

IPCA PHARMA (AUSTRALIA) PTY. LTD.

DIRECTORS' REPORT

To
The Members
Ipca Pharma (Australia) Pty. Ltd.

Your Directors have pleasure in presenting their Annual Report for the year ended 31st March, 2020.

FINANCIAL RESULTS

Particulars	For the year ended 31 st March 2020 (Rs. in lacs)	For the year ended 31 st March 2019 (Rs. in lacs)
Total Income	8.21	29.31
Total Expenditure	4.93	33.85
Financial Cost	--	--
Depreciation	--	--
Profit before extraordinary items and tax	3.28	(4.54)
Less: Provision for taxation		
Current	0.99	0.31
Deferred	--	--
Earlier Year's Tax	(5.64)	--
Profit after tax but before extraordinary items	7.93	(4.85)
Extraordinary Items	--	--
Profit after tax and extraordinary items	7.93	(4.85)
Other Comprehensive Income	(3.22)	(0.92)
Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	4.71	(5.77)
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	32.96	37.81
Net Profit for the year	7.93	(4.85)
Less:		
Transfer to General Reserve	--	--
Balance as at year end	40.89	32.96

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.

32 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. 8.21 lacs (Previous year Rs. 29.31 lacs) and the operations have resulted in a net profit of Rs. 7.93 lacs (Previous year net loss of Rs. 4.85 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, 2020 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.

39 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 carry forward loss, your Directors do not recommend any dividend for the financial year under report.

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, 2020 and of the profit of the Company for the year;

IPCA PHARMA (AUSTRALIA) PTY. LTD.

- 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 on behalf of the Board of Directors



Murali Sarma

Chairman

June 15, 2020

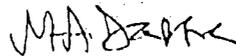
IPCA PHARMA (AUSTRALIA) PTY LTD

Balance Sheet as at March 31, 2020

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipment	-	-
(b) Capital work-in-progress	-	-
(c) Goodwill	-	-
(d) Other Intangible assets	1 35.55	37.82
(e) Intangible assets under development	-	-
(f) Financial Assets	-	-
(i) Investments	2 0.04	0.04
(ii) Loans	-	-
(iii) Others	-	-
(g) Other Non-current assets	3 6.70	3.31
	<u>42.29</u>	<u>41.17</u>
(2) Current Assets		
(a) Inventories	-	-
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	4 8.98	11.82
(iv) Bank balances other than (iii) above	-	-
(v) Loans	5 1.22	1.29
(vi) Others	6 -	0.34
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	3 0.01	0.55
	<u>10.21</u>	<u>13.80</u>
Total Assets	<u>52.50</u>	<u>54.97</u>
EQUITY & LIABILITIES		
EQUITY		
(a) Share capital	7 12.98	12.98
(b) Other Equity	8 39.52	34.81
Total Equity	<u>52.50</u>	<u>47.79</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	9 7.18	-
(iii) Other financial liabilities	-	-
(b) Other current liabilities	-	-
(c) Provisions	-	-
(d) Current Tax Liabilities (Net)	-	-
	<u>7.18</u>	
Total Equity and Liabilities	<u>52.50</u>	<u>54.97</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 of Directors



Murali Sarma
Chairman/Director

Date: June 15, 2020

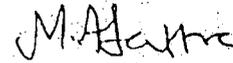
IPCA PHARMA (AUSTRALIA) PTY LTD

Statement of Profit and Loss for the period ended 31st March, 2020

Particulars	Note Ref.	2019-20	2018-19
		(₹ Lakhs)	(₹ Lakhs)
I Revenue from operations	10	2.41	29.31
II Other income	11	5.80	
III Total income (I+II)		8.21	29.31
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortisation expense		-	-
Other expenses	12	4.93	33.85
Foreign exchange (gain)/loss-net		-	-
Total Expenses (IV)		4.93	33.85
V Profit/(loss) before exceptional items and tax (III-IV)		3.28	(4.54)
VI Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		3.28	(4.54)
VIII Tax expense:			
(1) Current tax		0.99	0.31
(2) Short/(Excess) provision of Tax		(5.64)	-
IX Profit/(loss) for the period from continuing operations (VII-VIII)		7.93	(4.85)
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		7.93	(4.85)
XIV Other Comprehensive Income			
A (i) 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 financials statement of foreign operation		(3.22)	(0.92)
(ii) Income tax relating to items that will be reclassified to profit or loss		(3.22)	(0.92)
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit (Loss))		4.71	(5.77)
XVI Earnings per equity share (for continuing operation):			
(1) Basic (₹)	14	29.43	(18.00)
(2) Diluted (₹)		29.43	(18.00)
Par Value		AUS \$ 1 each	AUS \$ 1 each

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



Murali Sarma
Chairman/Director

Date: June 15, 2020

IPCA PHARMA (AUSTRALIA) PTY LTD
Statement of change in equity for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Equity share capital	Reserves & Surplus	Other Reserves	Total Equity
		Retained Earnings	Foreign Currency Translation reserve	
As at 31st March 2018	12.98	37.81	2.77	53.56
Profit for the period	-	(4.85)	-	(4.85)
Exchange difference in translating the financial statement of foreign operation	-	-	(0.92)	(0.92)
Balance as on March 31, 2019	12.98	32.96	1.85	47.79
Profit for the period	-	7.93	-	7.93
Exchange difference in translating the financial statement of foreign operation	-	-	(3.22)	(3.22)
Balance as on March 31, 2020	12.98	40.89	(1.37)	52.50

For and on behalf of the Board of Directors


Murali Sarma
Chairman/Director

Date: June 15, 2020

IPCA PHARMA (AUSTRALIA) PTY LTD

Cashflow statement for the year ended 31st March 2020

Particulars	(₹ Lakhs) 2019-20	(₹ Lakhs) 2018-19
CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit/(loss) before taxation	3.28	(4.54)
2. Operating profit/(loss) before working capital changes	<u>3.28</u>	<u>(4.54)</u>
Decrease/(Increase) in Receivables	2.14	0.31
Increase/(Decrease) in Trade Payables & provisions	<u>(7.18)</u> (5.04)	<u>(2.58)</u> (2.27)
3. Cash generated from operation	<u>(1.76)</u>	<u>(6.81)</u>
Movement in Foreign currency translation reserve	(0.88) (0.88)	(0.44) (0.44)
Net cash from operating activities (A)	<u>(2.64)</u>	<u>(7.25)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(2.64)</u>	<u>(7.25)</u>
Cash and cash equivalents at beginning of period	11.62	18.87
Cash and cash equivalents at end of period	<u>8.98</u>	<u>11.62</u>
Components of Cash & Cash equivalents:		
Cash and Cheques on hand	0.05	0.05
Balance with Banks	<u>8.93</u>	<u>11.57</u>
	<u>8.98</u>	<u>11.62</u>

For and on behalf of the Board of Directors



Murali Sarma
Chairman/Director

Date: June 15, 2020

IPCA PHARMA (AUSTRALIA) PTY LTD
Notes to financial statements as at and for the year ended March 31, 2020
Statement of Significant Accounting policies and Other Explanatory Notes

Background

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 as amended and other relevant provisions of the Act.

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.

b) Conversion into Indian rupees

The translation of financial statements into Indian Rupees is done in accordance with Ind AS 21 (Revised) "Effects of Changes in Foreign Exchange" notified by the Companies (Accounting Standards) Rules 2015. The resultant Foreign Currency Translation Reserve is shown separately under other comprehensive reserves forming part of Other Equity.

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 Recognition: Revenue from sale of goods is recognised net of returns, product expiry claims and discounts.

Revenue is recognized on satisfaction of performance obligations upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

To recognize revenues, the company applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied.

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 recorded using the effective interest rate (EIR).

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.

g) Foreign Exchange Transactions:

- i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss. In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.
- ii) Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the Statement of Profit and Loss.
- iii) Non Monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

Note 1. Other Intangible assets

(₹ lakhs)

Particulars	Gross Block				Depreciation					Net Block		
	As on 01/04/2019	Additions	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 31/03/2020	As on 01/04/2019	For the year	Sale/ W/off /Adjustment	Foreign Exchange fluctuation Reserve	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019
Product Development & Trademark	37.82	-	-	(2.27)	35.55	-	-	-	-	-	35.55	37.82
Total	37.82	-	-	(2.27)	35.55	-	-	-	-	-	35.55	37.82
Previous Year	38.61	-	-	(0.79)	37.82	-	-	-	-	-	37.82	38.61

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

Note 2. Financial Assets - Investments

(₹ Lakhs)

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	
			31/03/2020	31/03/2019			31/03/2020	31/03/2019	31/03/2020	31/03/2019
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(11)	(12)
1	Ipca Pharma (NZ) Pty Ltd.	Subsidiary	100	100	Unquoted	fully paid	100%	100%	0.04	0.04
									0.04	0.04

Disclosures:

Particulars

Aggregate amount of unquoted investments (Non Current - Trade)

0.04

0.04

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

3 Other Non-Financial Assets

Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Prepaid Taxes	-	6.70	-	3.31
Unutilised Indirect Tax Credit	0.01	-	0.55	-
Total	0.01	6.70	0.55	3.31

4 Financial Assets - Cash & Cash Equivalents

Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
Cash on hand	0.05		0.05	
Balances with banks	8.93		11.57	
Total	8.98		11.62	

5 Financial Assets - Loans

Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Loans to related parties				
Unsecured, considered good				
IPCA Pharma(NZ) Pty Ltd.(Subsidiary Co.)	1.22		1.29	
Total	1.22	-	1.29	-

6 Financial Assets - Others

Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Other income receivable				
IPCA Laboratories Ltd.	-	-	0.34	-
Total	-	-	0.34	-

7 Equity Share Capital

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Face Value		AUS \$ 1		AUS \$ 1
Class of Shares	Equity Shares fully paid		Equity Shares fully paid	
Authorised Capital*				
Issued, Subscribed and Paid up Capital				
Issued & Subscribed & Paid up	26,944	12.98	26,944	12.98
Total	26,944	12.98	26,944	12.98

Disclosures:

i) Reconciliation of Shares

Particulars	Equity Shares		Equity Shares	
	As at 31/03/2020		As at 31/03/2019	
	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	26,944	12.98	26,944	12.98

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

ii) Details of Shareholding in excess of 5%

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31/03/2020		As at 31/03/2019	
	No. of shares	%	No. of shares	%
Ipcalaboratories Ltd	26,944	100.00	26,944	100.00

8 Other Equity

Particulars	As at 31/03/2020	As at 31/03/2019
	(₹ Lakhs)	(₹ Lakhs)
Retained Earnings	40.89	32.96
Foreign Currency Translation Reserve	(1.37)	1.85
Total	39.52	34.81

9 Financial Liabilities - Trade Payables

Particulars	As at 31/03/2020	As at 31/03/2019
	(₹ Lakhs)	(₹ Lakhs)
Trade Payables		
- Micro Small and Medium Enterprises	-	-
- Others	-	7.18
Total	-	7.18

10 Revenue From Operation

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Sale of Service	2.41	29.31
Total	2.41	29.31

Disclosures:

Details of Sale of Services

Dossiers/Clones sales	2.41	29.31
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11 Other Income

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Other Income	5.80	-
	5.80	-

12 Other Expenses

Particulars	2019-20	2018-19
	(₹ Lakhs)	(₹ Lakhs)
Bank Charges	0.07	0.07
Professional charges	4.76	33.48
Communication expenses	0.10	0.30
PER STATEMENT OF PROFIT & LOSS	4.93	33.85

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

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

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		Total
	Shareholders of Ipca Pharma (Australia) Pty limited	Subsidiary	
Balances as on 31st March 2020			
Receivable			
Ipca Laboratories Ltd.	-	-	-
Previous Year	0.34	-	0.34
Ipca Pharma (NZ) PTY Ltd.	-	1.22	1.22
Previous Year	-	1.29	1.29
Total	-	1.22	1.22
Previous Year	0.34	1.29	1.63

14 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	2019-20	2018-19
Profit after tax (₹ Lakhs)	7.93	(4.85)
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	29.43	(18.00)
- Diluted	29.43	(18.00)

IPCA PHARMA (AUSTRALIA) PTY LTD

Notes to financial statements as at and for the year ended March 31, 2020

- 15 Prior period comparatives :
Previous year's figures have been regrouped or rearranged wherever necessary.
- 16 The annual accounts have been prepared on going concern basis.
- 17 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.
- 18 The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity, 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, 2020.

For and on behalf of the Board of Directors



Murali Sarma
Chairman/Director

Date: June 15, 2020