

IPCA PHARMA (AUSTRALIA) PTY. LTD.

DIRECTORS' REPORT

To
The Members
IPCA Pharma (Australia) Pty. 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	22.46	34.44
Total Expenditure	30.66	34.97
Financial Cost	--	--
Depreciation	--	--
Profit before extraordinary items and tax	(8.20)	(0.53)
Less: Provision for taxation		
Current	(1.80)	(0.55)
Deferred	--	--
Earlier Year's Tax	--	--
Profit after tax but before extraordinary items	(6.40)	0.02
Extraordinary items	--	--
Profit after tax and extraordinary items	(6.40)	0.02
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	40.62	40.60
Net Profit for the year	(6.40)	0.02
Less:		
Transfer to General Reserve	--	--
Balance as at year end	34.22	40.62

INCORPORATION

Your Company is a wholly owned subsidiary of Ipca Laboratories Limited, India and engaged in the activities of holding product registration dossiers with TGA, Australia and sale of Pharmaceutical Formulations manufactured by the parent company in Australia.

26 Formulation dossiers of the company are currently registered with TGA, Australia.

IPCA PHARMA (AUSTRALIA) PTY. LTD.

TRANSFER TO GENERAL RESERVE

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

OPERATIONS

The total income for the financial year under report was Rs. 22.46 lacs (Previous year Rs. 34.44 lacs) and the operations have resulted in a net loss of Rs. 6.40 lacs (Previous year net profit of Rs. 0.02 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. 12.98 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 Ipca Pharma (NZ) Pty Ltd, New Zealand incorporated for holding product registration dossiers of Pharmaceutical Formulations in New Zealand.

31 formulations dossiers of this subsidiary are registered with MEDSAFE, New Zealand.

This subsidiary is yet to commence the business of distribution of pharmaceuticals in the New Zealand market.

DIVIDEND

In view of the losses incurred, 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

IPCA PHARMA (AUSTRALIA) PTY. LTD.

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;

- 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.

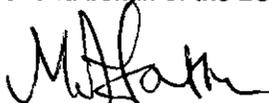
AUDITORS, AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS:

Since it is not required in the country of incorporation, the company has not appointed any auditor for the financial year under report.

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



**Murali Sarma
Chairman
May 30, 2016**

IPCA PHARMA (AUSTRALIA) PTY LTD
[Formerly Bristol Pharma (Australia) Pty 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	12.98	12.98
(b) Reserves & Surplus	2	42.96	45.45
(c) Money Received Against Share Warrants		-	-
		55.94	58.43
2 Share Application Money Pending Allotment			
		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
		-	-
4 Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	3	10.98	9.55
(c) Other Current Liabilities	4	-	0.77
(d) Short-Term Provisions		-	-
		10.98	10.32
Total		66.92	68.75
II ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets		-	-
(ii) Intangible Assets	5	39.32	36.63
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
		39.32	36.63
(b) Non-Current Investments	6	0.04	0.04
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances	7	5.51	3.36
(e) Other Non-Current Assets		-	-
		44.87	40.03
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	8	10.39	-
(d) Cash and Bank Balances	9	10.31	26.18
(e) Short-term loans and advances	7	1.35	2.54
(f) Other current assets		-	-
		22.05	28.72
Total		66.92	68.75

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



Murali Sarma
Director

Place: Mumbai
Date: May 30, 2016

IPCA PHARMA (AUSTRALIA) PTY LTD
[Formerly Bristol Pharma (Australia) Pty 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	10	22.46	34.44
Other operating revenue		-	-
Less : Excise duty		-	-
II Other Income		-	-
III Total Revenue (I + II)		22.46	34.44
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 & Amortization		-	-
Other Expenses	11	30.66	34.97
Total Expenses		30.66	34.97
V Profit/(Loss) Before exceptional, extraordinary items and Tax (III-IV)		(8.20)	(0.53)
VI Exceptional Items		-	-
VII Profit/(Loss) Before extraordinary items and Tax (V-VI)		(8.20)	(0.53)
VIII Extraordinary Items		-	-
IX Profit/ (Loss) Before Tax (VII-VIII)		(8.20)	(0.53)
X Tax Expense			
1. Current Tax		(1.80)	(0.55)
2. Deferred Tax		-	-
3. Tax Provision for earlier years		-	-
XI Profit/(Loss) After Tax (IX-X)		(6.40)	0.02
XII Earnings per Equity Share (₹) :	13		
Basic		(23.75)	0.07
Diluted		(23.75)	0.07
Par Value		AUS \$ 1	AUS \$ 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



Murali Sarma
Director

Place: Mumbai
Date: May 30, 2016

IPCA PHARMA (AUSTRALIA) PTY LTD
[Formerly Bristol Pharma (Australia) Pty 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	(8.20)	(0.53)
2. Operating profit/(loss) before working capital changes	(8.20)	(0.53)
Decrease/(Increase) in Receivables	(9.10)	1.81
Increase/(Decrease) in Trade Payables & provisions	0.66	2.15
3. Cash generated from operation	(16.64)	3.43
Movement in Foreign currency translation reserve	0.77	(2.81)
Net cash from operating activities (A)	(15.87)	0.62
Net increase/(decrease) in cash and cash equivalents (A + B)	(15.87)	0.62
Cash and cash equivalents at beginning of period	26.18	25.56
Cash and cash equivalents at end of period	10.31	26.18
Components of Cash & Cash equivalents:		
Cash and Cheques on hand	0.05	0.05
Balance with Banks	10.26	26.13
	10.31	26.18

For and on behalf of the Board



Murali Sarma
Director

Place: Mumbai
Date: May 30, 2016

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 twelvemonths 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 Revised 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) the 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) 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.

d) Revenue Recognition:

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.

Revenue from sale of service is recognized when the services are rendered.

e) 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.

f) Current Tax:

Current Tax is calculated as per the provisions of Income tax Rules of Australia.



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) AUS \$ 1	No. of shares	(₹ Lakhs) AUS \$ 1
Face Value				
Class of Shares	Equity Shares fully paid		Equity Shares fully paid	
Authorized Capital*				
Issued, Subscribed And Paid up Capital	26,944	12.98	26,944	12.98
PER BALANCE SHEET		<u>12.98</u>		<u>12.98</u>

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

Disclosures:

Reconciliation of number of shares

Particulars	31st March' 2016		31st March' 2015	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Shares outstanding at the beginning of the year	26,944	12.98	26,944	12.98
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>26,944</u>	<u>12.98</u>	<u>26,944</u>	<u>12.98</u>

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	26,944	100	26,944	100

Particulars	31st March' 2016 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)
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2 RESERVES & SURPLUS

a) Other Reserve

Foreign Currency Translation Reserve

Balance as per last Balance Sheet	4.83	14.39
Add : Addition during the year	<u>3.91</u>	<u>(9.56)</u>
Balance as at year end	<u>8.74</u>	<u>4.83</u>

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

b) Surplus

Balance as per last Balance Sheet	40.62	40.60
Add : Profit/(Loss) for the year	<u>(6.40)</u>	<u>0.02</u>
Balance as at year end	<u>34.22</u>	<u>40.62</u>

PER BALANCE SHEET	<u>42.96</u>	<u>45.45</u>
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Particulars	31st March' 2016 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)
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3 TRADE PAYABLE

Trade Payables

- Micro Small and Medium Enterprises
- Others

	<u>10.98</u>	<u>9.55</u>
PER BALANCE SHEET	<u>10.98</u>	<u>9.55</u>

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.

4 OTHER CURRENT LIABILITIES

Duties & taxes payables	-	0.77
PER BALANCE SHEET	<u>-</u>	<u>0.77</u>

5. INTANGIBLE ASSETS

(₹ Lakhs)

Particulars	Gross Block					Amortization					Net block	
	Opening as on 01/04/15	Additions	Sales / Adjustment	Foreign Exchange fluctuation Reserve	Total as on 31/03/16	Opening as on 01/04/15	Sales / Adjustment	For the year	Foreign Exchange fluctuation Reserve	Up to 31/03/16	As on 31/03/16	As on 31/03/15
Product Development & Trademark	36.63	-	-	2.69	39.32	-	-	-	-	-	39.32	36.63
	36.63	-	-	2.69	39.32	-	-	-	-	-	39.32	36.63
Previous Year	42.63	-	-	(6.00)	36.63	-	-	-	-	-	36.63	42.63



6. Non Current Investments

(₹ Lakhs)

Details of 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	
			3/31/2016	3/31/2015			3/31/2016	3/31/2015	3/31/2016	3/31/2015
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Investment in Equity Instruments (Stated at cost)									
1	Iqca Pharma (NZ) Pty Ltd.	Subsidiary	100	100	Unquoted	fully paid	100	100	0.04	0.04
PER BALANCE SHEET									0.04	0.04

Disclosures:

Particulars

Aggregate amount of unquoted investments (Non Current - Trade)

0.04	0.04
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7 LOANS & ADVANCES (Unsecured, considered good)

	Long Term		Short Term	
	31st March' 2016 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)	31st March' 2016 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)
Loan to Related party				
To IPCA Pharma(NZ) Pty Ltd.(Subsidiary Co.)	-	-	1.35	1.25
Advance to Related party:				
To IPCA Laboratories Ltd.(Holding Co.)	-	-	-	-
Others:				
Income Tax Recoverable	5.51	3.36	-	1.29
Indirect Taxes Recoverable	-	-	-	-
PER BALANCE SHEET	5.51	3.36	1.35	2.54

Particulars	31st March' 2016 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)
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8 TRADE RECEIVABLES

Unsecured considered good

Outstanding for more than 6 months
others

PER BALANCE SHEET

10.39

10.39

9 CASH AND BANK BALANCES

Cash & Cash Equivalents

Cash on hand

Balances with Banks

PER BALANCE SHEET

0.05

10.26

10.31

0.05

26.13

26.18

Particulars	2015-16 (₹ Lakhs)	2014-15 (₹ Lakhs)
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10 SALE OF SERVICES

Sale of Services

PER STATEMENT OF PROFIT & LOSS

22.46

22.46

34.44

34.44

Disclosures:

Details of Sale of Services

Dossiers/Clones sales

PER STATEMENT OF PROFIT & LOSS

22.46

22.46

34.44

34.44

OTHER INCOME

Interest received

PER STATEMENT OF PROFIT & LOSS

-

-

-

-

11 OTHER EXPENSES

Bank Charges

Professional charges

Communication expenses

Delivery expenses

PER STATEMENT OF PROFIT & LOSS

0.12

30.15

0.39

-

30.66

0.12

34.32

0.41

0.12

34.97

②

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

Relationship:

Country of Incorporation

A. Entities where control exists

Shareholders of Ipca Pharma (Australia) Pty Limited
Ipca Laboratories Limited.

India

Subsidiary

Ipca Pharma (NZ) PTY Ltd.

New Zealand

Transactions

(₹ Lakhs)

Description	Entities where control exists		Key Management personnel	Total
	Holding Company	Subsidiary		
Advance given /(payment received)				
Ipca Laboratories Limited. Previous Year	- (2.67)		-	- (2.67)
Total Previous Year	- (2.67)	- -	- -	- (2.67)
Balances as on 31st March 2016				
Receivable				
Ipca Pharma (NZ) PTY Ltd. Previous Year		1.35 1.25		1.35 1.25
Ipca Laboratories Limited. Previous Year	3.38 -			3.38 -
Payables				
Ipca Laboratories Limited. Previous Year	1.21 -			1.21 -
Total Previous Year	4.58 -	1.35 1.25	- -	5.93 1.25

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13 Earning per share

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

Particulars	2015-16	2014-15
Profit after tax (₹ Lakhs)	(6.40)	0.02
Equity Shares Outstanding (Nos)		
-Opening	26,944	26,944
-Issued during the year	-	-
-Closing	26,944	26,944
Weighted Average no. of shares outstanding (Nos.) - Basic	26,944	26,944
Weighted Average no. of shares outstanding (Nos.) - Diluted	26,944	26,944
Nominal value of equity share	AUS \$ 1 each	AUS \$ 1 each
Earning per share (₹)		
- Basic	(23.75)	0.07
- Diluted	(23.75)	0.07

14 Prior period comparatives :

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

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

16 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.

17 The Balance Sheet, Statement of Profit & 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 31st March, 2016.

For and on behalf of the Board



Murali Sarma
Director

Place: Mumbai
Date: May 30, 2016