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 24th May 2017.

b) Basis of preparation and presentation:

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An assets is classified as current when:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

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

1.2 Property, plant and equipment

i. Recognition and measurement:

- a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.
- b) Any gain or loss on disposasl of an item of property, plant and equipment is recognized in the statement of profit & loss.
- c) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other noncurrent assets.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

ii. Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

1.3 Depreciation and Amortisation:

Depreciation is provided on a straight line basis for all assets. Depreciation is provided based on the useful life of assets. The carrying amount as on April 01, 2014 is depreciated over the revised remaining useful life. Wherever the remaining useful life of the asset is NIL as per Schedule II, the carrying amount as on 1st April, 2014 is recognised under retained earnings during the year ended 31 March 2015.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	30 Years
Plant and Machinery	10 Years to 15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	3 Years to 5 Years

1.4 Impairment of Assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.5 Operating Leases

Assets taken on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.6 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

a) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) Those to be measured at amortised cost

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

The Company follows trade date accounting for all regular way purchase or sale of financial assets.

i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- a) The asset is held within a business model with the objective of collecting the contractual cash flows, and



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

- b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

Expected credit losses are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

1.7 Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.8 Inventories:

- a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on weighted average basis.
- b) Finished Goods and Work-in-Progress are valued at lower of cost and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable excise duty. Trading Goods are valued at lower of cost (on weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- d) Traded goods are valued at lower cost or net realizable value.
- e) Proceeds in respect of sale of rawmaterial (not significant) are credited to respective head. Obsolete, defective and unserviceable inventory are duly provided for.

1.9 Revenue Recognition:

- a) Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Revenue from product sales is stated net of returns, sales tax and applicable trade discounts and allowances. Revenue from product sales includes excise duty, wherever applicable. Sales are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.
- b) Revenue (including in respect of insurance or other claims, interest etc.) is recognised when it is reasonable to expect that the ultimate collection will be made
- c) Dividend from investment is recognised as revenue when right to receive the payments is established.
- d) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.10 Excise Duty and CENVAT:

In accordance with the method of accounting regularly employed 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 all finished goods.

1.11 Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is Indian Rupees.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

1.12 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) Defined Contribution Plan:

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss. The Company's contribution towards provident fund for eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

ii) Defined Benefit and Other Long Term Benefit Plans:

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
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b) Short term Employee Benefits:

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

1.13 Taxes on Income:

Income tax expense represents the sum of the current tax, deferred tax and MAT.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

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.

1.14 Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred

1.15 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.16 Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.17 Government Grants:

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

NOTE - 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The Company prepares its financial statements in accordance with Ind AS as issued by the MCA, the application of which often requires judgments to be made by management when formulating the Company's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in note 3 to the Separate financial statements.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Separate Statement of Profit and Loss and tax payments.

b. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.



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INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
NOTE - 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d. Provision for trade and other receivables

Trade and other receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

e. Provisions and contingent liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Provision for Expected Sales Returns

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on the basis of historical data of such returns.

g. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 3.



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.1. : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

(₹ In Lakhs)

Particulars	Tangible assets								Capital Work in Progress
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total	
At Deemed Cost									
As at 1 April 2015	280.36	131.72	1,672.91	2,796.56	59.23	196.62	29.69	5,167.09	
Additions	-	-	6.53	182.24	1.78	42.68	20.95	254.18	
Adjustments	-	-	-	(6.85)	-	-	-	(6.85)	
Deletions	-	-	-	(7.12)	-	(16.82)	-	(23.94)	
As at 31 March 2016	280.36	131.72	1,679.44	2,964.83	61.01	222.48	50.64	5,390.48	
As at 1 April 2016	280.36	131.72	1,679.44	2,964.83	61.01	222.48	50.64	5,390.48	
Additions	-	-	642.57	1,838.54	40.38	24.73	44.76	2,590.98	
Adjustments	-	-	-	-	-	-	-	-	
Deletions	-	-	-	(1.43)	-	(5.47)	-	(6.90)	
As at 31 March 2017	280.36	131.72	2,322.01	4,801.94	101.39	241.74	95.40	7,974.56	
Depreciation and Amortisation									
Depreciation/amortisation for the year	-	1.74	76.23	451.75	14.20	37.81	16.84	598.57	
Adjustments	-	-	-	(0.24)	-	-	-	(0.24)	
Deductions	-	-	-	(2.24)	-	(9.54)	-	(11.78)	
As at 31 March 2016	-	1.74	76.23	449.27	14.20	28.27	16.84	586.55	
As at 1 April 2016	-	1.74	76.23	449.27	14.20	28.27	16.84	586.55	
Depreciation/amortisation for the year	-	1.74	89.10	500.99	12.41	40.11	20.51	664.86	
Adjustments	-	-	-	-	-	-	-	-	
Deductions	-	-	-	(0.96)	-	-	-	(0.96)	
As at 31 March 2017	-	3.48	165.33	949.30	26.61	68.38	37.35	1,250.45	
Net Book Value									
As at 1 April 2015	280.36	131.72	1,672.91	2,796.56	59.23	196.62	29.69	5,167.09	1,458.13
As at 31 March 2016 / 1 April 2016	280.36	129.98	1,603.21	2,515.56	46.81	194.21	33.80	4,803.93	1,636.90
As at 31 March 2017	280.36	128.24	2,156.68	3,852.64	74.78	173.36	58.05	6,724.11	835.97

The Company has availed the deemed cost exemption in relation to the property plant and equipment and other assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP.

Property, plant and equipment	Gross Block	Accumulated Depreciation	Net Block
Freehold Land	280.36	-	280.36
Leasehold Land	149.49	17.77	131.72
Buildings	2,417.78	744.87	1,672.91
Plant and Machinery	5,241.94	2,445.38	2,796.56
Furniture and Fixtures	207.30	148.07	59.23
Vehicles	285.85	89.23	196.62
Office Equipments	204.02	174.33	29.69

Refer Note 3.17 on Borrowings, for the details related to charge on movable tangible assets of the Company



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.1. : Property, Plant And Equipments:			
Freehold land	280.36	280.36	280.36
Leasehold land	128.24	129.98	131.72
Buildings	2,156.68	1,603.21	1,672.91
Plant & equipment	3,852.64	2,515.56	2,796.56
Furniture & fixtures	74.78	46.81	59.23
Vehicles	173.36	194.21	196.62
Office equipments	58.05	33.80	29.69
TOTAL	6,724.11	4,803.93	5,167.09
3.1. : Capital Work In Progress:	835.97	1,636.90	1,458.13
3.2. : Non Current Investment:			
In Equity Shares of Other Companies (at fair value through profit and loss):			
Unquoted (Trade)			
9000 equity shares of Rs.10/- each of Shivalik Solid Waste Management Ltd.	0.90	0.90	0.90
Unquoted (Non Trade)			
2500 equity shares of Rs.10/- each of Saraswat Bank, fully paid.	0.25	0.25	0.25
100000 equity shares of Rs.10/- each of Saraswat Bank, fully paid.(PNCPS)	10.00	10.00	10.00
TOTAL	11.15	11.15	11.15
3.3 : Other Non-Current Financial Assets:			
In Deposit Accounts:			
Bank deposits with maturity beyond 12 months (Refer note 3.10)	7,074.40	5,881.95	4,582.07
Interest on deposits, accrued but not due	14.02	214.80	31.54
Security deposits	112.73	104.72	96.11
TOTAL	7,201.15	6,201.47	4,709.72
Note:			
Bank Deposits of Rs. 5328.48 Lakhs as at 31.03.2017, Rs. 4329.03 Lakhs as at 31.03.2016 & Rs. 3179.00 Lakhs as at 01.04.2015 is under lien with the Banks against Over Draft Facility.			
3.4A : Deferred Tax Assets			
MAT Credit Entitlement	58.92	-	-
	58.92	-	-



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.4A : MOVEMENT IN DEFERRED TAX BALANCES

(₹ in Lakhs)

31 March 2017							
Particulars	Net balance 1 April 2016 (₹)	Recognised in profit or loss (₹)	Recognised in OCI (₹)	Recognised directly in equity (₹)	Net (₹)	Deferred tax asset (₹)	Deferred tax liability (₹)
Property, plant and equipment and Intangible assets	(661.08)	(106.52)	-	-	(767.59)	-	(767.59)
Employee benefits	264.91	62.51	(13.68)	-	313.74	313.74	-
Trade receivables	51.04	(3.21)	-	-	47.83	47.83	-
Provision for anticipated sales return	177.84	33.07	-	-	210.92	210.92	-
Deferred Government Grant	-	13.40	-	-	13.40	-	13.40
Investment	13.87	(10.95)	-	-	2.92	2.92	-
Other items	-	25.30	-	-	25.30	25.30	-
MAT credit entitlement	-	58.92	-	-	58.92	58.92	-
Tax assets (Liabilities)	(153.41)	72.52	(13.68)	-	(94.57)	659.62	(754.19)
Set off tax						-	-
Net tax assets	(153.41)	72.52	(13.68)	-	(94.57)	659.62	(754.19)

31 March 2016							
Particulars	Net balance 1 April 2016 (₹)	Recognised in profit or loss (₹)	Recognised in OCI (₹)	Recognised directly in equity (₹)	Net (₹)	Deferred tax asset (₹)	Deferred tax liability (₹)
Property, plant and equipment and Intangible assets	(694.16)	33.09	-	-	(661.08)	(661.08)	-
Employee benefits	212.13	59.93	(7.15)	-	264.91	-	264.91
Trade receivables	40.95	10.09	-	-	51.04	-	51.04
Provision for anticipated sales return	-	177.84	-	-	177.84	-	177.84
Investment	5.95	7.92	-	-	13.87	-	13.87
Tax assets (Liabilities)	(435.14)	288.88	(7.15)	-	(153.41)	(661.08)	507.66
Set off tax						-	-
Net tax assets	(435.14)	288.88	(7.15)	-	(153.41)	(661.08)	507.66

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company has carry forward amount of MAT of Rs 58.92 Lakhs as at 31 March 2017 (Rs. Nil as at 31 March 2016).

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.5 : Other Non-Current Assets:			
Capital Advances	62.69	90.63	15.06
TOTAL	62.69	90.63	15.06
3.6 : Inventories:			
(Refer note no. 1.8)			
Raw and Packing Materials	1,785.70	1,928.68	2,190.40
Goods-in-Transit	6.57	181.78	-
	1,792.27	2,110.46	2,190.40
Work-in-Progress	281.41	201.83	315.19
Finished Goods	1,712.34	1,566.44	1,377.33
Goods-in-Transit	15.66	4.75	62.47
	1,728.00	1,571.19	1,439.80
Stock-in-Trade	77.42	8.42	29.48
Goods-in-Transit	0.20	-	-
	77.62	8.42	29.48
TOTAL	3,879.30	3,891.90	3,974.87



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.7. : CURRENT INVESTMENTS (FAIR VALUE THROUGH PROFIT & LOSS) :

Current investment consist of the following:

(₹ in Lakhs)

Description	Face Value per share	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Numbers	Fair Value (₹)	Numbers	Fair Value (₹)	Numbers	Fair Value (₹)
Fully paid equity shares (Quoted)							
Aban Offshore Ltd.	2	3,000	6.66	NIL	-	NIL	-
Asian Paints Ltd.	1	500	5.35	NIL	-	NIL	-
Axis Bank Ltd.	2	200	1.00	200	0.89	NIL	-
BF Utilities	10	500	2.24	NIL	-	NIL	-
Bharat Financial Inclusion / SKS Microfinance Ltd.	10	500	4.04	750	4.09	750	3.43
Bhushan Steel Ltd.	2	7,500	4.18	2,000	0.72	2,000	1.30
Cairn India Ltd.	1	1,000	3.00	1,000	1.54	1,000	2.14
Canara Bank	10	626	1.90	NIL	-	NIL	-
Chambal Fertilisers & Chemical Ltd.	10	2,000	1.68	3,000	1.65	3,000	2.03
Colgate Palmolive (India)	1	100	1.01	100	0.83	NIL	-
Container Corporation of India Ltd.	10	100	1.27	NIL	-	NIL	-
Dr. Reddy's Lab. Ltd.	5	NIL	-	200	6.07	NIL	-
Elecon Engineering Co. Ltd.	2	NIL	-	NIL	-	5,000	3.33
Equitas Holdings Ltd.	10	2,000	3.29	NIL	-	NIL	-
Essar Oil Ltd.	10	NIL	-	NIL	-	3,000	3.27
Financial Technologies	2	5,500	4.15	5,500	4.28	5,000	9.59
Future Retail Ltd.	2	NIL	-	1,000	1.29	2,560	2.52
Gitanjali Gems Ltd.	10	NIL	-	5,000	1.63	5,000	2.06
Hindustan Construction Co. Ltd.	1	NIL	-	8,000	1.56	8,000	2.62
Hindustan Copper Ltd.	5	1,500	0.98	1,000	0.50	1,000	0.64
Hindustan Zinc Ltd.	2	500	1.43	NIL	-	NIL	-
ICICI Bank Ltd.	2	1,200	3.38	1,200	2.84	1,000	3.16
IDFC Bank Ltd.	10	2,000	1.19	2,000	0.96	NIL	-
IFCI Ltd.	10	10,000	2.99	15,000	3.71	10,000	3.34
Infosys Technologies Ltd.	5	100	1.03	100	1.22	NIL	-
Infrastructure Development Finance Ltd. [IDFC]	10	2,000	1.09	2,000	0.81	NIL	-
ITC Ltd.	1	NIL	-	NIL	-	500	1.63
Kale Consultants	10	50	0.72	NIL	-	NIL	-
Kotak Bank Ltd.	10	500	4.33	NIL	-	-	-
L&T Finance Holdings Ltd.	10	10,000	12.34	25,000	15.96	25,000	15.70
Mahindra & Mahindra Financial Services Ltd.	2	NIL	-	500	1.22	500	1.27
MCX India Ltd.	10	NIL	-	500	4.18	NIL	-
MMTC Ltd.	1	5,000	3.07	NIL	-	NIL	-
MOIL Ltd.	10	500	1.58	800	1.74	800	2.21
Nestle India	10	NIL	-	50	2.88	NIL	-
NHPC Ltd.	10	2,000	0.63	1,010	0.24	1,010	0.20
Oil & Natural Gas Corporation Ltd.	5	5,250	9.65	3,500	7.49	2,500	7.66
Orissa Minerals Dev Company	1	100	2.08	NIL	-	NIL	-
Piramal Phytocare Ltd. [Piramal Life]	10	1,000	0.82	NIL	-	NIL	-
Punj Lloyd Ltd.	2	10,000	1.97	10,000	2.24	10,000	2.97
Punjab & Sind Bank [Escrow]	10	2,000	1.10	981	0.34	981	0.45
Reliance Communications Ltd.	5	10,000	3.83	5,000	2.50	5,000	2.96
Reliance Defence and Engineering Ltd.	10	5,000	3.30	NIL	-	NIL	-
Reliance Infrastructure Ltd.	10	300	1.69	450	2.40	450	1.95
Rural Electrification Corporation Ltd.	10	NIL	-	500	0.83	NIL	-
Shasun Pharmaceuticals Ltd.	2	NIL	-	NIL	-	1,000	3.72
Shree Cement Ltd.	10	30	5.17	NIL	-	NIL	-
Siemens Ltd.	2	10	0.13	NIL	-	NIL	-
State Bank of India	1	5,000	14.55	6,500	12.63	6,000	16.02
Sun Pharma Advance Research Co. Ltd.	1	600	1.90	500	1.44	NIL	-
Sun Pharmaceutical Industries Ltd.	1	700	4.81	600	4.92	NIL	-
Suzlon Ltd.	2	25,000	4.86	NIL	-	NIL	-
Tata Coffee Ltd.	1	NIL	-	5,000	4.48	5,000	4.53
Tata Consultancy Services Ltd.	1	100	2.44	100	2.52	100	2.55
Tata Motors Ltd.	2	250	1.17	NIL	-	NIL	-
Tech Mahindra Ltd.	5	500	2.31	500	2.37	NIL	-
The Karnataka Bank Ltd.	10	3,000	4.20	5,000	5.13	5,000	6.23
TV 18 Broadcast Ltd.	2	NIL	-	5,000	2.02	10,000	3.03
UCO Bank	10	1,000	0.35	500	0.19	500	0.32
Vedanta Ltd. [Sesa Goa Ltd.]	1	1,000	2.74	5,000	4.49	NIL	-
Venus Remedies Limited.	1	1,000	0.97	NIL	-	NIL	-
Vivimed Labs.	2	NIL	-	200	0.84	NIL	-
Total			144.57		117.64		112.83



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.8 : Trade Receivables:			
(Unsecured)			
Considered good	4,397.99	3,778.92	5,827.98
Considered doubtful	67.37	67.37	90.12
Less: Provision for doubtful trade receivables	(67.37)	(67.37)	(90.12)
Less: Impairment allowances	(70.83)	(80.12)	(33.63)
TOTAL	4,327.16	3,698.80	5,794.35
Note: Above Trade Receivables include amount due from related parties Rs. 622.03 Lakhs as at 31.03.2017, Rs. 634.47 Lakhs as at 31.03.2016 & Rs. 2618.58 Lakhs as at 01.04.2015. - (Refer note no. 3.39)			
3.9 : Cash And Cash Equivalents:			
Cash on hand	17.34	16.92	17.00
Balance with banks: In current accounts	69.94	113.40	420.92
TOTAL	87.28	130.32	437.92
3.10 : Other Bank Balances:			
Bank Deposits with Maturity within 12 Months	5,348.11	8,927.08	5,864.27
TOTAL	5,348.11	8,927.08	5,864.27
Note: Bank deposits of Rs. 4329.03 Lakhs as at 31.03.2017, Rs. 4775.70 Lakhs as at 31.03.2016 & Rs. 3773.21 Lakhs as at 01.04.2015 is under lien with the banks against over draft facility.			
Details of Bank Balances/Deposits			
Bank Deposits with maturity within 12 months	5,348.11	8,927.08	5,864.27
Bank Deposits with maturity beyond 12 months	7,074.40	5,881.95	4,582.07
TOTAL	12,422.51	14,809.03	10,446.34



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	(₹ In Lakhs) As at 1 April 2015 (₹)
3.11 : Current Loans:			
(Unsecured, Considered Good, unless Otherwise Stated) Loans and Advances to Employees	41.08	43.16	42.23
TOTAL	41.08	43.16	42.23
3.12 : Other Current Financial Assets:			
Interest on Deposits, Accrued but not Due	215.02	133.56	196.44
Export Incentives Receivable	25.95	14.92	0.36
Other Receivables	48.18	31.58	33.62
TOTAL	289.15	180.06	230.42
Note: Other receivables includes VAT refund, Sales Tax refund & Income Tax refund receivables.			
3.13 : Other Current Assets:			
Balances with Government Authorities (VAT/Cenvat/Service Tax credit receivables)	249.71	206.03	163.11
Advance to Suppliers: Considered Good	95.30	36.09	17.95
Prepaid Expenses	230.54	79.44	84.85
TOTAL	575.55	321.56	265.91



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.14 : Equity Share Capital:			
Authorised: 2,50,000 equity shares of Rs.10/-each (2,50,000 equity shares of Rs.10/-each as at 31.03.2016) (2,50,000 equity shares of Rs.10/-each as at 01.04.2015)	25.00	25.00	25.00
	25.00	25.00	25.00
Issued, Subscribed and Paid up: 2,50,000 equity shares of Rs.10/-each (2,50,000 equity shares of Rs.10/-each as at 31.03.2016) (2,50,000 equity shares of Rs.10/-each as at 01.04.2015)	25.00	25.00	25.00
TOTAL	25.00	25.00	25.00

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
Number of shares at the commencement of the year	2,50,000	25.00	2,50,000	25.00	2,50,000	25.00
Add : Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back during the year	-	-	-	-	-	-
Number of shares at the end of the year	2,50,000	25.00	2,50,000	25.00	2,50,000	25.00

(b) Rights, preferences and restrictions 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 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
M/s. Alkem Laboratories Ltd. (Holding Company)	1,27,500	51.00%	1,27,500	51.00%	1,27,500	51.00%
Mr. Mritunjay Kumar Singh	16,500	6.60%	16,500	6.60%	16,500	6.60%
Mr. Dhananjay Kumar Singh	16,500	6.60%	16,500	6.60%	16,500	6.60%
Mr. Samprada Singh	16,364	6.55%	16,364	6.55%	16,364	6.55%
Mr. Basudeo Narain Singh	18,750	7.50%	18,750	7.50%	18,750	7.50%



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

				(₹ In Lakhs)
Particulars	As at 31 March 2017 (₹)		As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.14 : Other Equity				
Capital Reserve:				
At the commencement of the period/year	30.00		30.00	30.00
Add: Profit for the period/year	38.72		-	-
At the End of the Period/Year	TOTAL (A)	68.72	30.00	30.00
General Reserve:				
At the commencement of the period/year	15,100.00		13,900.00	12,900.00
Add: Profit for the period/year	1,400.00		1,200.00	1,000.00
At the End of the Period/Year	TOTAL (B)	16,500.00	15,100.00	13,900.00
Retained Earnings:				
At the commencement of the period/year	1,327.27		781.94	650.76
Add: Profit for the period/year	2,448.70		1,865.70	1,322.26
Less: Transitional depreciation (as per para 7(b) of schedule II to the companies act, 2013)	-		-	(131.09)
At the End of the Period/Year	TOTAL (C)	3,775.97	2,647.63	1,841.93
Less: Appropriations:				
Transfer to General Reserve	1,400.00		1,200.00	1,000.00
Interim/Proposed dividend on equity shares	-		100.00	50.00
Dividend distribution tax	-		20.36	10.00
At the End of the Period/Year	TOTAL (D)	1,400.00	1,320.36	1,060.00
Less: Other Comprehensive Income:				
At the commencement of the period/year	13.51		-	-
Add: Profit for the period/year	25.86		13.51	-
At the End of the Period/Year	TOTAL (E)	39.37	13.51	-
TOTAL (A+B+C-D-E)	18,905.33		16,443.76	14,711.94



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.15 : Non Current Borrowings:			
Secured			
Vehicle finance	-	4.20	58.63
TOTAL	-	4.20	58.63
Notes:			
Previous year vehicle finance was secured against hypothecation of Company's respective vehicles.			
3.16 : Non Current Provisions			
Provisions for Employee Benefits			
Gratuity (Refer note no. 3.32)	485.11	373.38	291.79
Compensated absences	194.60	164.41	130.40
Provision for anticipated sales returns (Refer note. No. 3.34)	609.44	513.88	-
TOTAL	1,289.15	1,051.67	422.19
3.4A : Deferred Tax Liabilities:			
Tax Effect of Items Constituting Deferred Tax Liabilities			
On differences between book and tax depreciation	767.59	661.08	694.16
Tax effect of items constituting Deferred Tax Assets			
Provision for employee benefits	359.87	272.06	212.13
Others (includes provision for doubtful debts and advances, deferred government grant etc.) IND AS deferred tax impact	275.07	242.76	46.90
TOTAL	132.65	146.26	435.13



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	(₹ In Lakhs) As at 1 April 2015 (₹)
3.17 : Current Borrowings:			
Secured			
Loans repayable on demand from banks Bill discounting	3,626.52 -	6,900.19 -	5,203.73 1,400.78
TOTAL	3,626.52	6,900.19	6,604.51
Notes:			
Secured:			
1. Overdraft from banks are secured against fixed deposits placed with respective banks.			
2. 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 Industrial 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.			
3. Bill discounting is secured against trade receivables.			
3.18 : Trade Payables:			
Dues to Micro and Small Enterprises (Refer note no. 3.31) Others	1,353.79 1,905.23	789.25 2,525.75	781.82 3,555.19
TOTAL	3,259.02	3,315.00	4,337.01
Note:			
The above disclosure is made based on the information available with the Company and has been relied upon by the Auditors.			
3.19 : Other Current Financial Liabilities:			
Current maturities of long term borrowings Vehicles (Refer note no. 3.15)	-	1.35	19.05
Interest accrued but not due on borrowings	40.70	3.68	-
Employee payables	1,441.88	1,164.48	652.17
Security deposits	63.50	63.50	70.50
Accrual for expenses	315.33	284.30	239.75
TOTAL	1,861.41	1,517.31	981.47



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)	As at 1 April 2015 (₹)
3.20 : Other Current Liabilities:			
Due to Statutory Authorities	105.96	91.29	120.40
TOTAL	105.96	91.29	120.40
Note :			
Due to statutory authorities includes Sale tax payable, TDS payable, Entry tax payable, ESIC, Professional Tax & Other funds payable etc.			
3.21 : Current Provisions:			
Provision for interim dividend	-	-	50.00
Provision for corporate dividend distribution tax	-	-	10.00
Provision for employee benefits:			
Gratuity (Refer note no. 3.32)	167.05	129.71	117.88
Compensated absences	119.99	118.61	100.98
TOTAL	287.04	248.32	278.86
3.22 : Liabilities For Current Tax (Net):			
For Income Tax (Net of Advance Tax)	94.11	311.60	108.81
TOTAL	94.11	311.60	108.81



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

		(₹ In Lakhs)	
Particulars		For the Year ended 31 March 2017 (₹)	For the Year ended 31 March 2016 (₹)
3.23 : Revenue From Operations:			
Sale of Products (including Excise Duty) (A)		34,100.83	29,576.61
Other Operating Revenues:			
Manufacturing charges		697.38	738.82
Export incentives		61.77	150.30
Scrap sales		64.15	63.16
Foreign currency transactions and translation gain (net)		22.60	5.82
Government subsidy income (Refer note no. 1.17)		68.51	-
Miscellaneous receipts		0.50	0.70
Total Other Operating Revenue: (B)		914.91	958.80
TOTAL (A+B)		35,015.74	30,535.41
3.24: Other Income:			
Interest on bank deposits		1,273.23	987.48
Other interest		0.48	0.85
Dividend income		2.63	3.05
Net profit on sale of investments (from current investments)		20.15	4.78
Gain on fair valuation of investment (from current investments)		31.63	-
TOTAL		1,328.12	996.16
3.25 : Cost Of Materials Consumed			
Raw material consumed		7,975.42	7,110.09
Packing material consumed		3,414.15	3,349.30
TOTAL		11,389.57	10,459.39



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	For the Year ended 31 March 2017 (₹)	For the Year ended 31 March 2016 (₹)
3.26 : Changes In Inventories Of Finished Goods, Stock-in-Trade and Work-in-Progress:		
Opening Stock:		
Finished goods	1,571.19	1,439.80
Stock-in-trade	8.42	29.48
Work-in-progress	201.83	315.19
(A)	1,781.44	1,784.47
Less: Closing stock:		
Finished goods	1,728.00	1,571.19
Stock-in-trade	77.62	8.42
Work-in-progress	281.41	201.83
(B)	2,087.03	1,781.44
TOTAL (A-B)	(305.59)	3.03
3.27 : Employee Benefits Expense:		
Salaries, wages and bonus	6,573.62	5,844.92
Contribution to provident and other funds (Refer note no. 3.32)	356.64	300.93
Employees' welfare expenses	252.11	193.27
TOTAL	7,182.37	6,339.12
3.28 : Finance Costs:		
Interest on borrowings	729.53	524.51
Other borrowing cost	100.28	59.12
TOTAL	829.81	583.63



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3 : NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	For the Year ended 31 March 2017 (₹)	For the Year ended 31 March 2016 (₹)
3.29 : Other Expenses:		
Consumption of stores and spare parts	368.43	251.73
Power and fuel	876.82	648.32
Excise duty	3,836.50	3,061.81
Rent	253.93	225.10
Rates and taxes	15.12	10.79
Insurance	133.42	105.65
Marketing and promotions	2,494.37	2,110.38
Selling and distribution expenses	1,265.29	1,123.48
Legal and professional Fees	100.05	61.53
Sales-tax and octroi duty	189.40	150.58
Commission and discount	286.01	271.70
Travelling and conveyance	2,475.08	2,020.55
Repairs:		
- Buildings	24.93	13.81
- Plant and machineries	74.65	92.72
- Others	99.23	47.28
Loss on sale of fixed assets (net)	0.56	3.11
Donation	31.18	4.14
Communication and printing expenses	202.92	195.19
Vehicle expenses	127.99	109.43
Loss on fair valuation of investment (from current investments)	-	22.10
Sundry balance written off	(0.04)	(0.03)
Corporate Social Responsibility (CSR) expenditure (Refer Note No. 3.42)	65.00	130.00
Miscellaneous expenses	364.85	323.83
TOTAL	13,285.69	10,983.20



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.4B : TAX EXPENSE

(₹ In Lakhs)

Particulars	For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)
(a) Amounts recognised in profit and loss		
Current tax	685.00	950.00
Adjustment of tax relating to previous year	27.05	(0.94)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	0.07	(275.00)
Increase in tax rate	-	(6.73)
Recognition of MAT credit entitlement	(58.92)	-
Deferred tax expense	(58.84)	(281.73)
Tax expense for the year	653.20	667.34

	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(b) Amounts recognised in other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(39.54)	13.68	(25.85)	(20.67)	7.15	(13.51)
	(39.54)	13.68	(25.85)	(20.67)	7.15	(13.51)

Particulars		For the Year Ended 31 March 2017 (₹)		For the Year Ended 31 March 2016 (₹)
(c) Reconciliation of effective tax rate				
Profit before tax		3,101.90		2,533.03
Tax using the Company's domestic tax rate	34.608%	1,073.51	34.608%	876.63
(Current year 34.608% and Previous Year 34.608%)				
Increase in tax rate		-		(6.73)
Tax effect of:				
Short term capital gains taxable at lower rate	-0.05%	(1.40)	-0.02%	(0.62)
Long term capital gains exempt under income tax	-0.09%	(2.94)	-0.04%	(1.06)
Expense not deductible for tax purposes	0.10%	3.16	2.65%	67.04
Income exempt from Income tax	-0.03%	(0.91)	-0.01%	(0.36)
Tax Incentive	-13.81%	(428.49)	-10.57%	(267.62)
Others	-1.57%	(48.64)	0.00%	0.05
MAT credit entitlement	1.90%	58.92	0.00%	-
	21.058%	653.21	26.611%	667.33

The Company's weighted average tax rates for the years ended March 31, 2017 and 2016 were 34.608% and 34.608%, respectively. Income tax expense was Rs. 653.21 Lakhs for the year ended March 31, 2017, as compared to income tax expense of Rs. 667.34 Lakhs for the year ended March 31, 2016

The Company's effective tax rate for the year ended March 31, 2017 was 21.058%(March 31, 2016 : 26.611%)

The effective tax rate for the year ended March 31, 2017 was lower primarily as a result of increase in Tax Incentive.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.30 Contingent Liabilities and Commitments

a) Contingent Liabilities not Provided For

(₹ in Lakhs)				
Sr. No.	Particulars	For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)	As on 1 April 2015 (₹)
1	Claims against the Company not acknowledged as debt:			
(i)	Central Excise demand disputed in appeal {advances paid in dispute Rs. 1.00 Lakhs (P. Y. Rs. 1.00 Lakhs)}	3.68	3.68	3.68
(ii)	Sales Tax demand disputed in appeal {advances paid in dispute Rs. 0.10 Lakhs (P. Y. Rs. 0.10 Lakhs)}	36.20	36.20	9.34
(iii)	Income Tax demand disputed in appeal {advances paid dispute in Rs.0.01 Lakhs (P. Y. Rs. 0.01 Lakhs)}	1.86	1.86	Nil
(iv)	Income Tax demand disputed with Assr. Commissioner Income Tax (AY 2013-14)	0.30	Nil	Nil
(v)	Income Tax demand disputed with Dy. Commissioner Income Tax (AY 2014-15)	21.24	Nil	Nil
	Total	63.28	41.74	13.02

Management considers that the excise duty, sales tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have any materially adverse effect on its financial statements.

b) Commitments

(₹ in Lakhs)				
Sr. No.	Particulars	For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)	As on 1 April 2015 (₹)
1	Estimated amount of contracts remaining to be executed on Capital Accounts {advances paid Rs.62.70 Lakhs (Previous Year Rs. 90.63 Lakhs)}	298.88	53.70	21.42
2	Letter of Credit opened by the Banks	139.07	360.19	235.34
3	Outstanding Bank Guarantees	2.85	24.82	15.82
4	Pending Export Obligation under advance licence/ EPCG Scheme	59.70	70.27	83.92

3.31 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro & Small enterprises as defined in MSMED are set out in following disclosure.

(₹ in Lakhs)				
Sr. No.	Particulars	For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)	As on 1 April 2015 (₹)
1	Principal amount remaining unpaid to any supplier as at the year end	1,353.78	789.25	21.42
2	Interest due thereon	37.42	Nil	Nil
3	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil	Nil
4	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	Nil	Nil	Nil
6	The amount of interest accrued and remaining unpaid at the end of each accounting year	37.42	Nil	Nil
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil	Nil

The above disclosure is made based on the information available with the Company and has been relied upon by the Auditors.



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.32 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund and superannuation 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 administered employee 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 Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the statement of Profit and Loss

Particulars	(₹ in Lakhs)		
	For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)	For the Year Ended 1 April 2015 (₹)
Contribution to Provident Fund	320.89	268.79	252.42
Total	320.89	268.79	252.42

ii) Defined benefit plan:

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

a) 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.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2017 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2017

Sr. No.	Particulars	(₹ in Lakhs)		
		For the Year Ended 31 March 2017 (₹)	For the Year Ended 31 March 2016 (₹)	For the Year Ended 1 April 2015 (₹)
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :			
	Current Service Cost	85.30	57.24	73.54
	Interest Cost	37.05	32.11	26.09
	Actuarial (gain) / losses	39.54	20.66	(76.96)
	Benefits paid	(12.82)	(16.60)	(18.53)
	PVO at the beginning of the year	503.09	409.68	335.35
	PVO at end of the year	652.16	503.09	409.68
II)	Change in fair value of plan assets			
	Expected return on plan assets	-	-	-
	Actuarial gain/(losses)	-	-	-
	Contributions by the employer	12.82	16.60	18.53
	Benefits paid	(12.82)	(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 year	652.16	503.09	409.68
	Actuarial gain/(losses)	-	-	-
	Funded status	-	-	-
	Unrecognised actuarial gain/ (loss)	-	-	-
	Net asset/ (liability) recognised in the balance sheet	-	-	-
IV)	Net cost for the year			
	Current Service cost	85.30	57.24	73.54
	Interest cost	37.05	32.11	26.09
	Expected return on plan assets	-	-	-
	Actuarial (gain) / losses	39.54	20.66	76.96
	Net cost	161.89	110.01	92.86
IV)	Assumption used in accounting for the gratuity plan:			
	Discount rate (%)	6.69%	7.46%	8.00%
	Salary escalation rate (%)	7.00%	7.00%	7.00%

Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Salary Escalation Rate:

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below

Particulars	(₹ in Lakhs)				
	As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)	As at Year Ended 31 March 2015 (₹)	As at Year Ended 31 March 2014 (₹)	As at Year Ended 31 March 2013 (₹)
Defined Benefit Obligation at end of the period	652.16	503.09	409.68	335.34	283.39
Plan assets at end of the period	-	-	-	-	-
Funded assets	-	-	-	-	-
Experience gain/loss adjustment on plan liabilities	7.49	1.04	(74.21)	(11.79)	(6.57)
Experience gain/loss adjustment on plan assets	-	-	-	-	-
Actuarial gain/(loss) due to change in assumption	32.04	19.62	(2.75)	(2.36)	(4.55)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(40.84)	46.59	(31.99)	36.54
Future salary growth (1% movement)	39.80	(36.59)	31.81	(28.92)

3.33 Basic and Diluted Earnings per Share (EPS)

			(₹ in Lakhs)		
Particulars			As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)	As at Year Ended 1 April 2015 (₹)
Profit/(loss) after tax attributable to equity shareholders	Rs. in Lakhs	A	2,448.70	1,865.70	1,322.26
Number of equity shares at the beginning of the year	Nos.		2,50,000.00	2,50,000.00	2,50,000.00
Equity shares issued during the period	Nos.		-	-	-
Number of equity shares outstanding at the end of the year	Nos.		2,50,000.00	2,50,000.00	2,50,000.00
Weighted average number of equity shares outstanding during the year	Nos.	B	2,50,000.00	2,50,000.00	2,50,000.00
Basic and diluted earnings per equity share (Rs) - Face value of Rs. 10 per share	in Rs.	(A / B)	979.48	746.28	528.90

3.34 Disclosure As per Indian Accounting Standard (Ind AS 37) for provisions is as under:
Provision for anticipated sales return:

				(₹ in Lakhs)	
Particulars			As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)	As at Year Ended 1 April 2015 (₹)
Carrying amount at the beginning of the year			513.88	Nil	Nil
Add: Provision made during the year			95.56	513.88	Nil
Less: Amount used/utilized during the year			Nil	Nil	Nil
Carrying amount at the end of the year			609.44	513.88	-

3.35 Segment Reporting

The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Entity-Wide disclosures are as under

			(₹ in Lakhs)	
Sr. No.	Particulars		As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)
a)	Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues			
	Revenue from the Country of Domicile- India		33,537.95	29,358.60
	Revenue from foreign countries		1,477.79	1,176.81
			35,015.74	30,535.41

b) The Company did not have any external revenue from a particular product or particular customer which exceeded 10% of total revenue.



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.38 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2017 (Continued)

Details of Transactions with Related Parties

Sr. No.	Particulars	Year ended 31 March 2017				
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
		a	b	c	d	
1	Remuneration*	103.08 (95.62)	-	-	-	103.08 (95.62)
2	Sale of Finished Goods	-	-	9,758.61 (9,470.99)	73.15 (137.75)	9,831.76 (9,608.74)
3	Sale of Raw and Packing Materials	-	-	27.00 (9.73)	- (0.06)	27.00 (9.79)
4	Purchase of Raw and Packing Materials	-	-	378.12 (174.23)	- (0.20)	378.12 (174.43)
5	Services received	-	-	3.75 (2.76)	-	3.75 (2.76)
6	Services rendered	-	-	619.53 (647.35)	45.44 (41.71)	664.97 (689.06)
7	Rent Expenses	2.40 (2.40)	-	113.52 (121.35)	-	115.92 (123.75)
8	Final/Interim Dividend paid	-	-	-	-	-
9	Purchase of Assets	(6.60)	-	(51.00)	(42.40)	(100.00)
10	Gas Purchase	-	-	5.05	-	5.05
11	Reimbursement of expenses to	-	-	-	-	-
12	Reimbursement of expenses from	-	-	(3.53)	-	(3.53)
		-	-	1.29	-	1.29
		-	-	28.04	-	28.04

Figures in the brackets are the corresponding figures of the previous year.

* Based on the recommendation of Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder's approval, wherever necessary.

All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

Key management personnel compensation

Key management personnel compensation comprised the following :

Particulars	Year ended 31 March 2017	
	As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)
Salaries and other employee benefits to whole-time directors	103.08	95.62
Fees and other benefits to independent directors	3.20	2.70
Short term employee benefits	6.04	5.07
Post-employment benefits	20.30	19.54

3.39 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2017 (Continued)
Balance due from / to the related Parties

Sr. No.	Particulars	Year ended 31 March 2017				
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
		a	b	c	d	
1	Outstanding Receivables	-	-	567.30 (577.48)	54.73 (56.99)	622.03 (634.47)
2	Security Deposit Receivables	-	-	25.41 (20.00)	-	25.41 (20.00)

3.40 Payment to auditors (excluding service tax)

Particulars	Year ended 31 March 2017	
	As at Year Ended 31 March 2017 (₹)	As at Year Ended 31 March 2016 (₹)
As Auditor		
Audit fees	7.00	7.00
Tax audit fees	4.00	4.00
Taxation matters	-	-
In any other services such as certification, etc.	1.00	1.00
Reimbursement of out of pocket expenses	-	-
Total	12.00	12.00



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.41 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

5.41 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

Particulars	Specified Bank Notes (Rs.1000 and Rs.500) (₹)	Other denomination notes (₹)	(₹ in Lakhs) Total (₹)
Closing cash in hand as on 08.11.2016	16.56	31.36	47.92
(+) Permitted Receipts	-	46.93	46.93
(-) Permitted Payments	-	53.71	53.71
(-) Amount deposited in Banks	16.56	0.35	16.91
Closing cash in hand as on 30.12.2016	-	24.23	24.23

3.42 The gross amount required to be spent on Corporate Social Responsibilities ("CSR") by the Company during the year is Rs. 65.00 Lakhs (Previous year : Rs. 130.00 Lakhs) The Company has spent Rs. 65.00 Lakhs (Previous Year : 130.00 Lakhs) towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Amount spent during the year on:

Amount spent during the year on:			(₹ in Lakhs)
Particulars	In Cash	Yet to be paid in Cash (₹)	Total (₹)
I Construction/acquisition of any assets	-	-	-
II On purposes otherthan I above	65.00	-	65.00



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.43 : Financial instruments – Fair values and risk management
A. Accounting classification and fair values

Particulars	As At 31st March 2017							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	87.28	87.28	-	-	-	-
Other Bank Balances	-	-	5,348.11	5,348.11	-	-	-	-
Non-current investments	11.15	-	-	11.15	11.15	-	-	11.15
Current investments	144.57	-	-	144.57	144.57	-	-	144.57
Long-term loans and advances	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	41.08	41.08	-	-	-	-
Trade and other receivables	-	-	4,327.16	4,327.16	-	-	-	-
Other Non-current financial asset	-	-	7,201.15	7,201.15	-	-	-	-
Other Current financial asset	-	-	289.15	289.15	-	-	-	-
Total	155.72	-	17,293.92	17,449.64	155.72	-	-	155.72
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	3,626.52	3,626.52	-	-	-	-
Trade and other payables	-	-	3,259.02	3,259.02	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	1,861.41	1,861.41	-	-	-	-
Total	-	-	8,746.95	8,746.95	-	-	-	-

Particulars	As At 31st March 2016							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	130.32	130.32	-	-	-	-
Other Bank Balances	-	-	8,927.08	8,927.08	-	-	-	-
Non-current investments	11.15	-	-	11.15	11.15	-	-	11.15
Current investments	117.64	-	-	117.64	117.64	-	-	117.64
Long-term loans and advances	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	43.16	43.16	-	-	-	-
Trade and other receivables	-	-	3,698.80	3,698.80	-	-	-	-
Other Non-current financial asset	-	-	6,201.47	6,201.47	-	-	-	-
Other Current financial asset	-	-	180.06	180.06	-	-	-	-
Total	128.79	-	19,180.89	19,309.68	128.79	-	-	128.79
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	6,900.19	6,900.19	-	-	-	-
Trade and other payables	-	-	3,315.00	3,315.00	-	-	-	-
Other Non-Current financial liabilities	-	-	4.20	4.20	-	-	-	-
Other Current financial liabilities	-	-	1,517.31	1,517.31	-	-	-	-
Total	-	-	11,736.69	11,736.69	-	-	-	-



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.43 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Particulars	As At 1st April 2015							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			437.92	437.92				
Other Bank Balances	-	-	5,864.27	5,864.27	-	-	-	-
Non-current investments	11.15	-	-	11.15	11.15	-	-	11.15
Current investments	112.83	-	-	112.83	112.83	-	-	112.83
Long-term loans and advances	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	42.23	42.23	-	-	-	-
Trade and other receivables	-	-	5,794.35	5,794.35	-	-	-	-
Other Non-current financial asset	-	-	4,709.72	4,709.72	-	-	-	-
Other Current financial asset	-	-	230.42	230.42	-	-	-	-
Total	123.98	-	17,078.92	17,202.90	123.98	-	-	123.98
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-	-	-	-	-
Short term borrowings	-	-	6,604.51	6,604.51	-	-	-	-
Trade and other payables	-	-	4,337.01	4,337.01	-	-	-	-
Other Non-Current financial liabilities	-	-	58.63	58.63	-	-	-	-
Other Current financial liabilities	-	-	981.47	981.47	-	-	-	-
Total	-	-	11,981.62	11,981.62	-	-	-	-

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.43 : Financial instruments – Fair values and risk management

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2017, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Particulars	For the Year Ended 31 March 2017 (Rupees)	For the Year Ended 31 March 2016 (Rupees)	For the Year Ended 1 April 2015 (Rupees)
India	4,257.57	3,585.71	5,717.70
Other regions	69.59	113.09	76.65
Total	4,327.16	3,698.80	5,794.35

At 31 March 2017, the Company had exposure to only one type of counter party.

At 31 March 2017, the Company had significant customer M/s. Alkem Laboratories Ltd. whose balance is more than 10% of the total receivables.

Particulars	For the Year Ended 31 March 2017 (Rupees)	For the Year Ended 31 March 2016 (Rupees)
M/s. Alkem Laboratories Ltd.	567.30	577.48



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.43 : Financial instruments – Fair values and risk management

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows.

Particulars	For the Year Ended 31 March 2017 (Rupees)	For the Year Ended 31 March 2016 (Rupees)	For the Year Ended 1 April 2015 (Rupees)
Neither past due nor impaired	1,647.88	1,665.66	1,809.87
Past due 1–180 days	1,632.12	1,237.75	3,170.87
Past due more than 180 days	-	-	-
Total	3,280.00	2,903.41	4,980.74

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Individual impairments	Collective impairments
Balance as at 1 April 2015	90.12	33.63
Impairment loss recognised/Reversed	(22.75)	46.48
Amounts written off	-	-
Balance as at 31 March 2016	67.37	80.12
Impairment loss recognised/Reversed	-	(9.29)
Amounts written off	-	-
Balance as at 31 March 2017	67.37	70.83



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.43 : Financial instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In addition, the Company maintains the following lines of credit.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2017	Contractual cash flows						
	Carrying Amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	3,626.52	3,626.52	3,626.52	-	-	-	-
Trade and other payables	3,259.02	3,259.02	3,259.02	-	-	-	-
Total	6,885.54	6,885.54	6,885.54	-	-	-	-

31 March 2016	Contractual cash flows						
	Carrying Amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	6,900.19	6,900.19	6,900.19				
Trade and other payables	3,315.00	3,315.00	3,315.00				
Total	10,215.19	10,215.19	10,215.19	-	-	-	-



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
3.43 Financial instruments – Fair values and risk management

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to **USD**. The Company has not hedged this foreign currency exposure.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2017, 31 March, 2016 and 1 April, 2015 are as below:

Particulars	31 March 2017 USD	31 March 2016 USD	1 April 2015 USD
Financial assets			
Trade and other receivables	1,07,735.00	1,70,993.00	1,22,624.00
	1,07,735.00	1,70,993.00	1,22,624.00
Financial liabilities			
Trade and other payables	1,95,000.00	3,58,000.00	3,76,000.00
	1,95,000.00	3,58,000.00	3,76,000.00

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate		
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	1 April 2015
USD	-	-	64.84	66.26	62.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2017				
10% movement USD	(5.66)	5.66	(3.70)	3.70
	(5.66)	5.66	(3.70)	3.70

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2016				
10% movement USD	(12.39)	12.39	(8.10)	8.10
	(12.39)	12.39	(8.10)	8.10



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.43 Financial instruments – Fair values and risk management

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Fixed-rate instruments

Financial assets
Financial liabilities

Carrying amount in INR	
31 March 2017	31 March 2016
12,422.51	14,809.03
3,626.51	6,900.19
8,795.99	7,908.84

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3.44 : Capital Management"

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows.

	INR	
	As at 31 March 2017	As at 1 April 2016
Total Borrowings	3,626.52	6,900.19
Less : Cash and cash equivalent	87.28	130.32
Adjusted net debt	3,539.24	6,769.87
Total equity	18,930.33	16,468.76
Less : Hedging reserve	-	-
Adjusted equity	18,930.33	16,468.76
Adjusted net debt to adjusted equity ratio	0.19	0.41



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INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Note 3.45 : First- time adoption of Ind AS

I. First-time adoption of Ind AS

The financial statements for the year ended March 31, 2016 have been prepared in accordance with Ind AS as issued and effective as at March 31, 2016. The Company's opening Ind AS balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. In preparing the opening balance sheet, the Company has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at April 1, 2015 and in the financial statements as at and for the year ended 31 March 2016.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and investment property

The Company has elected to measure all the items of PPE at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP has been disclosed by way of a note forming part of the financial statements.

III. Exceptions from full retrospective application:

The mandatory exceptions either do not apply or are not relevant to the Company.



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(i) Reconciliation of Equity as at 1 April 2015.

(₹ In Lakhs)				
Particulars	Note Ref.	IGAAP As at 1 April 2015 (₹)	Adjustments As at 1 April 2015 (₹)	IND AS As at 1 April 2015 (₹)
I. ASSETS				
1 Non-current assets				
(a) Property, plant and equipment		5,167.09	-	5,167.09
(b) Capital work in progress		1,458.13	-	1,458.13
(c) Financial Assets				
(i) Investments		11.15	-	11.15
(ii) Others		4,709.72	-	4,709.72
(d) Other non-current assets		15.06	-	15.06
Non-current assets		11,361.15	-	11,361.15
2 Current assets				
(a) Inventories	(a)	3,950.32	24.55	3,974.87
(b) Financial Assets				
(i) Investments	(b)	104.70	8.13	112.83
(ii) Trade receivables	(c)	5,827.99	(33.64)	5,794.35
(iii) Cash and cash equivalents		437.92	-	437.92
(iv) Bank balances other than (iii) above		5,864.27	-	5,864.27
(v) Loans		42.23	-	42.23
(vi) Other Current Financial Assets		230.42	-	230.42
(c) Other current assets		265.91	-	265.91
Current assets		16,723.77	(0.96)	16,722.80
TOTAL ASSETS		28,084.92	(0.96)	28,083.95
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		25.00	-	25.00
(b) Other Equity		14,746.69	(34.75)	14,711.94
		14,771.69	(34.75)	14,736.94
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		58.63	-	58.63
(b) Provisions		422.19	-	422.19
(c) Deferred tax liabilities	(d)	401.34	33.79	435.13
		882.16	33.79	915.95
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		6,604.51	-	6,604.51
(ii) Trade payables		4,337.01	-	4,337.01
(iii) Other financial liability		981.47	-	981.47
(b) Other current liabilities		120.40	-	120.40
(c) Provisions		278.86	-	278.86
(d) Current Tax Liabilities (Net)		108.81	-	108.81
		12,431.07	-	12,431.06
TOTAL EQUITY AND LIABILITIES		28,084.92	(0.96)	28,083.95

Notes to reconciliation between Indian GAAP to Ind AS:

a) Inventories

The company has changed its method of valuation of inventory from First in-First out (FIFO) method to weighted average method to be in line with its holding company Alkem Laboratories Ltd. This has resulted in increase in inventory value and retained earnings by Rs. 24.55 lakhs.

b) Fair valuation of investment in quoted equity shares:

The Company has investment in quoted equity shares of other companies. These investments have been fair valued on the date of transition with a corresponding unrealised gain of Rs. 8.13 Lakhs, being recognised in retained earnings.

c) Expected credit loss on domestic trade receivables:

The Company has followed a simplified approach using a provision matrix for recognising expected credit loss on its domestic trade receivables. It has recognised a provision of Rs. 33.63 Lakhs with a corresponding loss being recognised in retained earnings.

d) Deferred tax

The Company has recognised a deferred tax asset of Rs. 33.79 Lakhs on the temporary differences arising on account of the above Ind AS adjustments.



INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Note 3.45 : First- time adoption of Ind AS

(II) Reconciliation of Equity as at 31 March 2016.

		(₹ In Lakhs)		
Particulars	Note Ref.	IGAAP As at 31 March 2016 (₹)	Adjustments As at 31 March 2016 (₹)	IND AS As at 31 March 2016 (₹)
I. ASSETS				
1 Non-current assets				
(a) Property, plant and equipment		4,803.93	-	4,803.93
(b) Capital work in progress		1,636.90	-	1,636.90
(c) Financial Assets				
(i) Investments		11.15	-	11.15
(ii) Others		6,201.47	-	6,201.47
(d) Other non-current assets		90.63	-	90.63
Non-current assets		12,744.08	-	12,744.08
2 Current assets				
(a) Inventories	(a)	3,880.04	11.86	3,891.90
(b) Financial Assets				
(i) Investments	(b)	116.03	1.61	117.64
(ii) Trade receivables	(c)	3,778.95	(80.15)	3,698.80
(iii) Cash and cash equivalents		130.32	-	130.32
(iv) Bank balances other than (iii) above		8,927.08	-	8,927.08
(v) Loans		43.16	-	43.16
(vi) Accrued interest and other receivables		180.06	-	180.06
(c) Other current assets		321.56	-	321.56
Current assets		17,377.20	(66.68)	17,310.52
TOTAL ASSETS		30,121.28	(66.68)	30,054.60
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		25.00	-	25.00
(b) Other Equity		16,545.06	(101.30)	16,443.76
		16,570.06	(101.30)	16,468.76
2 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		4.20	-	4.20
(b) Provisions		1,051.67	-	1,051.67
(c) Deferred tax liabilities	(d)	111.64	34.62	146.26
		1,167.51	34.62	1,202.13
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		6,900.19	-	6,900.19
(ii) Trade payables		3,315.00	-	3,315.00
(iii) Other financial liability		1,517.31	-	1,517.31
(b) Other current liabilities		91.29	-	91.29
(c) Provisions		248.32	-	248.32
(d) Current Tax Liabilities (Net)		311.60	-	311.60
		12,383.71	-	12,383.71
TOTAL EQUITY AND LIABILITIES		30,121.28	(66.68)	30,054.60

Notes to reconciliation between Indian GAAP to Ind AS:

a) Inventories

The company has changed its method of valuation of inventory from First in-First out (FIFO) method to weighted average method to be in line with its holding company Alkem Laboratories Ltd. This has resulted in increase in inventory value and retained earnings by Rs. 11.86 lakhs.

b) Fair valuation of investment in quoted equity shares:

The Company has investment in quoted equity shares of other companies. These investments have been fair valued on the date of transition with a corresponding unrealised gain of Rs. 1.61 Lakhs, being recognised in Profit and Loss.

c) Expected credit loss on domestic trade receivables:

The Company has followed a simplified approach using a provision matrix for recognising expected credit loss on its domestic trade receivables. It has recognised a provision of Rs. 80.15 Lakhs with a corresponding loss being recognised in Profit and Loss.

d) Deferred tax

The Company has recognised a deferred tax asset of Rs. 34.62 Lakhs on the temporary differences arising on account of the above Ind AS adjustments.



(iii) Reconciliation of profit or loss for the year ended 31 March 2016.

(₹ in Lakhs)				
Particulars	Notes	IGAAP 2015-16 (₹)	Adjustments 2015-16 (₹)	IND AS 2015-16 (₹)
1 Income				
(a) Revenue from Operations	(a)	27,579.25	2,956.16	30,535.41
(b) Other Income		996.17	(0.01)	996.16
Total Income		28,575.42	2,956.15	31,531.57
2 Expenses				
(a) Cost of materials consumed	(b)	10,455.60	3.79	10,459.39
(b) Purchases of Stock-in-Trade		31.60	-	31.60
(c) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(b)	(4.77)	7.80	3.03
(d) Employee benefits expenses	(c)	6,394.59	(55.47)	6,339.12
(e) Finance Costs	(d)	566.14	17.49	583.63
(f) Depreciation and amortisation expense		598.57	-	598.57
(g) Other expenses		7,955.62	3,027.58	10,983.20
Total Expenses		25,997.35	3,001.19	28,998.54
3 Profit before tax (1) - (2)		2,578.07	(45.04)	2,533.03
4 Tax expenses				
(a) Current tax		950.00	-	950.00
(b) Adjustment of tax relating to previous year		(0.94)	-	(0.94)
(c) Deferred tax	(e)	(289.71)	7.99	(281.73)
		659.35	7.99	667.34
5 Profit for the period (3) - (4)		1,918.72	(53.03)	1,865.70
6 Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss		-	(20.67)	(20.67)
(i) Reameasurements of defined benefit plans		-	7.15	7.15
(ii) Tax on Reameasurements of defined benefit plans		-	-	-
(b) Items that will be reclassified to profit or loss		-	-	-
Total of Other Comprehensive Income for the period, net of tax		-	(13.52)	(13.51)
7 Total Comprehensive Income for the period (5) + (6)		1,918.72	(66.55)	1,852.18
8 Basic and diluted earnings per share		767.49		746.28

Notes to reconciliation between Indian GAAP to Ind AS:

(a) **Reclassification of excise duty and customers' incentives**

The company has reclassified Excise duty of Rs. 3,061.81 Lakhs from Revenue from Operations to other expenses. This has resulted in increase of revenue and other expenses by Rs. 3,061.81 Lakhs.

The company has reclassified Cash discount of Rs. 104.55 Lakhs to customers from other expenses Rs. 89.93 Lakhs and finance cost Rs. 14.62 Lakhs to Revenue from Operations. This has resulted in decrease of Revenue from Operations, other expenses and finance cost by Rs. 104.55 Lakhs.

(b) **Reclassification of cash discount from suppliers and change in valuation of Inventories**

The company has reclassified Cash discount of Rs. 1.10 Lakhs from other income to cost of raw material consumed. This has resulted in decrease of other income and cost of raw material consumed by Rs. 1.10 Lakhs.

The company has changed its method of valuation of inventory from First in-First out (FIFO) method to weighted average method to be in line with its holding company Alkem Laboratories Ltd. This has resulted in Increase in Cost of materials consumed by Rs. 3.79 Lakhs and changes in inventory by Rs. 7.80 Lakhs.

(c) **Actuarial gain/loss**

Under IND AS, all actuarial gain and loss are recognised in other comprehensive income. Under previous GAAP the group recognised actuarial gains and losses in the statement of profit and loss.

(d) **Reclassification of period cost from employee benefit expense to finance cost.**

The period cost of Rs. 32.11 Lakhs on long term employee benefits has been reclassified from employee benefit expense to finance costs.

(e) **Deferred tax**

The Company has recognised a deferred tax expense of Rs. 311 million on the temporary differences arising on account of the above Ind AS adjustments

As per our Report attached of even date,

For R.S.SANGHAI & ASSOCIATES

Chartered Accountants

FRN-109094W

R. S. Sanghai

Partner

M.NO.036931

Place: Mumbai

Date: 24th May 2017



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