

IPCA PHARMACEUTICALS LIMITED S.A DE C.V

DIRECTORS' REPORT

To
The Members
Ipca Pharmaceuticals Limited S.A De C.V

Your Directors have pleasure in presenting their Annual Report together with the audited statement of accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

Particulars	For the year ended 31 st March 2017 (Rs. in lacs)	For the year ended 31 st March 2016 (Rs. in lacs)
Total Income	-	14.53
Total Expenditure	3.56	17.39
Financial Cost	--	--
Depreciation	--	--
Profit before extraordinary items and tax	(3.56)	(2.86)
Less: Provision for taxation		
Current	--	--
Deferred	--	--
Earlier Year's Tax	--	--
Profit after tax but before extraordinary items	(3.56)	(2.86)
Extraordinary Items	--	--
Other Comprehensive Income	(0.83)	(0.71)
Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period)	(4.39)	(3.57)
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	(105.38)	(102.52)
Net Profit for the year	(3.56)	(2.86)
Less:		
Transfer to General Reserve	--	--
Balance as at year end	(108.94)	(105.38)

INCORPORATION

Your Company is a wholly owned subsidiary of Ipca Laboratories Limited, India and was incorporated on 7th May, 2008 mainly to hold pharmaceutical registration dossiers and promotion of pharmaceuticals manufactured by the parent company viz. Ipca Laboratories Ltd., India in the Mexican market.

IPCA PHARMACEUTICALS LIMITED S.A DE C.V

Your company is currently in the process of registering formulation dossiers with the regulatory authority in Mexico and yet to commence any business of distribution of pharmaceuticals for which purpose the company was incorporated.

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. Nil (Previous year Rs. 14.53 lacs) and the operations have resulted in a net loss of Rs. 3.56 lacs (Previous year net loss of Rs. 2.86 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, 2017 is Rs.115.15 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture and associate companies.

DIVIDEND

In view of the carry forward loss, your Directors do not recommend any dividend for the financial year ended 31st March, 2017.

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, 2017 and of the loss of the Company for the year;

IPCA PHARMACEUTICALS LIMITED S.A DE C.V

- 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

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



N. Guhaprasad
Chairman
May 28, 2017

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Balance Sheet as at March 31, 2017

Particulars	Note Ref.	As at 31/03/2017 (Rs Lakhs)	As at 31/03/2016 (Rs Lakhs)	As at 01/04/2015 (Rs Lakhs)
ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1	-	-	-
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Loans		-	-	-
(iii) Others	2	10.38	10.88	11.14
(i) Deferred tax assets (Net)		-	-	-
(j) Other Non-current assets		-	-	-
		<u>10.38</u>	<u>10.88</u>	<u>11.14</u>
(2) Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	3	3.32	1.29	1.97
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans		-	-	-
(vi) Others	4	3.45	3.81	4.49
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		-	-	-
		<u>6.77</u>	<u>5.10</u>	<u>6.46</u>
Total Assets		<u><u>17.15</u></u>	<u><u>15.98</u></u>	<u><u>17.60</u></u>
EQUITY & LIABILITIES				
EQUITY				
(a) Equity Share capital	4	115.15	115.15	111.97
(b) Other Equity	5	(110.48)	(106.09)	(102.52)
Total Equity		<u>4.67</u>	<u>9.07</u>	<u>9.46</u>
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other Non-current liabilities		-	-	-
(2) Current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables	6	8.39	6.75	7.70
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	7	4.09	0.16	0.44
(c) Provisions		-	-	-
(d) Employee benefit obligation		-	-	-
(e) Current Tax Liabilities (Net)		-	-	-
		<u>12.48</u>	<u>6.91</u>	<u>8.14</u>
Total Equity and Liabilities		<u><u>17.15</u></u>	<u><u>15.98</u></u>	<u><u>17.60</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 28, 2017

N. Guhjarasud
Chairman/Director

Harish P. Kamath
Director

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Statement of Profit and Loss for the year ended March 31, 2017

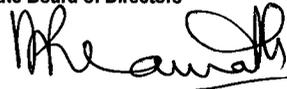
Particulars	Note Ref	2016-17 (Rs Lakhs)	2015-16 (Rs Lakhs)
I Revenue from Operations		-	-
II Other Income:	8	-	14.53
III Total Revenue (I + II)		-	14.53
IV Expenses:			
Cost of Materials Consumed		-	-
Purchase of Stock in trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Excise Duty		-	-
Employee Benefit Expenses		-	-
Finance Cost		-	-
Depreciation & Amortisation		-	-
Other Expenses	9	3.56	17.39
Total Expenses (IV)		3.56	17.39
V Profit Before exceptional and extraordinary items and Tax (III-IV)		(3.56)	(2.86)
VI Exceptional Items		-	-
VII Profit Before extraordinary items and Tax (V-VI)		(3.56)	(2.86)
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		(3.56)	(2.86)
X Tax Expense		-	-
1. Current Tax		-	-
2. MAT Credit Entitlement		-	-
3. Deferred Tax Liability / (asset)		-	-
XI Profit for the period from Continuing Operations (IX-X)		(3.56)	(2.86)
XII Profit/(Loss) from discontinuing Operations		-	-
XIII Tax Expense of discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing Operations after Tax		-	-
XV Profit for the period (XIV+XI)		(3.56)	(2.86)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or (loss)			
Actuarial gain and loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or (loss)			
B (i) Items that will be reclassified to profit or (loss)			
Exchange difference in translating the financial statement of foreign operation		(0.83)	(0.71)
Gain/(loss) on cash flow hedge		-	-
(ii) Income tax relating to items that will be reclassified to profit or (loss)		(0.83)	(0.71)
Other Comprehensive Income for the year, net of tax		(0.83)	(0.71)
Total comprehensive Income for the year		(4.39)	(3.57)
XVI Earnings per Equity Share (For continuing operations):			
Basic (in Rs.)		-	-
Diluted (in Rs.)		-	-
Par Value		No par value*	No par value*

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 of Directors

Place: Mumbai
Date: May 28, 2017


N. Gupte
Chairman/Director


Harish P. Kamath
Director

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V
Cash flow statement for the year ended 31st March 2017

Particulars	2016-17 (Rs Lakhs)	2015-16 (Rs Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit/(loss) before taxation	(3.56)	(2.86)
2. Operating profit/(loss) before working capital changes	<u>(3.56)</u>	<u>(2.86)</u>
(Increase)/Decrease in Loans and advances	0.86	0.94
Increase/(Decrease) in Current liabilities	<u>5.57</u>	<u>(1.23)</u>
3. Cash generated from operation	<u>2.87</u>	<u>(3.15)</u>
Movement in Foreign currency translation reserve	(0.83)	(0.71)
Net cash from operating activities (A)	<u>2.04</u>	<u>(3.86)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	3.18
Net cash from Financing activities (B)	<u>-</u>	<u>3.18</u>
Net increase/(decrease) in cash and cash equivalents (A + B)	<u>2.04</u>	<u>(0.68)</u>
Cash and cash equivalents at beginning of period	<u>1.29</u>	<u>1.97</u>
Cash and cash equivalents at end of period	<u>3.32</u>	<u>1.29</u>
Components of Cash & Cash equivalents:		
Cash in hand	0.33	0.37
Balance with Banks	<u>2.99</u>	<u>0.92</u>
	<u>3.32</u>	<u>1.29</u>

For and on behalf of the Board

Place: Mumbai
Date: May 28, 2017


N. Guhaprasad
Chairman/Director


Harish P. Kamath
Director

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Statement of change in equity for the year ended March 31, 2017

A. Equity share capital

	Amount (Rs)
Balance at April 1, 2015	111.97
Changes in equity share capital during the year	3.18
Balance as at March 31, 2016	115.15
Changes in equity share capital during the year	-
Balance at March 31, 2017	115.15

B. Other Equity

Particulars	Reserves and Surplus	Other comprehensive income	Total Equity
	Retained earnings	FCTR	
As at 1 April 2015	(102.52)	-	(102.52)
Profit for the period	(2.86)	-	(2.86)
Exercise of share options	-	-	-
Share-based payments	-	-	-
Exchange difference in translating the financial statement of foreign operation	-	(0.71)	(0.71)
Balance as on March 31, 2016	(105.38)	(0.71)	(106.09)
Profit for the period	(3.56)	-	-
Exchange difference in translating the financial statement of foreign operation	-	(0.83)	(0.83)
Balance as on March 31, 2017	(108.94)	(1.54)	(110.48)

For and on behalf of the Board


N. G. N. Prasad
Chairman/Director


Harish P. Kamath
Director

Place: Mumbai
Date: May 28, 2017

Statement of Significant Accounting policies and Other Explanatory Notes

ACCOUNTING POLICIES

a) Accounting convention

The Financial Statements have been prepared to comply in all material respects with the notified Indian accounting standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

For all periods upto and including the year ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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) Property, Plant and Equipment: The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

d) Depreciation: Depreciation is computed on straight line basis over the estimated useful life of the assets at the following rates:

Computers	30%
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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) 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) Foreign currency transactions remaining unsettled at the end of the year are converted at year-end rates. Gain or loss arising on account of transactions covered by forward contract is recognised over the period of contracts.
- iii) 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.
- iv) Exchange difference arising on a monetary item that , in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

g) Taxation

Tax expenses comprise Current Tax and Deferred Tax, if any and the same are calculated as per the income tax rules prevailing in Mexico.

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Note 1 : Property, Plant & Equipment

Particulars	Gross Block								Depreciation								Net Block				
	As on 01/04/2015	Additions	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 01/04/2016	Additions	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 31/03/2017	Upto 01/04/2015	For the year	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	Upto 01/04/2016	For the year	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	Upto 31/03/2017	As on 31/03/2017	As on 31/03/2016	As on 01/04/2015
Computer	0.55	-	-	(0.04)	0.51	-	-	(0.05)	0.46	0.55	-	-	(0.04)	0.51	-	-	(0.05)	0.46	-	-	-
Total	0.55	-	-	(0.04)	0.51	-	-	(0.05)	0.46	0.55	-	-	(0.04)	0.51	-	-	(0.05)	0.46	-	-	-
Previous Year	0.61	-	-	(0.06)	0.55	-	-	(0.04)	0.51	0.61	-	-	(0.06)	0.55	-	-	0.04	0.05	-	-	-

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Notes to financial statements

2 Others

	As at 31/03/2017 (Rs Lakhs)		As at 31/03/2016 (Rs Lakhs)		As at 01/04/2015 (Rs Lakhs)	
	Current	Non Current	Current	Non Current	Current	Non Current
Indirect tax Recoverable	-	10.38	-	10.88	-	11.14
Advance Tax	-	-	-	-	-	-
Advance to Suppliers	3.10	-	3.43	-	3.68	-
Others	0.35	-	0.38	-	0.81	-
Total	3.45	10.38	3.81	10.88	4.49	11.14

Current Financial Assets

3 Cash & Cash Equivalents

	As at 31/03/2017 (Rs Lakhs)		As at 31/03/2016 (Rs Lakhs)		As at 01/04/2015 (Rs Lakhs)	
	Cash on hand	0.33		0.37		-
Balances with banks	2.99		0.92		1.97	
Total	3.32		1.29		1.97	

4 Equity Share Capital

	As at 31/03/2017 (Rs Lakhs)		As at 31/03/2016 (Rs Lakhs)		As at 01/04/2015 (Rs Lakhs)	
	Face Value	No par value*		No par value*		No par value*
Class of Shares	Equity Shares fully paid		Equity Shares fully paid		Equity Shares fully paid	
Authorised Capital *						
Issued, Subscribed and Paid up Capital						
Issued & Subscribed & Paid up	115.15		115.15		111.97	
Total	115.15		115.15		111.97	

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

Disclosures:

i) Reconciliation of Shares

Particulars	As at 31/03/2017 (Rs Lakhs)		As at 31/03/2016 (Rs Lakhs)		As at 01/04/2015 (Rs Lakhs)	
	Shares outstanding at the beginning of the year	115.15		111.97		108.89
Shares Issued during the year	-		3.18		3.08	
Shares outstanding at the end of the year	115.15		115.15		111.97	

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31/12/2016		As at 31/03/2016		As at 01/04/2015	
	Number of shares held	%	Number of shares held	%	Number of shares held	%
Ipca Laboratories Ltd		100.00		100.00		100.00

5 Other Equity

	As at 31/03/2017 (Rs Lakhs)		As at 31/03/2016 (Rs Lakhs)		As at 01/04/2015 (Rs Lakhs)	
	(i) Other Reserves					
(a) Foreign Currency Translation Reserve						
Balance as per last Balance Sheet	(0.71)		0.00		9.56	
Add : Addition during the year	(0.83)		(0.71)		(9.56)	
Balance as at year end	(1.54)		(0.71)		0.00	
(Net exchange differences are accumulated in foreign currency translation reserve account)						
(b) Surplus						
Opening Balance	(105.38)		(102.52)		(108.74)	
Add : Profit/(Loss) for the year	(3.56)		(2.86)		(3.34)	
Transfer from FCTR					9.56	
Balance as at year end	(108.94)		(105.38)		(102.52)	
Total	(110.48)		(106.09)		(102.52)	

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V
Notes to financial statements

6 Trade Payables	As at 31/03/2017 (Rs Lakhs)	As at 31/03/2016 (Rs Lakhs)	As at 01/04/2015 (Rs Lakhs)
Trade Payables			
- Micro Small and Medium Enterprises			
- Against acceptance of Import documents			
- Others	8.39	6.75	7.70
Total	8.39	6.75	7.70

7 Other Current Liabilities	As at 31/03/2017 (Rs Lakhs)	As at 31/03/2016 (Rs Lakhs)	As at 01/04/2015 (Rs Lakhs)
Revenue received in advance			
Duties & Taxes Payable	0.11	-	0.27
Other Payables	3.98	0.16	0.17
Total	4.09	0.16	0.44

8 Other Income	As at 31/03/2017 (Rs Lakhs)	As at 31/03/2016 (Rs Lakhs)	As at 01/04/2015 (Rs Lakhs)
VAT refund	-	0.27	-
Discounts Debts	-	2.36	-
Cancellation of Debts	-	11.90	-
Total	-	14.53	-

9 Other Expenses	As at 31/03/2017 (Rs Lakhs)	As at 31/03/2016 (Rs Lakhs)	As at 01/04/2015 (Rs Lakhs)
Product Registration Expenses	-	1.18	0.18
Communication Expenses	-	0.04	0.35
Professional Charges	3.47	15.42	2.55
Bank Charges	0.09	0.74	0.22
Others	-	0.01	0.04
Total	3.56	17.39	3.34

10 Disclosure as required by Ind AS - 24 "Related Party Transactions" notified by the Companies (Accounting Standards) Rules 2015.

Relationship:

Country

A. Entities where control exists

Shareholders of IPCA Pharmaceuticals Limited, S.A DE C.V

Ipca Laboratories Limited.

India

B. Transactions

(Rs. Lakhs)

Description	Entities where control exists Holding Company	Total
Contribution to Share Capital		
Ipca Laboratories Limited.	-	-
(Previous Year)	3.18	3.18
Total	-	-
(Previous Year)	3.18	3.18

- 11 Earning per share is not given since shares carry no par value.
- 12 Prior period comparatives
Previous year's figures have been regrouped or rearranged wherever necessary.
- 13 The annual accounts have been prepared on going concern basis.
- 14 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.
- 15 The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Change in Equity, 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, 2017

For and on behalf of the Board

Place: Mumbai
Date: May 28, 2017


N. Srinivas
Chairman/Director


Harish P. Kamath
Director