

## IPCA PHARMACEUTICALS LIMITED S.A DE C.V

### DIRECTORS' REPORT

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

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

### FINANCIAL RESULTS

Particulars	For the year ended 31 <sup>st</sup> March 2020 (Rs. in lacs)	For the year ended 31 <sup>st</sup> March 2019 (Rs. in lacs)
Total Income	4.54	18.56
Total Expenditure	14.68	4.18
Financial Cost	--	--
Depreciation	--	--
<b>Profit before extraordinary items and tax</b>	<b>(10.14)</b>	<b>14.38</b>
Less: Provision for taxation		
Current	--	--
Deferred	--	--
Earlier Year's Tax	--	--
<b>Profit after tax but before extraordinary items</b>	<b>(10.14)</b>	<b>14.38</b>
Extraordinary Items	--	--
<b>Other Comprehensive Income</b>	<b>0.16</b>	<b>(0.12)</b>
<b>Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period)</b>	<b>(9.98)</b>	<b>14.26</b>
<b>YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS</b>		
Surplus in Profit & Loss Account as per last Balance Sheet	(103.28)	(117.66)
Net Profit for the year	(10.14)	14.38
Less:		
Transfer to General Reserve	--	--
Balance as at year end	<b>(113.42)</b>	<b>(103.28)</b>

### INCORPORATION

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

Your company is currently in the process of voluntary winding up and necessary application(s) in this regard are made to the government department(s) in Mexico and their formal consent for winding up of the company is awaited.

## **IPCA PHARMACEUTICALS LIMITED S.A DE C.V**

### **TRANSFER TO GENERAL RESERVE**

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

### **LIQUIDATION**

Your company is in the process of liquidation.

### **OPERATIONS**

The total income for the financial year under report was Rs. 4.54 lacs (Previous year Rs. 18.56 lacs) and the operations have resulted in a net loss of Rs. 10.14 lacs (Previous year net profit of Rs. 14.38 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 31<sup>st</sup> March, 2020 is Rs.115.15 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

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

### **DIVIDEND**

In view of the carry forward loss, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### **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 loss of the Company for the year;
- iii) that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

**IPCA PHARMACEUTICALS LIMITED S.A DE C.V**

- iv) that your Directors have prepared the annual accounts on a going concern basis.
- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**FIXED DEPOSIT**

During the year under review, the Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees or made any investment in any other Company.

**AUDITORS, AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS:**

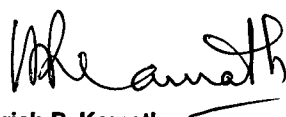
Since it is not required in the country of incorporation, the company has not appointed any auditor for the financial year under report.

**PARTICULARS OF EMPLOYEES**

The Company had no employees covered under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

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**For and on behalf of the Board of Directors**



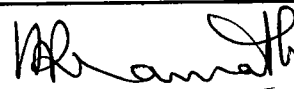
**Harish P. Kamath**  
Chairman  
June 15, 2020

**IPCA PHARMACEUTICALS LIMITED, S.A DE C.V**

**Balance Sheet as at March 31, 2020**

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant & Equipment	-	-
(b) Capital work-in-progress	-	-
(c) Goodwill	-	-
(d) Other Intangible assets	-	-
(e) Intangible assets under development	-	-
(f) Financial Assets	-	-
(i) Investments	-	-
(ii) Loans	-	-
(iii) Others	-	-
(g) Other Non-current assets	1	12.83
	-	<b>12.83</b>
<b>(2) Current Assets</b>		
(a) Inventories	-	-
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade receivables	-	-
(iii) Cash and cash equivalents	2	3.90
(iv) Bank balances other than (iii) above	-	-
(v) Loans	-	-
(vi) Others	-	-
(c) Current Tax Assets (Net)	1	3.58
(d) Other current assets	-	-
	-	<b>7.48</b>
	<b>0.69</b>	<b>7.48</b>
	<b>0.69</b>	<b>20.31</b>
<b>Total Assets</b>		
<b>EQUITY &amp; LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share capital	3	115.15
(b) Other Equity	4	(115.02)
	-	(105.04)
<b>Total Equity</b>	-	<b>0.13</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial Liabilities	-	-
(i) Borrowings	-	-
(ii) Trade payables	-	-
(iii) Other financial liabilities	-	-
(b) Provisions	-	-
(c) Deferred tax liabilities (Net)	-	-
(d) Other Non-current liabilities	-	-
<b>(2) Current liabilities</b>		
(a) Financial Liabilities	-	-
(i) Borrowings	-	-
(ii) Trade payables	5	10.05
(iii) Other financial liabilities	-	-
(b) Other current liabilities	6	0.15
(c) Provisions	-	-
(d) Current Tax Liabilities (Net)	-	-
	-	<b>10.20</b>
	<b>0.56</b>	<b>10.20</b>
<b>Total Equity and Liabilities</b>	<b>0.69</b>	<b>20.31</b>

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss



**Harish P. Kamath**  
Chairman/Director

Date: June 15, 2020

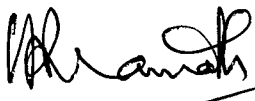
IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

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

Particulars	Note Ref.	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
<b>I Revenue from operations</b>		-	-
<b>II Other Income</b>	7	4.54	18.56
<b>III Total Income (I+II)</b>		4.54	18.56
<b>IV Expenses</b>			
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	8	14.68	4.18
Foreign exchange (gain)/loss-net		-	-
<b>Total Expenses (IV)</b>		14.68	4.18
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		(10.14)	14.38
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/ (loss) before tax (V-VI)</b>		(10.14)	14.38
<b>VIII Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>IX Profit/ (loss) for the period from continuing operations (VII-VIII)</b>		(10.14)	14.38
<b>X Profit/ (loss) from discontinued operations</b>		-	-
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/ (loss) from discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII Profit/ (loss) for the period (IX+XII)</b>		(10.14)	14.38
<b>XIV Other Comprehensive Income</b>			
<b>A (I) Items that will not be reclassified to profit or loss</b>		-	-
<b>B (I) Items that will be reclassified to profit or loss</b>			
Exchange difference in translating the financials statement of foreign oper		0.16	(0.12)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		0.16	(0.12)
<b>XV Total Comprehensive Income for the period (XIII + XIV) (Comprising</b>		(9.98)	14.26
<b>XVI Earnings per equity share (for continuing operation) :</b>			
(1) Basic (₹)		-	-
(2) Diluted (₹)		-	-
Par Value		No Par value	No Par value

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss

For and on behalf of the Board of Directors



Harish P. Kamath  
Chairman/Director

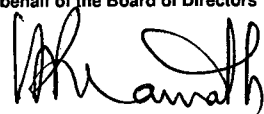
Date: June 15, 2020

**IPCA PHARMACEUTICALS LIMITED, S.A DE C.V**

**Cash flow statement for the year ended 31st March 2020**

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>1. Net profit/(loss) before taxation</b>	(10.14)	14.38
<b>2. Operating profit/(loss) before working capital changes</b>	<u>(10.14)</u>	<u>14.38</u>
(Increase)/Decrease in Loans and advances	16.41	(0.67)
Increase/(Decrease) in Current liabilities	<u>(9.64)</u> 6.77	<u>(12.42)</u> (13.09)
<b>3. Cash generated from operation</b>	<u>(3.37)</u>	<u>1.29</u>
Movement in Foreign currency translation reserve	0.16	(0.12)
<b>Net cash from operating activities</b>	<u>(3.21)</u>	<u>1.17</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(3.21)</u>	<u>1.17</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>3.90</u>	<u>2.73</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>0.69</u></u>	<u><u>3.90</u></u>
<b>Components of Cash &amp; Cash equivalents:</b>		
Cash in hand	0.28	0.31
Balance with Banks	<u>0.41</u>	<u>3.59</u>
	<u>0.69</u>	<u>3.90</u>

For and on behalf of the Board of Directors



Harish P. Kamath  
Chairman/Director

Date: June 15, 2020

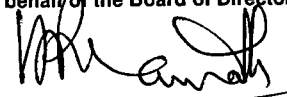
IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

Statement of change in equity for the year ended March 31, 2020

(₹ Lakhs)

Particulars	Equity share capital	Reserves and Surplus	Other comprehensive income	Total Equity
		Retained earnings	Foreign currency translation reserve	
<b>As at April 01, 2018</b>	<b>115.15</b>	<b>(117.66)</b>	<b>(1.64)</b>	<b>(4.15)</b>
Profit for the period	-	14.38	-	14.38
Exchange difference in transalting the financial statement of foreign operation	-	-	(0.12)	(0.12)
<b>Balance as on March 31, 2019</b>	<b>115.15</b>	<b>(103.28)</b>	<b>(1.76)</b>	<b>10.11</b>
Profit for the period	-	(10.14)	-	(10.14)
Exchange difference in transalting the financial statement of foreign operation	-	-	0.16	0.16
<b>Balance as on March 31, 2020</b>	<b>115.15</b>	<b>(113.42)</b>	<b>(1.60)</b>	<b>0.13</b>

For and on behalf of the Board of Directors



Harish P. Kamath  
Chairman/Director

Date: June 15, 2020

**IPCA PHARMACEUTICALS LIMITED, S.A DE C.V**

**Statement of Significant Accounting policies and Other Explanatory Notes**

**ACCOUNTING POLICIES**

**a) Accounting convention**

The Financial Statements have been prepared to comply in all material respects with the notified Indian accounting standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 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.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

**b) Conversion into Indian rupees**

The translation of financial statements into Indian Rupees is done in accordance with 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) Property, Plant and Equipment :**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. Revalued assets are recorded at revalued amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The residual useful life of property, plant & equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

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

Computers	30%
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**e) Cash and Cash Equivalents:** Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

**f) Foreign Exchange Transactions**

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.

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.

Non Monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

**g) Taxation**

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



IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

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

1 Other Non Financial Assets	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non Current	Current	Non Current
Indirect tax Recoverable	-	-	-	12.83
Advance to Suppliers	-	-	3.22	-
Others	-	-	0.36	-
<b>Total</b>			<b>3.58</b>	<b>12.83</b>

2 Cash & Cash Equivalents	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Cash on hand	0.28		0.31
Balances with banks	0.41		3.59	
<b>Total</b>	<b>0.69</b>		<b>3.90</b>	

3 Equity Share Capital	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	No par value* Equity Shares fully paid		No par value* Equity Shares fully paid	
Face Value Class of Shares Authorised Capital *				
Issued, Subscribed and Paid up Capital Issued & Subscribed & Paid up		115.15		115.15
<b>Total</b>		<b>115.15</b>		<b>115.15</b>

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

Disclosures:

i) Reconciliation of Shares

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Shares outstanding at the beginning of the year	115.15	115.15
Shares Issued during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>115.15</b>	<b>115.15</b>

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31/03/2020 Number of shares held %	As at 31/03/2019 Number of shares held %
Ipca Laboratories Ltd	100.00	100.00

4 Other Equity	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	(i) Other Reserves			
Foreign currency translation reserve	(1.60)		(1.76)	
Retained earnings	(113.42)		(103.28)	
<b>Total</b>	<b>(115.02)</b>		<b>(105.04)</b>	

IPCA PHARMACEUTICALS LIMITED, S.A DE C.V

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

<b>5 Trade Payables</b>		
	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Trade Payables - Others	0.56	10.05
<b>Total</b>	<b>0.56</b>	<b>10.05</b>
<b>6 Other Current non financial Liabilities</b>		
	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Other Payables	-	0.15
<b>Total</b>	<b>-</b>	<b>0.15</b>
<b>7 Other Income</b>		
	2019-20 (₹ Lakhs)	2018-19
Other Income	4.54	18.56
<b>Total</b>	<b>4.54</b>	<b>18.56</b>
<b>8 Other Expenses</b>		
	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Rates and Taxes	0.06	0.08
Communication Expenses	-	0.04
Professional Charges	3.52	3.82
Bank Charges	0.26	0.24
Misc balances written off	10.84	-
<b>Total</b>	<b>14.68</b>	<b>4.18</b>

**IPCA PHARMACEUTICALS LIMITED, S.A DE C.V**  
**Notes to financial statements as at and for the year ended March 31, 2020**

**9 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 Pharmaceuticals Limited, S.A DE C.V**  
 Ipca Laboratories Limited. India

**Transactions**

Description	Entities where control exists	Total
	Subsidiary	
<b>Balances as on 31st March 2020</b>		
<b>Reimbursement of expenses</b>		
Ipca Laboratories Limited.	4.41	4.41
Previous Year	7.12	7.12
<b>Total</b>	<b>4.41</b>	<b>4.41</b>
Previous Year	7.12	7.12

- 10 Earning per share is not given since shares carry no par value.
- 11 Prior period comparatives  
 Previous year's figures have been regrouped or rearranged wherever necessary.
- 12 The annual accounts have been prepared on going concern basis.
- 13 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.
- 14 The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Change in Equity, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the year ended on March 31, 2020

**For and on behalf of the Board of Directors**



**Harish P. Kamath**  
**Chairman/Director**

**Date: June 15, 2020**