

INDEPENDENT AUDITOR'S REPORT**To the Members of Naxpar Pharma Private Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Naxpar Pharma Private Limited** ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operative



effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i) The Company does not have any pending litigations which would impact its financial position;
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company has provided requisite disclosure in the standalone financial statements as regards its holding as well as dealing in Specified Bank Notes as defined in the Notification S.O.3407(E) dated the 8th November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company (Refer Note No 37).

For Ladha Singhal & Associates
Chartered Accountants
Firm Registration No.: 120241W

Vinod Ladha

(Vinod Ladha)
Partner
M. No.: 104151
Place : Mumbai
Dated : 30th May, 2017



Annexure to the Independent Auditor's Report

Referred to as Annexure in our Independent Auditors' Report of even date to the members of **Naxpar Pharma Private Limited** on the financial statement for the year ended 31st March 2017, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any unsecured loan to any body corporate or any other party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). As the company has not granted any loans, secured or unsecured, to/from parties covered in the register maintained under section 189 of the Companies Act, 2013 paragraphs (iii) (a), (b) and (c) of the order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information given to us, the company has not accepted deposits and hence, compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 148(1) of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess.



According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, details of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess which have not been deposited as on 31st March, 2017 on account of any dispute are as given below:

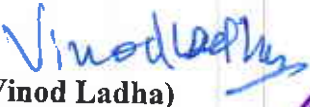
Name of Statute	Nature of the dues	Amount (in Lacs)	Period for which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	VAT, Interest & Penalty	75.91	April 2010 to March 2011	Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purpose for which the loans were obtained by the company.
- (x) According to the information and explanation given to us, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2017 is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or the persons connected with him; hence clause 3(xv) of the Companies (Auditors' Report) Order, 2017 is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ladha Singhal & Associates
Chartered Accountants
Firm Registration No.: 120241W


(Vinod Ladha)
Partner
M. No.: 104151
Place : Mumbai
Dated : 30th May, 2017



Annexure - A to the Independent Auditors' Report

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements"
section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Naxpar Pharma Private Limited** ("the Company") as on 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Ladha Singhal & Associates

Chartered Accountants

Firm Registration No.: 120241W


(Vinod Ladha)

Partner

M. No.: 104151

Place : Mumbai

Dated : 30th May, 2017



NAXPAR PHARMA PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	5,00,00,000.00	5,00,00,000.00
(b) Reserves and Surplus	3	25,42,36,167.29	21,06,98,534.83
		30,42,36,167.29	26,06,98,534.83
2. Non - Current Liabilities			
(a) Long Term Borrowing	4	10,54,93,489.52	10,37,09,786.68
(b) Deferred Tax Liability	5	3,03,07,357.00	3,02,86,250.00
(c) Long Term Provisions	6	-	-
		13,58,00,846.52	13,39,96,036.68
3. Current Liabilities			
(a) Short Term Borrowings	6	12,15,57,515.20	11,04,19,962.41
(b) Trade Payables	7	7,05,58,739.61	2,71,84,917.96
(c) Other Current Liabilities	8	10,17,86,438.36	7,87,57,770.79
(d) Short Term Provision	9	1,41,72,244.00	1,18,96,121.00
		30,80,74,937.16	22,82,58,772.17
TOTAL		74,81,11,950.97	62,29,53,343.68
II ASSETS			
1. Non - Current Assets			
(a) Fixed Assets (Net Block)	10		
(i) Tangible Assets		40,81,33,853.81	31,15,45,414.31
(ii) Intangible Assets		15,06,134.00	66,325.00
(iii) Capital Work in Progress		-	2,43,86,091.00
(b) Non Current Investments	11	18,86,748.13	17,51,000.00
(c) Long - Term Loans and Advances	12	6,99,26,961.00	7,54,54,074.00
		48,14,53,696.94	41,32,02,904.31
2. Current Assets			
(a) Inventories	13	7,67,04,059.00	6,31,04,468.00
(b) Trade Receivables	14	15,39,84,239.73	11,95,01,371.88
(c) Cash and Cash Equivalents	15	59,24,938.81	21,33,793.17
(d) Short Term Loan And Advances	16	3,00,45,016.50	2,50,10,806.32
		26,66,58,254.03	20,97,50,439.37
TOTAL		74,81,11,950.97	62,29,53,343.68
Significant Accounting Policies	1		

As per our report of even date
For Ladha Singhal and Associates
 Chartered Accountants
 Firm Registration No : 120241W

For and on behalf of the Board of Directors
For Naxpar Pharma Private Limited

Vinod Ladha

(Vinod Ladha)
 Partner
 M. No. 104151
 Place : Mumbai
 Date : 30th May, 2017



Prakash M. Shah

(Prakash M. Shah)
 Whole Time Director & CEO
 DIN 00440980

Baiju M. Shah

(Baiju M. Shah)
 Whole Time Director & CFO
 DIN 00440806

NAXPAR PHARMA PRIVATE LIMITED

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

(Amount in Rs.)

	Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
A	CONTINUING OPERATIONS			
I	Revenue from Operations	17	90,21,16,262.73	64,29,98,366.10
II	Other Income	18	8,94,519.00	4,16,930.00
III	Total Revenue (I + II)		90,30,10,781.73	64,34,15,296.10
IV	Expenses			
	Cost of Materials Consumed	19	47,69,82,484.16	33,58,23,940.68
	Change in Inventories	20	18,58,550.00	45,30,541.00
	Employee Benefits Expense	21	8,43,12,329.44	6,11,35,467.77
	Finance Cost	22	3,59,44,638.57	3,20,84,989.66
	Depreciation and Amortization Expense	10	3,21,95,896.00	2,30,02,319.00
	Other Expenses	23	21,50,51,694.10	13,77,57,523.84
	Total Expenses		84,63,45,592.27	59,43,34,781.95
V	Profit / (Loss) before Exceptional and Extraordinary Items and Tax (III-IV)		5,66,65,189.46	4,90,80,514.14
VI	Exceptional Items / Extraordinary Items		-	-
VII.	Profit / (Loss) Before Tax (V-VI)		5,66,65,189.46	4,90,80,514.14
VIII.	Tax Expense:			
	(a) Current Tax		1,29,00,000.00	1,12,00,000.00
	(b) Deferred Tax (Asset) / Liability		21,107.00	15,30,882.00
	(c) Mat Credit Entitlement		-	-
	(d) Short (Excess) Prov for Tax for Earlier Years		2,06,450.00	11,23,911.74
			1,31,27,557.00	1,38,54,793.74
IX.	Profit / (Loss) from Continuing operations (VII-VIII)		4,35,37,632.46	3,52,25,720.40
B	DISCONTINUING OPERATIONS			
X.	Profit/(Loss) for the Year from Discontinuing Operations		-	-
C	TOTAL OPERATIONS			
XI.	Profit / (Loss) for the Year (IX + X)		4,35,37,632.46	3,52,25,720.40
XII.	Earnings Per Equity Share of Rs.10/- each :			
	Weighted average no. of shares (Basic & Diluted)		50,00,000	50,00,000
	(1) Basic Earning Per Share (Rs.)		8.71	7.05
	(2) Diluted Earning Per Share (Rs.)		8.71	7.05
	Significant Accounting Policies	1		

As per our report of even date
For Ladha Singhal and Associates
 Chartered Accountants
 Firm Registration No : 120241W

For and on behalf of the Board of Directors
For Naxpar Pharma Private Limited

Vinod Ladha
(Vinod Ladha)
 Partner
 M. No. 104151
 Place : Mumbai
 Date : 30th May, 2017



Prakash M. Shah
(Prakash M. Shah)
 Whole Time Director & CEO
 DIN 00440980

Baiju M. Shah
(Baiju M. Shah)
 Whole Time Director & CFO
 DIN 00440806

NAXPAR PHARMA PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2017

(Amount in Rs.)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Items	5,66,65,189.46	4,90,80,514.14
Adjustments for		
Depreciation	3,21,95,896.00	2,30,02,319.00
Provision for Gratuity	5,76,123.00	(8,57,020.00)
Miscellaneous Expenditure Written off	-	-
Operating Loss Before Working Capital Adjustments	8,94,37,208.46	7,12,25,813.14
Changes in Working Capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(1,35,99,591.00)	(71,28,822.00)
Trade receivables	(3,44,82,867.85)	71,22,189.57
Short-term loans and advances	(27,06,639.85)	(34,37,721.72)
Long-term loans and advances	55,27,113.00	(77,34,498.00)
Other current assets	-	-
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	4,33,73,821.64	(4,49,25,562.55)
Other current liabilities	1,72,37,697.57	58,95,452.21
Other long-term liabilities	-	-
Cash generated from operations	10,47,86,741.97	2,10,16,850.65
Direct Tax Paid (Refund) [Net]	1,37,34,020.32	1,01,35,611.44
Net cash flow from / (used in) operating activities (A)	9,10,52,721.65	1,08,81,239.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(10,58,38,053.50)	(6,12,85,277.50)
Proceeds from sale of fixed assets	-	-
Inter-corporate deposits (net)	-	-
Sale / (Purchase) of Investment	-	-
Purchase of Non Current Investments	(1,35,748.13)	(5,00,000.00)
Net cash flow from / (used in) investing activities (B)	(10,59,73,801.63)	(6,17,85,277.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	5,34,30,670.00	5,07,30,888.57
Repayment of long-term borrowings	(4,58,55,997.17)	(2,75,58,629.42)
Net increase / (decrease) in working capital borrowings	1,11,37,552.79	99,88,814.46
Net cash flow from / (used in) financing activities (C)	1,87,12,225.62	3,31,61,073.61
Net increase (decrease) in cash and cash equivalents (A+B+C)	37,91,145.64	(1,77,42,964.68)
Cash and cash equivalents at the beginning of the year	21,33,793.17	1,98,76,757.85
Cash and cash equivalents at the end of the year	59,24,938.81	21,33,793.17
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	2,72,730.57	1,37,399.79
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	15,04,555.96	31,755.92
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	52,84,595.00	38,69,737.00
(d) Others (specify nature)	(11,36,942.72)	(19,55,099.54)
	59,24,938.81	21,33,793.17

NOTES:

- The Cash Flow Statement has been prepared as per Indirect Method set out in Accounting Standard (AS-3) "Cash Flow Statements"
- Figures relating to previous year have been recast where necessary to confirm the figure of the current year

As per our report of even date
For Ladha Singhal and Associates
 Chartered Accountants
 Firm Registration No : 120241W

For and on behalf of the Board of Directors
For Naxpar Pharma Private Limited

Vinod Ladha
 (Vinod Ladha)
 Partner
 M. No. 104151
 Place : Mumbai



Prakash M. Shah
 (Prakash M. Shah)
 Whole Time Director & CEO
 DIN 00440980
 Date : 30th May, 2017

Baiju M. Shah
 (Baiju M. Shah)
 Whole Time Director & CFO
 DIN 00440806

NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

Note 1: Significant Accounting Policies

a. BACKGROUND

Naxpar Pharma Private Limited is a private company incorporated under the provisions of the Companies Act, 1956. The Company is principally engaged in the business activities of manufacturing of Pharmaceutical Formulations.

b. SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of Preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

ii. **Use of Estimates**

The preparation of the financial statements in conformity with the Indian GAAP requires management to make judgement, estimates and assumptions that affects the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

iii. **Revenue Recognition**

The Company follows mercantile system of Accounting and Income and expenditure are recognised on accrual basis.

iv. **Fixed Assets**

All fixed Assets are stated at cost of acquisition less accumulated depreciation. All cost relating to the acquisition and installation of the fixed assets are capitalised and includes financing costs relating to borrowed fund attributable to the acquisition of fixed assets up to the date the fixed assets is put to use.

v. **Depreciation**

Depreciation has been provided on straight-line method and in accordance with, Method and useful life prescribed in Schedule II to the Companies Act 2013. Depreciation on Additions/Deletions during the year has been provided on pro rata basis.

vi. **Inventories Valuation**

Raw material and Packing Material: At lower of Cost or Net realisable value. The cost is arrived at on first-in-first-out basis.



Finished Goods and Work in Progress: At lower of Cost or Net realisable value. Cost includes appropriate allocation of overheads and is arrived at on first-in-first-out basis.

vii. **Investments**

Long term investments are stated at cost less provision for diminution in value other than temporary, if any.

viii. **Borrowing Cost**

Borrowing Costs that are attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

ix. **Foreign Currency Transaction**

Foreign currency transactions are accounted on the basis of exchange rate prevailing at the time of transaction. The foreign currency transaction remains outstanding at year-end are restated at rate prevailing on 31st March. The Exchange difference if any arises due to exchange fluctuation is charged to Profit and Loss Account.

x. **Taxes on Income**

Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced upto the balance sheet date. Deferred Tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss account of the respective year of change.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during specified period.

xi. **Leases**

Assets taken on lease by which all significant risks and rewards of ownership are retained by lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the lease term.

xii. **Retirement Benefits**

i. **Provident Fund**

Retirement benefit in form of Provident Fund is a defined contribution plan and the contributions made for the eligible employees, are charged to the Profit & Loss Account of the year when the contributions to the respective funds are dues.



ii. **Gratuity**

Retirement gratuity liability of employees is a defined benefit obligation. The company has taken Group Gratuity Scheme offered by Life Insurance Corporation of India (LIC). Annual contributions are made on the basis of intimation received from LIC. The company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year. Actuarial gains and losses are recognised in full in statement of Profit and Loss for the period in which they occur.

xiii. **Earning Per Share:**

Basic earning per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.

xiv. **Segmental Reporting**

The Company is engaged in manufacture of Pharmaceutical Formulations. The entire operations are governed by same set of risk and return; hence the same has been considered representing a single primary segment.

xv. **Government Grant and Subsidies**

Government grants and/or subsidies from the government are recognised when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

Government grants and subsidies receivable against an expense are deducted from such expenses and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.

xvi. **Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit & Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

xvii. **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized in the accounts in respect of present probable obligations arising because of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated

Contingent liabilities are disclosed in respect of possible obligation that arises from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent Assets are neither recognized nor disclosed in the financial statements.



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 2 : Share Capital

		(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016		
Authorised:				
50,00,000 (P.Yr. 50,00,000) Equity Shares of Rs. 10/- each	5,00,00,000.00	5,00,00,000.00		
Total	5,00,00,000.00	5,00,00,000.00		
Issued, Subscribed and Paid up:				
50,00,000 (P.Yr. 50,00,000) Equity Shares of Rs.10/- each, fully paid up	5,00,00,000.00	5,00,00,000.00		
Total	5,00,00,000.00	5,00,00,000.00		
(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :				
Number of shares at the beginning of the year	50,00,000	50,00,000		
Add: Issue of Shares during the year	-	-		
Preferential allotments to the promoters group	-	-		
Number of shares at the end of the year	50,00,000	50,00,000		
(ii) Terms/rights attached to Equity Shares				
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders				
(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :				
Holding Company				
49,90,000 (49,90,000) Equity Shares held by Parnax Lab Limited	4,99,90,000	4,99,90,000		
	4,99,90,000	4,99,90,000		
(iv) Details of Shares held by each shareholder holding more than 5% shares :				
Name of the Shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	%	No. of Shares	%
Parnax Lab Ltd.	49,90,000	99.80	49,90,000	99.80



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 3 : Reserves & Surplus

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
a) Securities Premium Account		
Opening Balance	4,99,00,000.00	4,99,00,000.00
Add: Received during the year on issue of Equity Shares	-	-
Less: Utilisation / transfers during the year	-	-
Closing Balance	4,99,00,000.00	4,99,00,000.00
b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	16,07,98,534.83	12,55,72,814.43
Add/(Less): profit/(loss) for the year	4,35,37,632.46	3,52,25,720.40
Closing Balance	20,43,36,167.29	16,07,98,534.83
Total	25,42,36,167.29	21,06,98,534.83

Note 4 : Long Term Borrowing

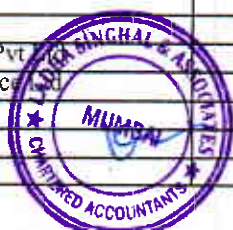
Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
(A) Secured Loans		
(a) Term Loans		
(i) From Bank		
Apna Sahakari Bank Ltd	8,08,07,575.00	6,18,59,557.00
Janaseva Sahakari Bank (Borivali) Ltd	1,06,13,455.00	2,31,02,732.00
Maratha Sahakari Bank Ltd.	51,62,184.00	63,13,182.00
State Bank of India (Car Loan)	-	1,27,484.00
HDFC Car Loan I-10 Asta	-	77,908.29
HDFC Car Loan BMW	20,47,690.86	26,71,453.93
ICICI Bank Ltd (Jaguar Loan)	30,84,543.80	-
(ii) From Others		
Daimler Financial Service I Pvt Ltd (Car Loan)	13,80,251.39	-
Mahindra & Mahindra Finance Ltd (Car Loan)	-	-
Volkswagan Finance Pvt Ltd (Car Loan)	5,48,178.22	14,23,036.64
Total	10,36,43,878.27	9,55,75,353.86
(B) Unsecured Loans		
(a) Loans & Advances From Related Parties		
From Intercorporates	18,49,611.25	81,34,432.82
From Director	-	-
Total	18,49,611.25	81,34,432.82
Total (A+B)	10,54,93,489.52	10,37,09,786.68

a) The term loan is secured by way of equitable mortgage of Land, Building located at Plot No. 182, Village Gurumajara, Tehsil Nalagargh, Dist. Solan, Himachal Pradesh and other immovable & Hypothecation of movable machineries and personal guarantee by the directors.

b) All the vehicle loans are secured by way of Hypothecation of respective vehicle.

c) Repayment profile of Term Loans is set out as below:

Rate of Interest	Bank/Loan	Nature Of Loan	Balance No. of Installments w.e.f 01.04.2017	Installments ending on
13.00%	Apna Sahakari Bank Ltd	Term Loan	18 to 60	September 2018 to March 2022
13.50%	Janaseva Sahakari Bank (Borivali) Ltd	Term Loan	18	September 2018
14.00%	Maratha Sahakari Bank Ltd.	Term Loan	42	September 2020
11.00%	State Bank of India	Car Loan	6	September 2017
10.75%	HDFC Bank Ltd	Car Loan	5	August 2017
9.35%	HDFC Bank Ltd	Car Loan	45	December 2020
11.00%	Daimler Financial Service I Pvt Ltd	Car Loan	32	November 2019
13.00%	Mahindra & Mahindra Finance	Car Loan	1	April 2017
11.50%	Volkswagan Finance Pvt Ltd	Car Loan	19	October 2018
9.36%	ICICI Bank Ltd	Car Loan	49	April 2021



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 5 : Deferred Tax Liability (Net)

	(Amount in Rs.)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liability		
Related to Fixed Assets	3,07,00,480.00	3,05,01,351.00
Less : Deferred Tax Assets		
Disallowance under Income Tax Act	3,93,123.00	2,15,101.00
Total	3,03,07,357.00	3,02,86,250.00

Note 6 : Short Term Borrowing

	(Amount in Rs.)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Working Capital		
From Apna Sahakari Bank Ltd.	12,15,57,515.20	11,04,19,962.41
(Working Capital facility from State Bank of India is secured by way of Hypothecation of stocks, book debts and entire current assets of the company. The facility is further secured by second charge on fixed assets and personal gurantee of all the Directors of the company.)		
Total	12,15,57,515.20	11,04,19,962.41

Note 7 : Trade Payables

	(Amount in Rs.)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables:		
Sundry Creditors for Goods	7,05,58,739.61	2,71,84,917.96
Total	7,05,58,739.61	2,71,84,917.96

Note 8 : Other Current Liabilities

	(Amount in Rs.)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Current Maturities of Long-Term Borrowings	4,65,68,528.81	4,07,77,558.82
(b) Other Payables:		
Statutory Remittances	63,42,594.85	51,50,749.48
Sundry Creditors for Expenses	4,88,75,314.70	3,28,29,462.49
Total	10,17,86,438.36	7,87,57,770.79

Note 9 - Short-Term Provision

	(Amount in Rs.)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Taxation	1,29,00,000.00	1,12,00,000.00
Provision for Gratuity	12,72,244.00	6,96,121.00
Total	1,41,72,244.00	1,18,96,121.00



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 10 : Fixed Assets

Description	Gross Block			Accumulated Depreciation		Net Block	
	Balance as at 1st April 2016	Additions during the Year	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation For the Year	Balance as at 31st March 2017	Balance as at 31st March 2016
TANGIBLE ASSETS							
(Owned)							
Land	1,54,86,939.60		1,54,86,939.60			1,54,86,939.60	1,54,86,939.60
Factory Building	17,75,01,729.99	3,37,34,312.00	21,12,36,041.99	3,40,27,192.32	57,72,963.00	17,14,35,886.67	14,34,74,537.67
Plant & Machinery	9,08,67,430.66	4,51,17,927.00	13,59,85,357.66	2,85,37,318.00	75,47,640.00	9,99,00,399.66	6,23,30,112.66
Other Equipment	7,47,13,010.41	3,25,07,150.00	10,72,20,160.41	1,91,53,653.74	73,71,692.00	8,06,94,814.67	5,55,59,356.67
Electrical Installation	2,09,82,653.45	21,30,699.00	2,31,13,352.45	1,48,78,777.00	43,89,024.00	38,45,551.45	61,03,876.45
Q.C Equipment	94,10,319.36	45,33,731.00	1,39,44,050.36	30,42,845.00	8,44,824.00	1,00,56,381.36	63,67,474.36
Motor Vehicle	1,66,18,289.00	59,54,048.00	2,25,72,337.00	42,63,845.00	23,24,531.00	1,59,83,961.00	1,23,54,444.00
Bus	10,06,500.00		10,06,500.00	6,29,720.00	1,63,228.00	2,13,552.00	3,76,780.00
Office Equipments	13,01,046.28	3,69,690.00	16,70,736.28	7,05,603.00	2,42,083.00	7,23,050.28	5,95,443.28
Air Conditioner	11,66,947.26	1,54,695.00	13,21,642.26	4,43,706.00	95,100.00	7,82,836.26	7,23,241.26
Furnitures and Fixtures	1,38,15,219.25	37,66,010.50	1,75,81,229.75	70,67,369.00	21,42,820.00	83,71,040.75	67,47,850.25
Computer	34,39,261.11	4,81,769.00	39,21,030.11	20,13,903.00	12,67,687.00	6,39,440.11	14,25,358.11
INTANGIBLE ASSETS							
Computer Software	1,16,907.00	14,74,113.00	15,91,020.00	50,582.00	34,304.00	15,06,134.00	66,325.00
Total	42,64,26,253.37	13,02,24,144.50	55,66,50,397.87	11,48,14,514.06	3,21,95,896.00	40,96,39,987.81	31,16,11,739.31
Previous Year	38,00,31,421.87	4,63,94,831.50	42,64,26,253.37	9,18,12,195.06	2,30,02,319.00	31,16,11,739.31	28,82,19,226.81



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 11 : Non-Current Investments

(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Investments		
(a) Other Non Current Investments		
Apna Sahakari Bank Ltd (20,000 Shares of Rs. 25/- each)	5,00,000.00	5,00,000.00
Janasev Sahakari Bank Borivali Ltd (20,000 Shares of Rs. 25/- each)	5,00,000.00	5,00,000.00
Maratha Sahakari Bank Ltd. (10,040 Shares of Rs. 25/- each)	2,51,000.00	2,51,000.00
Non -Trade (Unquoted)		
Investments in Partnership Firms		
Sonex Inc	6,35,748.13	5,00,000.00
Total	18,86,748.13	17,51,000.00

Note 12 : Long-Term Loans and Advances

(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, Considered good		
(a) Capital Advances	6,72,00,000.00	7,32,83,472.00
(b) Security Deposit	27,26,961.00	21,70,602.00
Total	6,99,26,961.00	7,54,54,074.00

Note 13 : Inventories

(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
(As taken, valued and certified by the Management)		
(Valued at Cost or Market value, whichever is lower)		
Finished Goods	15,60,109.00	30,10,160.00
Work in Progress	41,23,126.00	45,31,625.00
Raw Material	3,13,39,112.00	2,21,08,306.00
Packing Material	3,91,84,213.00	3,27,39,957.00
Other Material	4,97,499.00	7,14,420.00
Total	7,67,04,059.00	6,31,04,468.00

Note 14 : Trade Receivable

(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Receivable:		
Unsecured ,Considered good		
Due for a period exceeding six months	3,24,557.42	4,51,175.94
Others	15,36,59,682.31	11,90,50,195.94
Total	15,39,84,239.73	11,95,01,371.88



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 15 : Cash and Cash Equivalents

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
(a) Cash on Hand	2,72,730.57	1,87,399.79
(b) Balance with Scheduled Banks		
- In Current Accounts	15,04,555.96	31,755.92
- In Fixed Deposit Account (Lodged as margin money against bank guarantee)	52,84,595.00	38,69,737.00
(c) Bank Overdrwan Balance	(11,36,942.72)	(19,55,099.54)
Total	59,24,938.81	21,33,793.17

Note 16 : Short-Term Loans and Advances

Particulars	(Amount in Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
Unsecured, Considered good		
(a) Loans and Advances to Employees	35,15,020.00	22,74,436.00
(b) Other Loan and Advances		
- Advances recoverable in cash or in kind or for value to be received	26,28,394.00	5,06,204.00
- Advance Income Tax	2,29,23,434.76	2,05,95,864.44
(c) Balance with Government Authorities		
- Sales Tax	9,78,167.74	16,34,301.88
Total	3,00,45,016.50	2,50,10,806.32

Note 17 : Revenue from Operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Sales	67,26,52,564.69	47,51,18,569.43
(b) Labour Charges	22,94,63,698.04	16,78,79,796.67
Total	90,21,16,262.73	64,29,98,366.10

Note 18 : Other Income

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Interest From Bank on FDR	4,18,889.00	2,47,133.00
(b) Dividend	75,150.00	1,10,300.00
(c) Interest From Sundry Deposits	50,480.00	59,497.00
(d) Licence Fees Recovered	3,50,000.00	-
Total	8,94,519.00	4,16,930.00

Note 19 : Cost of Material Consumed

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Raw Materials & Packing Material Consumed :		
Opening Stock	5,48,48,263.00	4,39,03,320.00
Add:- Purchases during the year	49,26,57,546.16	34,67,68,883.68
	54,75,05,809.16	39,06,72,203.68
Less: - Closing Stock	7,05,23,325.00	5,48,48,263.00
Total	47,69,82,484.16	33,58,23,940.68



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 20 : Changes in Inventories

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) At the beginning of the period		
(i) Finished Goods	30,10,160.00	1,20,72,326.00
(ii) Work In Progress	45,31,625.00	-
(b) At the end of the period		
(i) Finished Goods	15,60,109.00	30,10,160.00
(ii) Work In Progress	41,23,126.00	45,31,625.00
Total	18,58,550.00	45,30,541.00

Note 21 : Employes Benefits Expenses

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Salaries and Wages	7,44,77,546.00	5,37,85,641.00
(b) Bonus & Ex-gratia	15,49,574.00	11,17,727.00
(c) Staff Welfare Expenses	35,58,623.44	32,36,669.77
(d) Gratuity Paid	8,26,123.00	2,33,887.00
(e) Employer's Contribution to Providend Fund	27,51,836.00	19,44,107.00
(e) Contribution to ESIC	11,48,627.00	8,17,436.00
Total	8,43,12,329.44	6,11,35,467.77

Note 22 : Finance Cost

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Bank Charges & Commission	7,83,714.44	8,24,344.52
(b) Interest Paid to Bank - Working Capital	1,43,39,260.00	1,37,50,906.90
(c) Interest Paid to Bank- Term Loan	1,91,89,524.00	1,45,70,692.00
(d) Interest Paid on Vehicle Loan	12,16,966.13	8,76,307.12
(e) Interest Paid to Others	4,15,174.00	20,62,739.12
Total	3,59,44,638.57	3,20,84,989.66



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2017

Note 23 : Other Expenses

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
(A) Manufacturing Expenses		
(a) Analytical Charges, Chemical & Glassware Consumed	1,39,99,407.00	68,18,366.00
(b) Consumable & Stores	73,75,965.53	47,74,621.33
(c) Power & Fuel Consumed	3,07,62,771.00	1,99,82,908.00
(d) Factory Expenses	11,50,637.49	14,22,909.50
(e) Freight & Octroi	83,69,032.86	42,63,949.01
(f) Loading Unloading & Packing Charges	8,26,66,388.00	4,86,57,293.00
(g) License Fees	1,08,164.00	2,23,128.00
(h) Repair & Maintenance		
-Plant & Machinery	1,55,00,669.00	1,02,56,572.03
-Building	84,90,754.00	58,38,633.00
-Other	7,49,459.00	13,31,653.30
(i) Security Charges	29,07,369.00	18,09,865.00
(j) Pollution Control Expenses	60,000.00	88,000.00
	17,21,40,616.88	10,54,67,898.17
(B) Selling and Distribution Expenses		
(a) Sales Promotion Expenses	30,44,913.00	13,26,524.03
(b) Advertisement Expenses	30,000.00	1,24,536.00
(c) Freight Outward	24,14,223.06	6,74,184.00
(d) Travelling Expenses	44,56,719.94	36,70,677.69
(e) Rate Difference & Discount on Sales	1,19,180.00	-
	1,00,65,036.00	57,95,921.72
(C) Administrative and General Expenses		
(a) Rent Rates & Taxes	74,04,233.00	35,63,143.00
(b) Insurance	15,06,709.50	12,20,494.00
(c) Legal & Professional Fees	1,17,22,181.50	93,91,343.00
(d) Payment to Auditors		
- Audit Fees	2,87,500.00	2,85,000.00
(e) ROC Filing Fees	42,000.00	9,600.00
(f) Office Expenses	3,84,155.00	6,25,522.00
(g) Conveyance	9,34,990.50	10,15,804.50
(h) Sundry Balances W/off	(26,832.79)	16,501.75
(i) Printing & Stationery	21,28,676.83	14,13,787.00
(j) Telephone Expenses	11,66,122.34	12,21,024.33
(k) Postage & Courier	8,57,816.80	5,18,441.00
(l) Donation	23,13,000.00	45,73,941.60
(m) Motar Car Expenses	21,87,600.11	22,38,369.83
(n) Electricity Charges	3,25,377.25	1,14,238.00
(o) Membership & Subscription	1,21,877.00	46,124.43
(p) Share of Loss of Partnership Firm	39,251.87	-
(q) Other Expenses	14,51,382.31	2,40,369.51
	3,28,46,041.22	2,64,93,703.95
Total	21,50,51,694.10	13,77,57,523.84



NAXPAR PHARMA PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

24. CONTINGENT LIABILITY: in respect of

- a. Guarantees issued by the bankers in favour of various authorities, which have been counter Guarantee by the company Rs. 10.94 Lacs (Rs. 28.83 Lacs).
- b. Tax Matters
 - i. Disputed VAT demand, matter under appeal Rs. 75.91 Lacs (Rs. 75.91 Lacs)
- c. Claims against the Company not acknowledge as debt Rs. 92.27 Lacs (Rs. 100.74 Lacs).
- d. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Rs. 568.33 Lacs).

25. The balances of Creditors, Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

26. In the opinion of the board, the Current Assets, Loans and Advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business.

27. Dues to small scale industrial undertakings enterprises are worked out on the basis of verbal confirmation from suppliers. As at 31st March 2017, there were no small scale industrial undertakings to whom the company owes any sum which is outstanding for more than 30 days. The information pertaining to micro and small enterprises as required to be disclosed in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not readily ascertainable and hence not disclosed.

28. Since the Company's business activity falls within a single primary business segment and also there is no significant reportable segment, hence no disclosure has been made as specified in Accounting Standard (AS-17) "Segment Reporting".

29. **Operating Leases**

- i. The Company has taken various premises under operating lease or leave and licence agreements. These are non-cancellable during a lock in period which ranges between one year to two years under leave and licence agreements and are renewable by mutual consent on mutually agreeable terms.



- ii. Lease payments recognised in the Statement of Profit and Loss under Rent, Rates & Taxes in Note 23 includes Rs. 73,87,824/- (Rs. 35,63,143/-) in respect of premises taken on lease.
- iii. The future minimum lease payment under non-cancellable operating lease:
- A. Not later than one year is Rs. 10,71,228 /- (Nil)
- B. Later than one year and not later than five years is Rs. Nil (Rs. Nil)
- C. Later than five years is Rs. Nil (Rs. Nil).

30. Related Party Disclosures

(i) Name of the related Parties and Description of relationship

Holding Company	Parnax Lab Ltd.
Key Management Personnel	Mr. Prakash M. Shah Mr. Baiju M. Shah Mr. Mihir P. Shah
Relatives of Key Management Personnel	Mr. Binoy B. Shah Ms. Pragna P Shah Ms. Ila B. Shah Ms. Ami M. Shah
Concern in which KMP and/or Relatives of KMP is interested	M/s Nithyasha Healthcare Pvt. Ltd. M/s Novomed Pharma Pvt. Ltd.

(ii) Transaction with Related Parties

	As on 31.03.2017	As on 31.03.2016
Sale of Material		
Parnax Lab Ltd.	68,07,138	32,24,519
Nithyasha Healthcare Pvt. Ltd.	40,48,131	23,72,831
Purchase of Material		
Parnax Lab Ltd.	765	2,34,207
Interest Paid		
Nithyasha Healthcare Pvt. Ltd.	1,80,001	1,80,001
Salary Paid to Key Management Personnel & to their Relatives		
Mr. Prakash M. Shah	30,00,000	27,00,000
Mr. Baiju M. Shah	30,00,000	27,00,000
Mr. Mihir P. Shah	24,00,000	18,00,000
Mrs. Pragna P. Shah	7,20,000	7,20,000
Mrs. Ila B. Shah	7,20,000	7,20,000
Mrs. Ami M. Shah	7,20,000	7,20,000
Mr. Binoy Shah	18,00,000	12,00,000

Outstanding Balances		
Loan Taken		
Parnax Lab Ltd	Nil	62,84,822



Salary Payable to Key Management Personnel & to their Relatives		
Mr. Prakash M. Shah	89,392	Nil
Mr. Baiju M. Shah	60,382	2,747
Mr. Mihir P. Shah	8,024	Nil
Mrs. Pragna P. Shah	47,794	1,822
Mrs. Ila B. Shah	89,995	22,174
Mrs. Ami M. Shah	39,341	1,935
Mr. Binoy Shah	5,640	53,032
Unsecured Loan from Concern in which KMP and/or Relatives of KMP is interested		
Nithyasha Healthcare Pvt. Ltd.	15,00,000	15,00,000
Novomed Pharma Pvt. Ltd.	3,49,611	3,49,611
Receivable from Holding Company		
Parnax Lab Ltd	11,85,644	Nil
Receivable from Concern in which KMP and/or Relatives of KMP is interested		
Nithyasha Healthcare Pvt. Ltd.	4,73,681	2,87,437

31. Disclosure in respect of gratuity liability

i. Change in the present value of obligation during the year		
Present value of obligation as at the beginning of the year	19,51,767	15,53,141
Interest cost	1,56,141	1,24,251
Current service cost	7,16,006	6,53,351
Benefits paid	Nil	Nil
Actuarial (gains)/losses on obligation	7,712	(3,78,976)
Present value of obligation as at the end of the year	28,31,626	19,51,767
ii. Change in the fair value of the assets during the year		
Fair value of plan assets at the beginning of the year	12,55,646	1,83,510
Actual return on plan assets	96,810	73,891
Employer contribution	2,50,000	9,98,245
Actual benefits paid	N.A.	N.A.
Actuarial Gain / (Loss) on the Plan Assets	(43,074)	-
Fair value of plan assets at the end of the year	15,59,382	12,55,646
iii. Amount Recognised in Balance Sheet		
Present value of Defined benefit obligation	28,31,626	19,51,767
Fair value of plan assets	15,59,382	12,55,646
Net asset / (liability)	(12,72,244)	(6,96,121)
Net assets / (liability) recognised in the Balance Sheet	(12,72,244)	(6,96,121)
iv. Expense recognized in statement of Profit and Loss		
Current service cost	7,16,006	6,53,351
Interest cost	1,56,141	1,24,251
Actual return on plan assets	(96,810)	(73,891)
Net actuarial (gain)/loss recognised in the year	50,786	(3,78,976)



	Expenses recognised in the Statement of Profit and Loss	8,26,123	3,24,735
v.	Actuarial assumptions used		
	Discount rate (per annum)	7.5% p.a.	8% p.a.
	Expected rate of return on plan assets	N.A.	N.A.
	In service morality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
	Future salary increase	6% p.a.	6% p.a.
	Withdrawal rates	1% p.a.	1% p.a.
	Retirement age	58 years	58 years
vi.	Category of Assets	Funded	Funded

32. Earnings per share has been calculated as under:

Particulars	As on 31.03.2017	As on 31.03.2016
Net Profit After Tax as per Profit & Loss Account	4,35,37,632	3,52,25,720
Weighted Average number of equity shares used as denominator for calculating EPS	50,00,000	50,00,000
Basic & Diluted Earnings per share	8.71	7.05
Nominal Value per equity share	10	10

33. VALUE OF RAW MATERIAL, SPARE PARTS & COMPONENTS CONSUMED:

Particulars	<u>IMPORTED</u>		<u>INDIGENOUS</u>	
	Value	%	Value	%
Raw Material	Nil	Nil	47,69,82,484	100%
	(Nil)	(Nil)	(33,58,23,941)	(100%)
Stores & Spare Parts	Nil	Nil	73,75,965	100%
	(Nil)	(Nil)	(47,74,621)	(100%)

34. C.I.F. VALUE OF IMPORTS:

(i) Raw Material	Nil	(Nil)
(ii) Capital Goods	21,21,694	(Nil)
(iii) Stores & Spares	Nil	(Nil)

35. EXPENDITURE IN FOREIGN CURRENCY:

i. Foreign Travelling	11,13,914	5,31,599
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36. EARNING IN FOREIGN CURRENCY:

Nil	(Nil)
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37. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,34,500.00	59,916.98	2,94,416.98
(+) Permitted receipts	--	3,97,000.00	3,97,000.00
(-) Permitted payments	--	4,18,593.00	4,18,593.00
(-) Amount deposited in Banks	2,34,500.00	--	2,34,500.00
Closing cash in hand as on 30.12.2016	--	38,323.98	38,323.98

38. Previous year's figures have been regrouped and rearranged, to correspond with the figures of current year wherever necessary. Figures in bracket represent previous year.


Signature to Notes 1 to 38 forming part of accounts.

As Per Our Report of Even Date
For Ladha Singhal & Associates
 Chartered Accountants
 (Firm Regn. No.: 120241W)


(Vinod Ladha)

Partner
 M. No.: 104151
 Place: Mumbai
 Date: 30th May, 2017




(Prakash M Shah)
 Whole Time Director & CEO
 (DIN 00440980)

For & on Behalf of Board
For Naxpar Pharma Private Limited



(Baiju M Shah)
 Whole Time Director & CFO
 (DIN 00440806)