

IPCA LABORATORIES UK LIMITED

DIRECTORS' REPORT

To
The Members
Ipca Laboratories UK Ltd.

Your Directors have pleasure in presenting their Annual Report together with the audited statement of accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

| Particulars | For the year ended 31 st March 2016 (Rs. in lacs) | For the year ended 31 st March 2015 (Rs. in lacs) |
|--|---|---|
| Total Income | 236.26 | 343.85 |
| Total Expenditure | 23.32 | 41.89 |
| Financial Cost | -- | -- |
| Depreciation | 222.10 | 156.73 |
| Profit before extraordinary items and tax | (9.16) | 145.23 |
| Less: Provision for taxation | | |
| Current | -- | 0.01 |
| Deferred | -- | -- |
| Earlier Year's Tax | -- | -- |
| Profit after tax but before extraordinary items | (9.16) | 145.22 |
| Extraordinary Items | -- | -- |
| Profit after tax and extraordinary items | (9.16) | 145.22 |
| YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS | | |
| Surplus in Profit & Loss Account as per last Balance Sheet | (370.49) | (515.71) |
| Net Profit for the year | (9.16) | 145.22 |
| Less: | | |
| Transfer to General Reserve | -- | -- |
| Balance as at year end | (379.65) | (370.49) |

INCORPORATION

Your Company is a wholly owned subsidiary of Ipca Laboratories Limited, India and was incorporated on 4th November 2003 mainly to hold product registration dossiers.

TRANSFER TO GENERAL RESERVE

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

IPCA LABORATORIES UK LIMITED

OPERATIONS

The total income for the financial year under report was Rs. 236.26 lacs (Previous year: Rs 343.85 lacs) and operations have resulted in a net loss of Rs 9.16 lacs (Previous year: earned net profit of Rs 145.22 lacs). During the year under report there was no change in the nature of Company's business.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of this report.

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2016 is Rs. 718.46 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has a wholly owned subsidiary by the name of Onyx Scientific Limited. The principle activity of the company in the year under review was that of the provision of chemical services to the pharmaceutical industry.

Onyx Scientific Ltd. is a chemistry outsourcing specialist that supplies a diverse array of chemistry research and development services to the pharmaceutical and related industries.

Onyx Scientific Ltd. offers contract research, custom synthesis, scale up, small-scale cGMP manufacturing and other services including analytical method development and validation plus novel proprietary technology.

DIVIDEND

In view of the carry forward loss, your Directors do not recommend any dividend for the financial year ended 31st March, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the loss of the Company for the year;

IPCA LABORATORIES UK LIMITED

- iii) that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis.
- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSIT

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year the Company has not given any loans or guarantees or made any investment in any other Company other than its wholly owned subsidiary Onyx Scientific Limited.

AUDITORS, AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS:

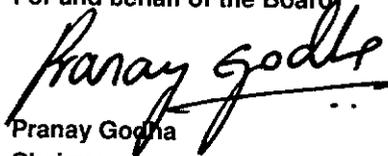
Leasing Marrison Lee Limited, Chartered Certified Accountants, retires as auditors and, being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments.

PARTICULARS OF EMPLOYEES

The Company had no employees covered under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

For and behalf of the Board



Pranay Godha
Chairman

May 30, 2016

IPCA LABORATORIES U.K. LTD.
Balance Sheet as at March 31, 2016

| Particulars | Note Ref | (₹ Lakhs) As at 31st March' 2016 | (₹ Lakhs) As at 31st March' 2015 |
|--|-------------|-------------------------------------|-------------------------------------|
| I EQUITY & LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 1 | 4,820.86 | 4,820.86 |
| (b) Reserves & Surplus | 2 | (592.31) | (716.97) |
| (c) Money Received Against Share Warrants | | - | - |
| | | <u>4,228.55</u> | <u>4,103.89</u> |
| 2 Share Application Money Pending Allotment | | | |
| | | - | - |
| 3 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 224.05 | 844.88 |
| (b) Deferred Tax Liabilities (net) | | - | - |
| (c) Other Long Term Liabilities | | - | - |
| (d) Long Term Provisions | | - | - |
| | | <u>224.05</u> | <u>844.88</u> |
| 4 Current Liabilities | | | |
| (a) Short-Term Borrowings | 4 | 955.17 | 728.67 |
| (b) Trade Payables | 5 | 2.38 | 5.25 |
| (c) Other Current Liabilities | 6 | 186.09 | 179.81 |
| (d) Short-Term Provisions | | - | - |
| | | <u>1,143.64</u> | <u>913.73</u> |
| TOTAL | | <u><u>5,596.24</u></u> | <u><u>5,862.50</u></u> |
| II ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | - | - |
| (ii) Intangible Assets | 7 | 874.50 | 1,055.28 |
| (iii) Capital Work-in-Progress | | - | - |
| (iv) Intangible Assets Under Development | | - | - |
| | | <u>874.50</u> | <u>1,055.28</u> |
| (b) Non-Current Investments | 8 | 4,664.77 | 4,518.74 |
| (c) Deferred Tax Assets (net) | | - | - |
| (d) Long-Term Loans & Advances | | - | - |
| (e) Other Non-Current Assets | | - | - |
| | | <u>5,539.27</u> | <u>5,574.02</u> |
| 2 Current Assets | | | |
| (a) Current Investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade Receivables | 9 | 45.76 | 265.93 |
| (d) Cash and Bank Balances | 10 | 11.21 | 22.55 |
| (e) Short-term loans and advances | | - | - |
| (f) Other current assets | | - | - |
| | | <u>56.97</u> | <u>288.48</u> |
| TOTAL | | <u><u>5,596.24</u></u> | <u><u>5,862.50</u></u> |

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

For and on behalf of the Board

Place: Mumbai
Date: May 30, 2016


Pransy Godha
Director

IPCA LABORATORIES U.K. LTD.
Statement of Profit and Loss for the year ended March 31, 2016

| Particulars | Note Ref | (₹ Lakhs) 2015-16 | (₹ Lakhs) 2014-15 |
|---|-------------|-----------------------|-----------------------|
| Revenue | | | |
| I Revenue from Operations (Gross): | | | |
| Sale of products | | - | - |
| Sale of Services | | - | - |
| Other operating revenue | 11 | 236.26 | 236.18 |
| Less : Excise duty | | - | - |
| II Other Income | 12 | - | 107.67 |
| III Total Revenue (I + II) | | 236.26 | 343.85 |
| IV Expenses | | | |
| Cost of Materials Consumed | | - | - |
| Purchase of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | - | - |
| Employee Benefit Expenses | | - | - |
| Finance Cost | | - | - |
| Depreciation & Amortisation | 7 | 222.10 | 156.73 |
| Other Expenses | 13 | 14.71 | 51.75 |
| Loss/(Gain) on Foreign Exchange Transactions | | 8.61 | (9.86) |
| Total Expenses | | 245.42 | 198.62 |
| V Profit/(Loss) Before exceptional, extraordinary items and Tax (III-IV) | | (9.16) | 145.23 |
| VI Exceptional Items | | - | - |
| VII Profit/(Loss) Before extraordinary items and Tax (V-VI) | | (9.16) | 145.23 |
| VIII Extraordinary Items | | - | - |
| IX Profit/ (Loss) Before Tax (VII-VIII) Profit/ (Loss) Before Tax (VII-VIII) | | (9.16) | 145.23 |
| X Tax Expense | | | |
| 1. Current Tax | | - | 0.01 |
| 2. Deferred Tax | | - | - |
| 3. Tax Provision for earlier years | | - | - |
| XI Profit/(Loss) after Tax (IX-X) | | (9.16) | 145.22 |
| XI Profit/(Loss) After Tax (XI+XIV) | | (9.16) | 145.22 |
| XII Earnings per Equity Share: (₹) | 15 | | |
| Basic | | (1.00) | 15.89 |
| Diluted | | (1.00) | 15.89 |
| Par Value | | STG 1 | STG 1 |

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

For and on behalf of the Board

Place: Mumbai
Date: May 30, 2016

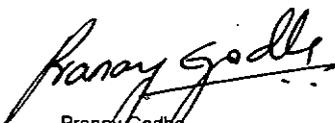

Pranay Godha
Director

IPCA LABORATORIES U.K. LTD.
Cashflow statement for the year ended 31st March 2016

| Particulars | 2015-16 (₹ Lakhs) | 2014-15 (₹ Lakhs) |
|--|------------------------|------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| 1. Net profit/(loss) before taxation | (9.16) | 145.23 |
| Adjustments for : | | |
| Dividend Income | - | (49.04) |
| Loss/(Gain) on Foreign Exchange Transactions | 8.61 | (9.86) |
| Depreciation / Amortisation | <u>222.10</u> | <u>156.73</u> |
| | 230.71 | 97.83 |
| 2. Operating profit/(loss) before working capital changes | 221.55 | 243.06 |
| (Increase)/Decrease in Debtors | 220.17 | (24.09) |
| Increase/(Decrease) in Sundry Creditors & Provisions | <u>3.41</u> | <u>46.09</u> |
| | 223.58 | 22.00 |
| 3. Cash generated from operation | 445.13 | 265.06 |
| Movement in Foreign currency translation reserve | (53.53) | (32.72) |
| Income Tax Paid | <u>(0.00)</u> | <u>(0.01)</u> |
| | (53.53) | (32.73) |
| Net cash from operating activities (A) | <u>391.60</u> | <u>232.33</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Loans (given)/ repaid to / by Onyx Scientific Ltd. | <u>239.17</u> | <u>239.17</u> |
| | - | - |
| Net cash from / (used) in Investing activities (B) | <u>239.17</u> | <u>-</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(Decrease) in short term Borrowings | (12.67) | (211.09) |
| Loss/(Gain) on Foreign Exchange Transactions | (8.61) | - |
| Loans (taken)/ paid from / to Ipca Laboratories Ltd. | <u>(620.83)</u> | <u>(9.34)</u> |
| | (642.11) | (220.43) |
| Net cash from Financing activities (C) | <u>(642.11)</u> | <u>(220.43)</u> |
| Net increase/(decrease) In cash and cash equivalents (A + B + C) | (11.34) | 11.90 |
| Cash and cash equivalents at beginning of period | <u>22.55</u> | <u>10.65</u> |
| Cash and cash equivalents at end of period | 11.21 | 22.55 |
| Components of Cash & Cash equivalents: | | |
| Cash and Cheques on hand | - | - |
| Balance with Banks | <u>11.21</u> | <u>22.55</u> |
| | <u>11.21</u> | <u>22.55</u> |

For and on behalf of the Board

Place: Mumbai
Date: May 30, 2016


Pranay Godha
Director

Statement of Significant Accounting policies and Other Explanatory Notes

Background

ACCOUNTING POLICIES

a) Accounting convention

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

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

b) Conversion into Indian rupees

The translation of financial statements into Indian Rupees is done in accordance with AS 11 (Revised) "Effects of Changes in Foreign Exchange Rates" notified by the Companies (Accounting Standards) Rules 2006. The resultant Foreign Currency Translation Reserve is shown separately under Reserves and Surplus forming part of shareholders funds.

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

c) Intangible Asset

Intangible Assets are recorded at cost of acquisition. Intangible assets are amortised over the economic useful life estimated by the management.

d) Investments: Long term Investments are stated at cost. Provisions are made for diminution in value of investments other than temporary in nature. Current Investments are stated at cost or market value which ever is lower.

e) Turnover: Turnover represents net invoiced sale of services, excluding value added tax.

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

Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

Dividend income is accounted based on the dividend proposed by Subsidiary.

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

h) Taxation

Current Tax: Current Tax is calculated as per the provisions of the Income Tax in United Kingdom.

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

i) Foreign Exchange Transactions:

i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction. The exchange gain/loss on settlement / negotiation during the year is recognised in the Statement of Profit and Loss.

ii) Current assets and current liabilities at the end of the year are converted at the year end rate and the resultant gain or loss is accounted for in the Statement of Profit and Loss.

j) Research And development: Expenditure in research & development is written off in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

k) Hire purchase and leasing commitments: Rentals paid under operating lease are charged to the profit and loss account on a straight line basis over the period of the lease.

Statement of Significant Accounting policies and Other Explanatory Notes (contd)

OTHER EXPLANATORY NOTES

1 SHARE CAPITAL

| | 31st March' 2016 | | 31st March' 2015 | |
|--|------------------|-----------------|------------------|-----------------|
| | No. of Shares | (₹ Lakhs) | No. of Shares | (₹ Lakhs) |
| Face Value | | STG 1 | | STG 1 |
| Authorized Capital* | | | | |
| Issued, Subscribed And Paid up Capital | | | | |
| Ordinary Equity Shares Fully paid | 914,186 | 718.46 | 914,186 | 718.46 |
| Redeemable Preference Shares | 4,000,000 | 4,102.40 | 4,000,000 | 4,102.40 |
| PER BALANCE SHEET | | 4,820.86 | | 4,820.86 |

40,00,000 Preference Shares of GBP 1 each were allotted and fully paid for cash at par during the year.

*In accordance with the governing law of the country where the company is incorporated there is no provision for authorised capital. The same is therefore not disclosed.

Disclosures:

Reconciliation of number of shares

| Particulars | 31st March' 2016 | | 31st March' 2015 | |
|--|------------------|-----------------|------------------|-----------------|
| | No. of shares | (₹ Lakhs) | No. of shares | (₹ Lakhs) |
| Ordinary Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 914,186 | 718.46 | 914,186 | 718.46 |
| Shares Issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 914,186 | 718.46 | 914,186 | 718.46 |
| Redeemable Preference Shares | | | | |
| Shares outstanding at the beginning of the year | 4,000,000 | 4,102.40 | - | - |
| Shares Issued during the year | - | - | 4,000,000 | 4,102.40 |
| Shares outstanding at the end of the year | 4,000,000 | 4,102.40 | 4,000,000 | 4,102.40 |

Details of Shareholding in excess of 5%

| Name of Shareholder | 31st March' 2016 | | 31st March' 2015 | |
|--|------------------|------------|------------------|------------|
| | No. of shares | Percentage | No. of shares | Percentage |
| Ipca Laboratories Ltd- Equity Shares | 914,186 | 100 | 914,186 | 100 |
| Ipca Laboratories Ltd- Preference Shares | 4,000,000 | 100 | 4,000,000 | 100 |

| Particulars | 31st March' 2016 | 31st March' 2015 |
|-------------|------------------|------------------|
| | (₹ Lakhs) | (₹ Lakhs) |

2 RESERVES & SURPLUS

a) Other Reserve

Foreign Currency Translation Reserve

| | | |
|-----------------------------------|-----------------|-----------------|
| Balance as per last Balance Sheet | (346.48) | 92.46 |
| Add : Addition during the year | 133.82 | (438.94) |
| Balance as at year end | (212.66) | (346.48) |

(Net exchange differences are accumulated in foreign currency translation reserve account)

b) Surplus

| | | |
|-----------------------------------|-----------------|-----------------|
| Balance as per last Balance Sheet | (370.49) | (515.71) |
| Add : Profit/(Loss) for the year | (9.16) | 145.22 |
| Balance as at year end | (379.65) | (370.49) |

PER BALANCE SHEET

(592.31) **(716.97)**

3 LONG-TERM BORROWING

Unsecured Loans: from Related party
From Ipca Laboratories Ltd.

| | | |
|--------------------------|---------------|---------------|
| | 224.05 | 844.88 |
| PER BALANCE SHEET | 224.05 | 844.88 |

There are no specific repayment terms and hence maturity profile is not disclosed.

4 SHORT-TERM BORROWING

Unsecured Loans:

Loan from Related party
Working Capital from Ipca Laboratories Ltd.
From Onyx Scientific Limited

| | | |
|--------------------------|---------------|---------------|
| | 64.05 | 76.72 |
| | 891.12 | 651.95 |
| PER BALANCE SHEET | 955.17 | 728.67 |

5 TRADE PAYABLES

Trade Payables

| | | |
|--------------------------|-------------|-------------|
| - Others | 2.38 | 5.25 |
| PER BALANCE SHEET | 2.38 | 5.25 |

The Company represents that in the country of its operation there is no requirement of classification of business enterprises as Micro, Small and Medium enterprises.

6 OTHER CURRENT LIABILITIES

Interest accrued but not due on borrowings

| | | |
|--------------------------|---------------|---------------|
| | 140.91 | 136.48 |
| Duties & Taxes Payable | 45.18 | 43.33 |
| PER BALANCE SHEET | 186.09 | 179.81 |

7. INTANGIBLE ASSETS

(₹ Lakhs)

| Particulars | Gross Block | | | | | Depreciation | | | | | Net Block | |
|--------------------------|------------------------|-----------|------------------------|-------------------------------|----------------------|----------------|---------------|------------------------|-------------------------------|----------------|----------------|-----------------|
| | Opening as on 01/04/15 | Additions | Sale/W.off/ Adjustment | Foreign Exchange flu. Reserve | Total as on 31/03/16 | Up to 31/03/15 | For the year | Sale/W.off/Adj ustment | Foreign Exchange flu. Reserve | Up to 31/03/16 | As on 31/03/16 | As on 31/03/15 |
| Intangibles | 666.38 | - | - | 21.68 | 688.06 | 613.56 | 53.35 | - | 18.29 | 685.20 | 2.86 | 52.82 |
| Goodwill | 1,055.22 | - | - | 34.33 | 1,089.55 | 52.76 | 168.75 | - | (3.60) | 217.91 | 871.64 | 1,002.46 |
| PER BALANCE SHEET | 1,721.60 | - | - | 56.01 | 1,777.61 | 666.32 | 222.10 | - | 14.69 | 903.11 | 874.50 | 1,055.28 |
| Previous Year | 717.49 | 1,055.22 | - | (51.11) | 1,721.60 | 559.09 | 156.73 | - | (49.50) | 666.32 | 1,055.28 | 158.40 |

8. Non Current Investments - At Cost

(₹ Lakhs)

| Trade Investments | | | | | | | | | | |
|------------------------------------|----------------------------------|--|-----------------------|------------|-------------------|--------------------------|-----------------------|------------|-----------------|-----------------|
| Sr. No. | Name of the Body Corporate | Subsidiary / Associate / JV / Controlled Entity / Others | No. of Shares / Units | | Quoted / Unquoted | Partly Paid / Fully paid | Extent of Holding (%) | | Amount | |
| | | | 31/03/2016 | 31/03/2015 | | | 31/03/2016 | 31/03/2015 | 31/03/2016 | 31/03/2015 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| Investment in Equity Shares | | | | | | | | | | |
| 1 | Onyx Research Chemicals Limited: | Subsidiary | - | 1,277,000 | unquoted | fully paid | - | 100 | - | 0.95 |
| 2 | Onyx Scientific Limited: | Subsidiary | 368,122 | 368,122 | unquoted | fully paid | 100 | 100 | 4664.77 | 4517.79 |
| PER BALANCE SHEET | | | | | | | | | 4,664.77 | 4,518.74 |

Disclosures:

Particulars

Aggregate amount of unquoted investments (Non Current - Trade)

| | |
|---------|----------|
| 4664.77 | 4,518.74 |
|---------|----------|

| Particulars | 31st March' 2016 (₹ Lakhs) | 31st March' 2015 (₹ Lakhs) |
|---|-------------------------------|-------------------------------|
| 9 TRADE RECEIVABLES | | |
| Unsecured, considered good: | | |
| Other Debts: | | |
| From Related Parties | 45.76 | 265.93 |
| PER BALANCE SHEET | 45.76 | 265.93 |
| 10 CASH AND BANK BALANCES | | |
| Cash & Cash Equivalents | | |
| Balances with Banks | 11.21 | 22.55 |
| PER BALANCE SHEET | 11.21 | 22.55 |
| Particulars | 2015-16 (₹ Lakhs) | 2014-15 (₹ Lakhs) |
| 11 OTHER OPERATING REVENUE | | |
| Management Charges | 236.26 | 236.18 |
| | 236.26 | 236.18 |
| 12 OTHER INCOME | | |
| Interest Income | - | 0.02 |
| Dividend Income from subsidiary company | - | 49.04 |
| Registration Services | - | 58.61 |
| PER STATEMENT OF PROFIT & LOSS | - | 107.67 |
| 13 OTHER EXPENSES | | |
| Audit fees* | 2.48 | 2.46 |
| Bank Charges | 0.65 | 0.41 |
| Rent | 2.52 | 2.67 |
| Insurance | - | - |
| Communication expenses | - | - |
| Professional charges | 2.40 | 5.45 |
| Commission | - | - |
| Bad Debts | - | - |
| Analytical Expenses | - | - |
| Product Registration Exp | 6.63 | 40.73 |
| Loss on disposal of subsidiary | 0.02 | - |
| Other expenses | 0.01 | 0.03 |
| PER STATEMENT OF PROFIT & LOSS | 14.71 | 51.75 |

* In common with many other business of the company's size and nature in the country of operation the services of auditors is taken to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements in UK.

14 Related Party Disclosure as required by Accounting Standard-AS 18 notified by the Companies (Accounting Standards) Rules 2006.

| Relationship: | Country of Incorporation | |
|--------------------------------------|--------------------------|-----------------------|
| Entities where control exists | | |
| Holding Company | | |
| Ipca Laboratories Limited | India | |
| Subsidiary | | |
| Onyx Scientific Limited | United Kingdom | (w.e.f. 25.03.2015) |
| Onyx Research Chemicals Limited | United Kingdom | (till 24.03.2015) |
| Step-down Subsidiary | | |
| Onyx Scientific Limited | United Kingdom | (till 24.03.2015) |

| Transactions | | | (₹ Lakhs) |
|---|-------------------------------|-----------------------------------|-----------------|
| Description | Entities where control exists | | Total |
| | Holding Company | Subsidiaries/Step-down Subsidiary | |
| Management charges Income | | | |
| Onyx Scientific Limited | - | 236.26 | 236.26 |
| Previous Year | - | 236.18 | 236.18 |
| Total | - | 236.26 | 236.26 |
| Previous Year | - | 236.18 | 236.18 |
| Expenses incurred on behalf of related party | | | |
| Ipca Laboratories Limited | - | - | - |
| Previous Year | 58.61 | - | 58.61 |
| Total | - | - | - |
| Previous Year | 58.61 | - | 58.61 |
| Loan taken/(Repaid) | | | |
| Ipca Laboratories Limited | (633.50) | - | (633.50) |
| Previous Year | (4,102.40) | - | (4,102.40) |
| Onyx Scientific Limited | - | 239.17 | 239.17 |
| Previous Year | - | 651.95 | 651.95 |
| Total | (633.50) | 239.17 | (394.33) |
| Previous Year | (4,102.40) | 651.95 | (3,450.45) |
| Issue of Preference Share Capital | | | |
| Ipca Laboratories Limited | - | - | - |
| Previous Year | 4,102.40 | - | - |
| Total | - | - | - |
| Previous Year | 4,102.40 | - | - |
| Preference Dividend Income | | | |
| Onyx Research Chemicals Limited | - | - | - |
| Previous Year | - | 49.04 | 49.04 |
| Total | - | - | - |
| Previous Year | - | 49.04 | 49.04 |
| Balances as on 31st March 2016 | | | |
| Receivable | | | |
| Onyx Scientific Limited | - | 45.76 | 45.76 |
| Previous Year | - | 265.93 | 265.93 |
| Total | - | 45.76 | 45.76 |
| Previous Year | - | 265.93 | 265.93 |
| Payable | | | |
| Ipca Laboratories Limited | 429.01 | - | 429.01 |
| Previous Year | 1,058.08 | - | 1,058.08 |
| Onyx Scientific Limited | - | 891.12 | 891.12 |
| Previous Year | - | 651.95 | 651.95 |
| Total | 429.01 | 891.12 | 1,320.13 |
| Previous Year | 1,058.08 | 651.95 | 1,710.03 |

15 Earning per Share

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic and diluted EPS.

| Particulars | 2015-16 | 2014-15 |
|---|------------|------------|
| Profit/(loss) after tax (₹ lakhs) | (9.16) | 145.22 |
| Equity Shares Outstanding (Nos) | | |
| -Opening | 914,186 | 914,186 |
| -Issued during the year | - | - |
| -Closing | 914,186 | 914,186 |
| Weighted Average no. of shares outstanding (Nos.) - Basic | 914,186 | 914,186 |
| Weighted Average no. of shares outstanding (Nos.) - Diluted | 914,186 | 914,186 |
| Nominal value of equity share | STG 1 each | STG 1 each |
| Earning per share (₹) | | |
| - Basic | (1.00) | 15.89 |
| - Diluted | (1.00) | 15.89 |

16 During previous year, as a part of group re-construction, Ipca Laboratories (UK) Ltd. acquired the entire issued share capital of Onyx Scientific Ltd., UK from its wholly owned subsidiary Onyx Research Chemicals Ltd., U.K. on 25th March, 2015 in lieu of capital dividend declared by the said company. Consequent to this, Onyx Scientific Ltd., UK has become wholly owned subsidiary of Ipca Laboratories (UK) Ltd. from the said date. From the said date, Onyx Research Chemicals Ltd. UK has ceased to trade and is dissolved during the year.

17 Prior period comparatives :

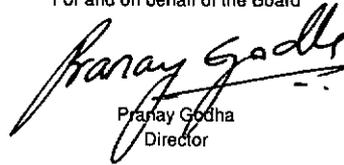
Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

18 The accounts have been prepared on going concern basis as the directors of the parent company Ipca Laboratories Ltd have indicated their intention to financially support the company for the foreseeable future.

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

20 The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the year ended on March 31, 2016.

For and on behalf of the Board


Pranay Godha
Director

Place: Mumbai
Date: May 30, 2016