

IPCA PHARMACEUTICALS (SHANGHAI) LTD, PEOPLES REPUBLIC OF CHINA

DIRECTORS REPORT

To the Members

Your Directors are pleased to present the Company's Annual Report for the period ended February 28, 2015.

Incorporation

Your Company is a wholly owned subsidiary of Ipca Laboratories Limited, India and was incorporated on October 24, 2008 in the Peoples Republic of China mainly to coordinate sourcing of chemicals and drug intermediates for the parent company and marketing of products manufactured by the parent company viz. Ipca Laboratories Limited in the Peoples Republic of China.

During the financial year under report, your Company has an income of ₹ 85.57 lacs (Previous year ₹ 77.09 lacs) and has earned a net Profit of ₹ 3.56 lacs (Previous year operations have resulted net loss of ₹ 8.93 lacs).

Dividend

Your directors do not propose the payment of dividend for the financial year under review.

Directors' Responsibility Statement

Your Directors confirm:

that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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 period February 28, 2015 and of the profit and loss of the Company for the year;

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;

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.

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.

Particulars of Employees

During the year under review, the company had no employee who was in receipt of remuneration of not less than ₹ 60,00,000/- per annum or more than ₹ 5,00,000/- per month or any part thereof.

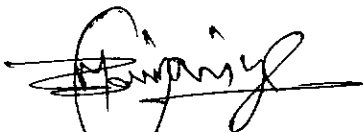
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo and other related disclosure.

During the year under review, the Company has not carried out any manufacturing activities nor the Company has any manufacturing unit. This company incorporated outside India therefore the above information required pursuant to the Companies Act, 2013 are not applicable.

Other Matter

The company has started its liquidation process in the year 2014-15 & soon it will be liquidated accordingly.

For and on behalf of the Board



Manoj Kumar Jain

Chairman

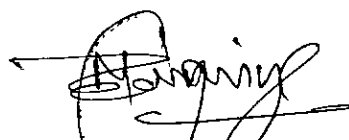
May 30, 2015

IPCA PHARMACEUTICALS (SHANGHAI) LTD
Balance Sheet as at February 28th, 2015

Particulars	Note Ref.	(₹ Lakhs) As at 28th February' 2015	(₹ Lakhs) As at 31st March' 2014
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	118.90	118.90
(b) Reserves & Surplus	2	(104.65)	(108.84)
(c) Money Received Against Share Warrants		-	-
		14.25	10.06
2 Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	3	-	3.96
(c) Other Current Liabilities	4	-	0.47
(d) Short-Term Provisions		-	-
		-	4.43
TOTAL		14.25	14.49
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	-	0.44
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
		-	0.44
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances	6	-	0.63
(e) Other Non-Current Assets		-	-
		-	1.07
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Bank Balances	7	14.25	12.89
(e) Short-term loans and advances		-	-
(f) Other current assets	8	-	0.53
		14.25	13.42
TOTAL		14.25	14.49

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

For and on behalf of the Board


 Manoj Kumar Jain
 Chairman/Director

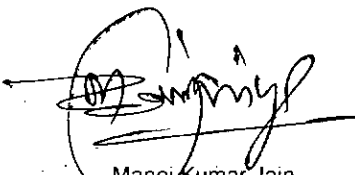
Place: Mumbai
Date: May 30, 2015

IPCA PHARMACEUTICALS (SHANGHAI) LTD
Statement of Profit and Loss for the period ended February 28, 2015

Particulars	Note Ref	(₹ Lakhs) 2014-15	(₹ Lakhs) 2013-14
Revenue			
I Revenue from Operations (Gross):			
Sale of products		-	-
Sale of Services	9	85.11	77.06
Other operating revenue		-	-
Less : Excise duty		-	-
II Other Income	10	0.46	0.03
III Total Revenue (I + II)		85.57	77.09
IV Expenses			
Cost of Materials Consumed			
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee Benefit Expenses	11	66.54	67.62
Finance Cost		-	-
Depreciation & Amortization	5	0.39	0.92
Other Expenses	12	15.08	16.90
Loss/(Gain) on Foreign Exchange Transactions		-	0.58
Total Expenses		82.01	86.02
V Profit/(Loss) Before exceptional, extraordinary items and Tax (III-IV)		3.56	(8.93)
VI Exceptional Items		-	-
VII Profit/(Loss) Before extraordinary items and Tax (V-VI)		3.56	(8.93)
VIII Extraordinary Items		-	-
IX Profit/(Loss) Before Tax (VII-VIII)		3.56	(8.93)
X Tax Expense			
1. Current Tax		-	-
2. Deferred Tax		-	-
3. Tax Provision for earlier years		-	-
XI Profit/(Loss) After Tax (IX-X)		3.56	(8.93)
XII Earnings per Equity Share: (₹)	14		
Basic		-	-
Diluted		-	-
Par Value		-	-

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

For and on behalf of the Board


 Manoj Kumar Jain
 Chairman/Director

Place: Mumbai
 Date: May 30, 2015

IPCA PHARMACEUTICALS (SHANGHAI) LTD
Cash flow statement for the period ended 28th February 2015

Particulars	2014-15 (₹ Lakhs)	2013-14 (₹ Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit/(loss) before taxation	3.56	(8.93)
Adjustments for :		
Depreciation/Amortization	0.39	0.92
Loss on sale of Fixed Assets	0.04	0.92
2. Operating profit/(loss) before working capital changes	3.99	(8.01)
(Increase)/Decrease in Receivables	1.16	16.59
Increase/(Decrease) in Sundry creditors	(4.43)	0.54
3. Cash generated from operation	0.72	9.12
Movement in foreign Currency Translation reserve	0.62	1.97
Net cash from operating activities (A)	1.34	11.09
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	0.02	
Net cash from / (used) in investing activities (B)	0.02	-
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from Financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1.36	11.09
Cash and cash equivalents at beginning of period	12.89	1.80
Cash and cash equivalents at end of period	14.25	12.89
Components of Cash & Cash equivalents:		
Cash in hand	0.20	0.42
Balance with Banks	14.05	12.47
	14.25	12.89

For and on behalf of the Board



Manoj Kumar Jain
Chairman/Director

Place : Mumbai
Date : May 30, 2015

Statement of Other Explanatory Notes (contd)

OTHER EXPLANATORY NOTES

1 SHARE CAPITAL

	28th February' 2015		31st March' 2014	
	No. of Shares	(₹ Lakhs) No par value*	No. of Shares	(₹ Lakhs) No par value*
Face Value				
Class of Shares				Equity Shares fully paid
Authorized Capital*	-	-	-	-
Issued, Subscribed And Paid up Capital	-	118.90	-	118.90
PER BALANCE SHEET		<u>118.90</u>		<u>118.90</u>

* 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 therefor not disclosed.

Disclosures:

Reconciliation of number of shares

Particulars	28th February' 2015		As at 31 March 2014	
	No. of shares*	(₹ Lakhs)	No. of shares*	(₹ Lakhs)
Shares outstanding at the beginning of the year	-	118.90	-	118.90
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year		<u>118.90</u>		<u>118.90</u>

Details of Shareholding in excess of 5%

Name of Shareholder	28th February' 2015		31st March' 2014	
	No. of shares*	Percentage	No. of shares*	Percentage
Ipcal Laboratories Ltd	No par value*	100.00	No par value*	100.00

Particulars	28th February' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
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2 RESERVES & SURPLUS

a) Other Reserve

Foreign Currency Translation Reserve

Balance as per last Balance Sheet	6.09	3.96
Add : Addition during the year	0.63	2.13
Balance as at year end	<u>6.72</u>	<u>6.09</u>

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

Surplus

Balance as per last Balance Sheet	(114.93)	(106.00)
Add : Profit/(Loss) for the year	3.56	(8.93)
Balance as at year end	<u>(111.37)</u>	<u>(114.93)</u>

PER BALANCE SHEET

(104.65) (108.84)

3 TRADE PAYABLES

- Micro Small and Medium Enterprises

- Others

PER BALANCE SHEET

-	-
-	3.96
	<u>3.96</u>

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

4 OTHER CURRENT LIABILITIES

Duties & Taxes payable

PER BALANCE SHEET

-	0.47
	<u>0.47</u>

Note 5.

TANGIBLE ASSETS

(₹ Lakhs)

Particulars	Gross Block				Depreciation				Net Block		
	Opening as on 01/04/14	Adjustment	Foreign Exch. Fluctuation Reserve	Total as on 28/02/15	Opening as on 01/04/14	Sales/ Adjustment	For the year	Foreign Exch. Fluctuation Reserve	Total as on 28/02/15	As on 28/02/15	As on 31/03/14
Computers	1.16	(1.22)	0.06	-	1.05	(1.20)	0.09	0.06	-	-	0.11
Office Equipments	3.63	(3.81)	0.18	-	3.30	(3.77)	0.30	0.17	-	-	0.33
Total	4.79	(5.03)	0.24	-	4.35	(4.97)	0.39	0.23	-	-	0.44
Previous Year	4.27	-	0.52	4.79	3.07	-	0.92	0.36	4.35	0.44	1.20

Particulars	28th February' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
6 LONG-TERM LOANS & ADVANCES <i>(Unsecured, considered good)</i>		
Indirect Tax Recoverable	-	0.63
Total	<u>-</u>	<u>0.63</u>
7 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	0.20	0.42
Balances with Banks	14.05	12.47
PER BALANCE SHEET	<u>14.25</u>	<u>12.89</u>
8 OTHER CURRENT ASSETS		
Other receivables	-	0.53
PER BALANCE SHEET	<u>-</u>	<u>0.53</u>
Particulars	2014-15 (₹ Lakhs)	2013-14 (₹ Lakhs)
9 SALE OF SERVICES		
Commission Income	54.27	16.97
Service Charges	30.84	60.09
PER STATEMENT OF PROFIT & LOSS	<u>85.11</u>	<u>77.06</u>
10 OTHER INCOME		
Interest	0.04	0.03
VAT Refund	0.24	-
Miscellaneous Income	0.18	-
PER STATEMENT OF PROFIT & LOSS	<u>0.46</u>	<u>0.03</u>
11 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	54.04	54.84
Employee welfare funds	12.50	12.78
PER STATEMENT OF PROFIT & LOSS	<u>66.54</u>	<u>67.62</u>
12 OTHER EXPENSES		
Bank Charges	0.23	0.35
Traveling Expenses	1.49	1.68
Audit Fees	1.88	0.59
Professional charges	0.54	0.70
Communication Expenses	0.72	1.34
Selling Expenses	0.23	0.17
Rent	4.05	6.93
Rates and Taxes	5.18	4.70
Loss on sale of Fixed Assets	0.04	-
Miscellaneous Expenses	0.72	0.44
PER STATEMENT OF PROFIT & LOSS	<u>15.08</u>	<u>16.90</u>

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

Relationship:	Country
A. Entities where control exists	
Shareholders of Ipca Pharmaceuticals (Shanghai) Ltd	
Ipca Laboratories Limited.- Holding Company	India
 Key Management Personnel	
Mr. Hu Hongxin	China

B. Transactions

Description	Entities where control exists Holding Company	Total
Remuneration		
Mr. Hu Hongxin	37.26	37.26
(Previous Year)	38.19	36.80
Total	37.26	37.26
(Previous Year)	38.19	38.19
Sale of services		
Ipca Laboratories Limited	30.84	30.84
(Previous Year)	60.09	60.09
Total	30.84	30.84
(Previous Year)	60.09	60.09

14 Earning per share is not given since shares carry no par value.

15 Prior period comparatives

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

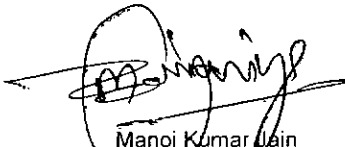
16 The Company has started Voluntary Liquidation during the year 2014-15. All Assets & Liabilities represents at Net Realisable value.

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 and Loss, Cash Flow Statement, and other explanatory notes form an integral part of the financial statements of the company for the period ended on 31st March, 2015.

For and on behalf of the Board

Place: Mumbai
Date: May 30, 2015


 Manoj Kumar Jain
 Chairman/Director