



MDC PHARMACEUTICALS LTD.



2020 ANNUAL **REPORT**

Plot no. 213, Industrial Area Phase-1 Chandigarh- 160002

<u>The Board of Directors</u> Mr. Sham Lal Singla, Managing Director Mr. Parvinder Singh, Chairman Cum Whole time Director Mr. Gurmeet Singh Narula, Whole time Director Mr. Ravdeep Singh Matta, Non Executive Director Mr. Vir Pal Singh, Executive Director Ms. Harkanwal Kaur Bhatia, Independent Director Ms. Manisha Sharma, Independent Director Mr. Jatinder Singh Wig, Independent Director	<u>Statutory Auditors</u> G. S. Gambhir & Associates, Chartered Accountants Firm Registration no. 012599N SCO 1106-07, Sector 22 B, Chandigarh 160022
<u>Company Secretary</u> Ms. Jolly Kashyap	<u>Bankers</u> HDFC Bank Limited Punjab National Bank
<u>Chief Financial Officer</u> Mrs. Pramila Devi	<u>ISIN:</u> INE644Z01014
<u>Registrar and Transfer Agent</u> Link Intime India Private limited Registered office at: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Mumbai City 400083 E mail id: linkcs@linkintime.co.in	<u>Registered office:</u> Plot no. 213, First floor, Industrial Area, Phase I, Chandigarh 160002
<u>Web site:</u> www.mdcpharmaceutical.com	<u>Manufacturing units:</u> 1) Sai Road, Baddi, Himachal Pradesh 173205 2) Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh 173205

CONTENT

Notice	1-5
Directors' Report	6-23
Auditors' Report	24-30
Balance Sheet	31-32
Notes to significant accounting policies	33-36
Profit & Loss Account	37
Cash Flow Statement	38-39
Notes	40-58
Consolidated Financial Statements	59-94
Statement of Subsidiary/Associate Companies	95

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of **M/s MDC PHARMACEUTICALS LIMITED** will be held on Thursday, 31st December, 2020 at 11.30 AM IST through Video Conferencing (VO) or Other Audio visual to transact the following business:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Gurmeet Singh Narula (DIN No: 02398004), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

3. **Approval for granting loan, giving guarantee or providing security in respect of any loan to Moselle Drugs and Cosmetics limited and in this regard to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions if any, of the Companies Act, 2013 and rules made there under and as may be amended from time to time (‘the Act’), consent of the members of the Company, be and is hereby accorded to grant loan or give guarantee or provide security in respect of any loan or giving guarantee or providing security to Moselle Drugs and Cosmetics Limited, an associate company of MDC Pharmaceuticals Limited, upto an amount of Rs. 4 Crores (Four Crores), (including ratification of loan already provided to Moselle Drugs and Cosmetics Limited) from time to time and that the resolution is subject to Section 185 being amended with provisions enabling granting of such loan, giving guarantee or providing security in respect of any loan to Moselle Drugs and Cosmetics Limited.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

4. **To approve the upward revision in the remuneration of Sh. Sham Lal Singla, Managing Director of the company (DIN: 00496397) and in this regard to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, consent of

the shareholders of the company be and is hereby accorded for upward revision of remuneration of Sh. Sham Lal Singla, Managing Director of the company by way of increase in remuneration to Rs. 11 lakhs per month remuneration provided other terms and conditions shall remain same as per the agreement executed between him and the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

5. **To approve the upward revision in the remuneration of Sh. Parvinder Singh, Chairman cum Whole time Director of the company (DIN: [01565151](#)) and in this regard to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, consent of the shareholders of the company be and is hereby accorded for upward revision of remuneration of Sh. Parvinder Singh, Chairman cum whole time director of the company by way of increase in remuneration to Rs. 11 lakhs per month provided other terms and conditions shall remain same as per the agreement executed between him and the company.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

6. **To approve the upward revision in the remuneration of Sh. Gurmeet Singh Narula, Whole time Director of the company (DIN: [02398004](#)) and in this regard to consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, consent of the shareholders of the company be and is hereby accorded for upward revision of remuneration of Mr. Gurmeet Singh Narula, whole time director of the company by way of increase in remuneration to Rs. 11 lakhs per month provided other terms and conditions shall remain same as per the agreement executed between him and the company.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

FOR AND ON BEHALF OF THE BOARD

Sd/-

Parvinder Singh
Chairman cum whole time Director

Place: Chandigarh

Dated: 09/12/2020

NOTES:

1. In view of the continuing COVID-19 pandemic, the Govt. of India, Ministry of Corporate Affairs (MCA) allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the physical presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars, permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue.
2. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/OAVM is annexed hereto.
3. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 to 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through electronic voting (“e-voting”).
5. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company at mdcpharma.legal@gmail.com, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting through e-voting.

6. Explanatory Statement pursuant to Section 102(1) of the Act, in respect of item no. 3 to 6 is annexed and forms a part of this Notice. The Board of Directors, at their meeting held on 9th December, 2020 has decided that the special business set out under item nos. 3 to 6, being considered unavoidable, be transacted at the AGM of the Company.
7. The Facility of joining the AGM through VC / OAVM will be made available to all the members of the company, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors of the Company.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

8. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the Notice of AGM and the Annual Report by electronic mode. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.mdcpharmaceutical.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM.
 - ⌘ Members will be able to attend the AGM through VC / OAVM at <https://zoom.us/join> by using their login credentials being provided to all the stakeholders separately to their registered e mail id's provided to the company/depository participants.
 - ⌘ Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - ⌘ Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - ⌘ Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - ⌘ Members who need assistance before the AGM can correspond through our mail mdcpharma.legal@gmail.com.
 - ⌘ The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Parvinder Singh
Chairman cum whole time Director

Place: Chandigarh
Dated: 09/12/2020

Explanatory Statement as required under Section 102 of the Companies Act, 2013

ITEM NO. 3

The Company has promoted its associate company in the name and style of Moselle Drugs and Cosmetics Limited (hereinafter referred to as 'Moselle'). The Company holds 49.94 % of the equity capital in Moselle Drugs and Cosmetics Limited. The said company is engaged in the business of manufacturing and trading of cosmetics and medicines. Since, Moselle Drugs and Cosmetics Limited is in its initial state of operations, it would require funds for its business operations. It is proposed to grant loan or give guarantee or provide security in respect of any loan granted to Moselle for its principal business activities and to ratify loan already provided to Moselle.

Section 185 of the Companies Act, 2013 (as amended from time to time) allows granting of loans or giving guarantee or security in connection with a loan by any interested entity by way of special resolution by the members passed in a general meeting of the company.

Accordingly, the Board of Directors at its meeting held on 9th December, 2020 have recommended the Special Resolution at Item No. 3 for members' approval for granting such loan or giving guarantee or providing security in connection with any such loan to Moselle. None of the Directors, Key Managerial Personnel and their relatives thereof have any concern or interest, financial or otherwise, in the resolution at Item No. 3 of this Notice.

ITEM NO. 4, 5 & 6

Mr. Sham Lal Singla, Mr. Parvinder Singh and Mr. Gurmeet Singh Narula had been appointed as the Managing Director and Whole time Directors of the company respectively in the Extra ordinary general meeting of the company held on 26th February, 2018 for a period of five years.

Considering the overall growth of the company under the dynamic leadership of all the three promoters of the company and with the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has approved the overall increase in his managerial remuneration to Rs. 11 lakhs per month for which the approval of members is required by way of Special resolution.

None of the directors are interested in the said resolutions except to the extent of their shareholding.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Parvinder Singh
Chairman cum whole time Director

Place: Chandigarh
Dated: 09/12/2020

BOARD REPORT

To

The Members,

Your Directors have immense pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

Particulars	For the year ended 31/03/2020	For the year ended 31/03/2019
Net Sales/Income From Business Operations	52,38,83,531.00	55,76,56,041.00
Other Income	38,74,169.00	38,53,270.00
Total Income	52,38,83,531.00	56,15,09,310.00
Profit before Depreciation, interest and tax	6,06,82,206.00	11,27,46,439.00
Less Depreciation	1,26,45,790.00	1,02,55,684.00
Less Interest	10,47,724.00	15,63,644.00
Profit after depreciation and Interest	4,69,88,692.00	10,09,27,111.00
Less: Current Income Tax	1,43,15,041.00	3,08,21,341.00
Less Previous year adjustment of Income Tax	0.00	8,46,666.00
Less Deferred Tax	-1,00,284.00	5,13,555.00
Net Profit after Tax	3,27,73,935.00	6,87,45,548.00
Dividend (including Interim if any and final)	1,59,61,001.00	89,99,100.00
Earnings per share (Basic)	2.57	5.10
Earnings per Share(Diluted)	2.57	5.10

2. SHARE CAPITAL

The Authorized Share Capital of the company has been increased from Rs. 2,00,00,000/- to Rs. 20,00,00,000/- divided into 2,00,00,000 Equity Shares of Rs. 10/- each.

Further the issued, subscribed and paid up share capital of the company is Rs. 12,76,88,000/- divided into 1,27,68,800 Equity Shares of Rs. 10/- each.

3. FINANCIAL STATEMENTS

Financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of Companies Act, 2013.

4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

5. DIVIDEND

The Company had declared interim dividend of Rs. 95.76 lakhs for the year 2018-19 and the same has been paid to the shareholders in April, 2019. Further dividend amounting to Rs. 89.99 lakhs was paid during the year 2018-19 for the financial year 2017-18.

6. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Form-MGT 9 is attached to the report as Annexure I and is available on the web site of the company www.mdcpharmaceutical.com.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There is no amount of unclaimed dividend required to be transferred to the Investor Education and Protection Fund.

8. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company has no subsidiaries but has associate companies. Henceforth, a statement of the subsidiary Companies/ Associate Companies/Joint Ventures as per Form AOC-1 is annexed herewith as Annexure II.

9. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) The directors had 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 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has devised policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

11. BOARD OF DIRECTORS

The Board of Directors remained duly constituted during the financial year 2019-20.

Mr. Gurmeet Singh Narula, Whole Time Director (DIN: 02398004) of the Company is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Necessary resolution for the re-appointment of the aforesaid directors have been included in the notice convening the ensuing Annual General Meeting and details of the proposal for re-appointment are mentioned in the notice.

Your directors recommend his re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013 except Mr. Sham Lal Singla, Mr. Parvinder Singh Gulati and Mr. Gurmeet Singh Narula who were disqualified due to non filing of another company. However, they have taken stay on their disqualification from the Hon'ble High Court of Chandigarh.

12. APPOINTMENT /RESIGNATION OF KEY MANAGERIAL PERSONNELS

During the year under review, none of the Key Managerial personnel has been appointed and resigned from the company.

13. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy:

Steps taken for conservation	The Company continues to give high priority to conservation of energy on an on-going basis. A few significant measures taken are: I) Periodical and preventive maintenance of electric equipments and ensured optimum utilization of electric energy. II) Phased balancing of heating and lighting load. III) Increase in power factor by installing capacitor at the individual machines.
Steps taken for utilizing alternate sources of energy	---N.A.---
Capital investment on energy conservation equipments	Further energy conservation is planned through replacement of and modification of inefficient equipments and by providing automatic controls to reduce idle running of equipments.

b) Technology Absorption:

Efforts made for technology absorption	The Company is constantly engaged in in-house R&D and is in constant touch with the new technologies.
Expenditure on Research & Development, if any	---N.A.---
Details of technology imported, if any	None
Year of import	---N.A.---
Whether imported technology fully absorbed	---N.A.---
Areas where absorption of imported technology has not taken place, if any	---N.A.---

a) C) Foreign Exchange Earnings/ Outgo: (in Rs.)

Earnings	0.00
Outgo	0.00

14. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has formulated a Corporate Social Responsibility Policy to carry on the following activities as mentioned in Schedule VII of the Companies Act, 2013 :

1. Promoting the health and wellbeing of the women, girls, men and youth in the community through clinics, health camps, awareness on institutional deliveries, immunization, reproductive & child health, TB, HIV/AIDS, Malnutrition, Anaemia , communicable & vector borne diseases etc by way of providing medicines free of cost and provision of any other medical facility
2. Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting hunger and malnutrition eradication programmes including free disbursement of food supplements, organizing langars (common kitchen) for the poor and other related activities.
4. Projects, Activities, Programmes relating to conservation of natural resources including renewable energy sources;
5. Projects, Activities, Programmes relating to water conservation and maintaining quality of soil, air, and water;
6. Promoting Gender equality and empowerment of women
7. Community Health- Innovation projects to meet local needs. Reaching out with basic health care to all (bridging the gap).
8. Sustainable livelihood Projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life.
9. Rural Infrastructure Development- Need based quality infrastructure to improve quality of life.

A copy of such CSR policy as approved by the Board of Directors is available on the website of the company- www.mdcpharmaceuticals.com

Further Corporate Social Responsibility Committee comprising of the following directors has been formulated by the board of directors :

- a) Mr. Sham Lal Singla, Managing Director
- b) Mr. Parvinder Singh, Chairman cum whole time director

c) Mr. Jatinder Singh Wig, Independent Director

Amount proposed to be spent on CSR during the financial year 2019-20 (2 % of the average net profits of the three preceding financial years) : Rs. 16.18 lakhs

Amount spent during the year 2019-20 : Rs. 4.42 lakhs

Financial year 2019-20, the company devised policy for expenditure of CSR amount. However, it could not spend the whole amount required to be spent due to non availability of genuine avenue for expenditure. However the company is looking forward to spend the said money during the current financial year.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The company has not provided any Loans, Guarantees under Section 186 of the Companies Act, 2013 during the financial year 2018-19. However the company has not made any investment under Section 186 of the Companies Act, 2013 , the detail of which is as follows:

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered into by the Company during the financial year under review were on arm's length basis and in the ordinary course of business. However, there are certain transaction entered into by the company which are not in ordinary course of business. The details of such transactions is attached herewith as Annexure III in Form AOC-2 . The details of the transactions with Related Parties are provided in the accompanying financial statements.

18. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 7 (Seven) Board meetings during the financial year under review.

20. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

21. DECLARATION OF INDEPENDENT DIRECTORS

The company has obtained declaration from the independent directors regarding their independence as per the provisions of Section 149 of Companies Act, 2013.

22. AUDITORS AND AUDITOR'S REPORT

M/s G.S. GAMBHIR & ASSOCIATES, Chartered Accountants, (Firm Registration No. 012599N), was appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 30/09/2016. The Board of directors of the Company approved deletion of the requirement of seeking ratification of appointment of Statutory Auditors at every AGM pursuant to amendment brought by the Companies Amendment Act, 2017.

The Notes to Accounts referred to in the Auditors' Report on "Note 1" are self-explanatory and therefore do not call for any further comments.

23. RISK MANAGEMENT POLICY

Risk is an integral part of your Company's business, and sound risk management is critical to the success of the organization. Your Company is exposed to risks that are particular to its lending and the environment within which it operates. Your Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout your Company. The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

Your Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with the Management. Some of the risks relate to competitive intensity and changing legal and regulatory environment.

24. COMMITTEES OF THE BOARD

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details of the Committees of the Board along with constitution are as follows:

- Audit Committee:

S.No.	Name of the director	Status	Nature of Directorship
1.	Harkanwal Kaur Bhatia	Chairman	Independent Director
2.	Manisha Sharma	Member	Independent Director
3.	Parvinder Singh Gulati	Member	Chairman & Whole Time director

- Nomination and Remuneration Committee

S.No.	Name of the director	Status	Nature of Directorship
1.	Ravdeep Singh Matta	Chairman	Non- Executive Director
2.	Parvinder Singh Gulati	Member	Chairman Cum Whole Time Director
3.	Gurmeet Singh Narula	Member	Whole Time director

- Stakeholders Relationship Committee

S. No.	Name of the director	Status	Nature of Directorship
1.	Ravdeep Singh Matta	Chairman	Non- Executive Director

2.	Parvinder Singh Gulati	Member	Chairman Cum Whole Time Director
3.	Gurmeet Singh Narula	Member	Whole Time director

- CSR Committee

S. No.	Name of the director	Status	Nature of Directorship
1.	Sham Lal Singla	Chairman	Managing Director
2.	Parvinder Singh Gulati	Member	Chairman Cum Whole Time Director
3.	Jatinder Singh Wig	Member	Independent director

25. VIGIL MECHANISM

The Company has constituted Audit Committee in order to operate the vigil mechanism and if any of the members of the committee have a conflict of interest in a given case, they had to rescue themselves and the others on the committee would deal with the matter on hand.

26. SHARES

a. **BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

b. **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

c. **BONUS SHARES**

The Company has not issued any Bonus Equity Shares during the year under review.

d. **EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any stock option Scheme to the employees.

27. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of its fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

28. HUMAN RESOURCES

Human resources play a key role in the performance of every organization. Your Company strongly believes that it is the employees who will make significant contribution to the success and growth of a business. The employee relations remained steady and harmonious throughout the year under review resulting in high level of performance.

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy.

We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees.

29. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti Harassment policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020.

30. CORPORATE GOVERNANCE

Your Company is committed to best practices in corporate governance and recognizes that transparency, ethical behaviour, integrity and protection of the interest of all the stakeholders form the keystones of the Governance. The Company has ensured strong internal controls and corporate reporting systems including financial reporting.

The Company has voluntarily adopted Code of conduct for Board and Board Committees, which ensures highest standards of ethical and responsible conduct of business

31. CASH FLOW ANALYSIS

In conformity with the provisions of the Companies Act, 2013, the Cash Flow Statement for the year ended on 31st March, 2019 is annexed hereto.

32. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various government authorities for their continued support extended to your companies activities during the year under review. your directors also acknowledges gratefully the shareholders for their support and confidence reposed on your company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Parvinder Singh Gulati
Chairman Cum Whole Time Director
DIN: 01565151

Sd/-

Sham Lal Singla
Managing Director
DIN: 02398004

Place: Chandigarh
Date: 25.09.2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

ANNEXURE-I

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U24231CH1994PTC014820
2	Registration Date	14/071994
3	Name of the Company	MDC PHARMACEUTICALS LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	213, FIRST FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH - 160001
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private limited Registered office at: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Mumbai City 400083 E mail id: linkcs@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of homoeopathic or biochemic pharmaceutical preparations	21004	100%
2			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	I M Healthcare Private Limited office at: 213, FIRST FLOOR INDUSTRIAL AREA, PHASE I CHANDIGARH 160002	U24232CH2010PTC032454	Associate	20%	2(6)
2	Moselle Drugs & Cosmetics Limited Office at : HOUSE NO. 1030, SECTOR 2, PANCHKULA 134112	U24290HR2019PLC077772	Associate	49.94%	2(6)
3	MDC Hygeine Private limited office at: House No. 319, Sector 21 A, CHANDIGARH 160020	U24100CH2019PTC042321	Associate	44%	2(6)

IV. SHARE HOLDING PATTERN	
(Equity share capital breakup as percentage of total equity)	

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,22,82,400		12,282,400	97.88%	12,315,400	-	1,23,15,400	97.88%	0.00%
b) Central Govt			-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)			-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.			-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI			-	0.00%	-	-	-	0.00%	0.00%
f) Any other (relatives of promoters)	215,400		215,400	0.00%	215,400		215,400	1.69%	0.00%
Sub Total (A) (1)	12,497,800	-	12,497,800	97.88%	12,530,800	-	12,530,800	96.19%	0.26%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%			-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%			-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%			-	0.00%	0.00%
d) Any other	-	-	-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	12,497,800	-	12,497,800	97.88%	12,530,800	-	12,530,800	98.14%	0.26%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions						-			
a) Bodies Corp.	2000		2000	0.00%	2000	-	2000	0.00%	0.00%
i) Indian	-	-	-	0.00%		-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%		-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%		-	-		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	70,000	-	70,000	0.56%	1,10,000		1,10,000	0.86%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	199,000	-	199,000	1.56%	1,26,000		1,26,000	0.98%	0.00%
c) Others (specify)	-	-	-		-	-	-		
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals			-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	271,000	-	271,000	2.12%	238,000		238,000	1.86%	-0.26%
Total Public (B)	271,000	-	271,000	2.12%	238,000		238,000	1.86%	-0.26%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	12,768,800		12,768,800	100.00%	12,768,800	12,768,800	12,768,800	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PARVINDER SINGH GULATI	4153400	32.53%	0	4165633	32.63%	0	-0.10%
2	SHAM LAL SINGLA	3999500	31.32%	0	4010933	31.41%	0	0.09%
3	GURMEET SINGH NARULA	4129500	32.34%	0	4138834	32.41%	0	-0.07%

(iii) Change in Promoter's shareholding

1) Parvinder Singh Gulati

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			4,153,400	32.53%	4,153,400	32.53%
	Changes during the year	04.06.2019	Transfer	4,000			
	Changes during the year	04.06.2019	Transfer	4,000			
	Changes during the year	28.08.2019	Transfer	2,900			
	Changes during the year	13.09.2019	Transfer	1,333			
	At the end of the year			4,165,633	32.62%	4,165,633	32.62%

2) Sham Lal Singla

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			3,999,500	31.32%	3,999,500	31.32%
	Changes during the year	04.06.2019	Transfer	8,000			
	Changes during the year	28.08.2019	Transfer	2,100			
	Changes during the year	13.09.2019	Transfer	1,333			
	At the end of the year			4,010,933	31.41%	4,010,933	31.41%

3) Gurmeet Singh Narula

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			4,129,500	32.34%	4,129,500	32.34%
	Changes during the year	04.06.2019	Transfer	8,000			
	Changes during the year	16.09.2019	Transfer	1,334			
	At the end of the year			4,138,834	32.41%	4,138,834	32.41%

(iv) Shareholding Pattern of top ten Shareholders

NIL

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
3	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	PARVINDER SINGH GULATI						
	At the beginning of the year			4,153,400	32.53%	4,153,400	32.53%
	Changes during the year	04.06.2019	Transfer	4,000			
	Changes during the year	04.06.2019	Transfer	4,000			

	Changes during the year	28.08.2019	Transfer	2,900			
	Changes during the year	13.09.2019	Transfer	1,333		4,165,633	32.62%
	At the end of the year			4,165,633	32.62%	4,165,633	32.62%
2	SHAM LAL SINGLA						
	At the beginning of the year			3,999,500	31.32%	3,999,500	33.33%
	Changes during the year	04.06.2019	Transfer	8,000			
	Changes during the year	28.08.2019	Transfer	2,100			
	Changes during the year	13.09.2019	Transfer	1,333		4,010,933	31.41%
	At the end of the year			4,010,933	31.41%	4,010,933	31.41%
3	GURMEET SINGH NARULA						
	At the beginning of the year			3,999,500	31.32%	3,999,500	31.32%
	Changes during the year	04.06.2019	Transfer	8,000			
	Changes during the year	16.09.2019	Transfer	1,334		4,138,834	32.41%
	At the end of the year			4,138,834	32.41%	4,138,834	32.41%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,101,607.00	0.00	-	5,101,607.00
ii) Interest due but not paid			-	-
iii) Interest accrued but not due				-
Total (i+ii+iii)	5,101,607.00	0.00	-	5,101,607.00
Change in Indebtedness during the financial year				
* Addition	2,885,514.00	0.00	-	2,885,514.00
* Reduction	0.00	0.00		-
Net Change	2,885,514.00	0.00	-	2,885,514.00
Indebtedness at the end of the financial year				
i) Principal Amount	5,101,607.00	0.00	-	5,101,607.00
ii) Interest due but not paid	0.00	0.00		-
iii) Interest accrued but not due	0.00	0.00		-
Total (i+ii+iii)	5,101,607.00	0.00	-	5,101,607.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	Parvinder Singh Gulati	Sham Lal Singla	Gurmeet Singh Narul	(Rs/Lac)
	Designation	Whole time Director	Managing Director	Whole time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,12,06,002/-	1,03,12,784/-	92,15,000/-	30,733,786.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify				-
	Total (A)	1,12,06,002/-	1,03,12,784/-	92,15,000/-	30,733,786.00

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Director Remuneration (Total)	Vir Pal Singh	Manisha Sharma	Harkanwala Kaur Bhatia	Total Amount
						(Rs/Lac)
1	Independent Directors			-		
	Fee for attending board committee meetings			-	-	-
	Commission			-	-	-
	Others, please specify			-	-	-
	Total (1)	-	-	-	-	-
2	Other Executive Directors			-	-	-
	Fee for attending board committee meetings			-	-	-
	Commission			-	-	-
	Others, please specify- SALARY		12,76,000.00	-	-	-
	Total (2)	-	12,76,000.00	-	-	-
	Total (B)=(1+2)	-	12,76,000.00	-	-	-
	Total Managerial Remuneration		12,76,000.00	-	-	
						-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name -	Ms. Pramila Devi	Ms. Jolly Kashyap	(Rs.)	
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	9,30,434.00	3,95,802.00	1,326,236.00
	(b) Value of perquisites u/s 17(2) Income-tax		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
	Commission		-	-	
4	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others, please specify		-	-	-
	Total	-	-	-	1,326,236.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
PARVINDER SINGH GULATI
Chairman cum Whole Time Director
DIN:-01565151

sd/-
SHAM LAL SINGLA
Managing Director
DIN:00496397

ANNEXURE II**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	--
b)	Nature of contracts/arrangements/transaction	--
c)	Duration of the contracts/arrangements/transaction	--
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	--
e)	Justification for entering into such contracts or arrangements or transactions'	--
f)	Date of approval by the Board	--
g)	Amount paid as advances, if any	--
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	--

2. Details of contracts or arrangements or transactions at Arm's length basis (not in ordinary course of business)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1)Mr. Parvinder Singh Gulati (Chairman Cum Whole Time Director) 2)Mr. Sham Lal Singla (Managing Director) 3)Mr. Gurmeet Singh Narula (Whole Time Director)
b)	Nature of contracts/arrangements/transaction	Purchase of 60% share of land from the company
c)	Duration of the contracts/arrangements/transaction	Not applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	The said directors of the company had purchased 60% share in land situated at JLPL, Mohali from the company.

e)	Date of approval by the Board	23.01.2020
f)	Amount paid as advances, if any	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Parvinder Singh Gulati
Chairman Cum Whole Time Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 02398004

Place: Chandigarh
Date: 25.09.2020

Annexure 3 :**AOC- 1**

Statement containing salient features of the financial statements of Associate Company (Pursuant to first proviso to sub-section of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associate

Name of Associate Company	I M Healthcare Pvt Ltd	MDC Hygeine Private Limited	Moselle Drugs and Cosmetics Limited
Latest audited Balance Sheet Date	3/31/2020	3/31/2020	3/31/2020
Date on which the Associate was associated or acquired	5/14/2018	19/01/2019	05/02/2019
Share of Associate held by the company on the period end:			
Number	300,000	4,400	9,988
Amount of Investment in Associates	76,785,000	44,000	99,880
Extent of Holding (%)	20.00%	44.00%	49.94%
Description of how there is significant influence	Refer Note a	Refer Note a	Refer Note a
Reasons why the associate is not consolidated	NA	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	(36,258,967)	(2,154,909)	(164,000)
Profit or Loss for the period			
i. Considered in Consolidation	(36,258,967)	(13,41,759)	94
ii. Not Considered in Consolidation	-	-	-

Note :

- Significant influence has been assumed since the holding is equal to 20 %, 44% and 49.94%.
- The above statement also indicates Performance of the Associate.
- Name of associates which are yet to commence operations: MDC Hygeine Private Limited, Moselle Drugs and Cosmetics Limited
- Name of associate which have been liquidated or sold during the year: None

For G S GAMBHIR AND ASSOCIATES

sd/-

RAHUL KHURANA
(PARTNER)
M. NO. : 543481
20543481AAAAFJ7319

Date: 25 September, 2020
Place: Chandigarh

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh
Gulati
Wholetime
Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Sd/-
Pramila Devi
Chief Financial
Officer
PAN:
AHPPD7831G

Sd/-
Jolly Kashyap
Company
Secretary PAN:
BKCPK9618M

Independent Auditor's Report

To the Members of MDC PHARMACEUTICALS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **MDC PHARMACEUTICALS LIMITED** ("*the Company*") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 the true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2020, and its profit/loss and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone 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 standalone 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

1. 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.
2. 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.
3. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
6. 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 B".
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (a) We understand that the Company does not have any pending litigations which would impact its financial position in its financial statements.
- (b) The Company did not have any long term contracts including derivative contracts as at year end for which they were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)
FRN: 012599N

Sd/-

RAHUL KHURANA
(PARTNER)

M. No. 543481

UDIN: 20543481AAAAEV6767

Date: 25 September 2020

Place: Chandigarh

“ANNEXURE A TO THE AUDITORS’ REPORT”

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31st March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties classified as fixed assets are held in the name of company.

(ii) The inventory have been physical verified at reasonable intervals by the management during the period. The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, during the year the Company has not granted any unsecured loans to any party covered in the register maintained under section 189 of the Companies Act, 2013. Hence, Para (a),(b) and Para(c) not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 and 186 of Act, with respect to the loan and investments.

(v) The Company has not accepted any deposits from the public.

(vi) On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records , the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, Income Tax, Goods & Service Tax and other material statutory dues with the appropriate authorities. However, as per the Traces website of the Income Tax Department, we understand that there is outstanding liability pertaining to the TDS and interest thereon amounting to Rs.19,34,424/- against the company as on the date of signing the financial statements of this current year. Since no relevant information about their actual status was available with us as on date of signing of the Audit Report, we were not able to further comment upon the same.

(b) According to the information & explanation given to us and books and records examined by us there are no undisputed amount payable in respect of Income Tax, Custom Duty, Excise Duty, Goods and Service Tax outstanding as at 31st March 2020, for a period exceeding six months from the date they become payable.

(viii) Based on information and explanation provided by the management of Company, The Company has not defaulted in repayment of loans and borrowings to a financial institution and banks.

(ix) The company has not raised moneys by way of initial public offer during the year.

(x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the record of the Company, the company has paid / provided for managerial remuneration in accordance with provisions of section 197 read with schedule V of the act.

(xii) In our opinion and according to the information and explanations given to us, the company is not Nidhi Company. Accordingly paragraph 3 (xii) of Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the record of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The company has made preferential allotment or private placement of equity shares during the year and the same has been utilized for the purpose for which it has been allotted.

(xv) According to the information and explanations given to us and based on our examination of the record of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)

FRN: 012599N

Sd/-

RAHUL KHURANA

(PARTNER)

M. No. 543481

UDIN: 20543481AAAAEV6767

Date: 25 September 2020

Place: Chandigarh

ANNEXURE B TO THE AUDITORS' REPORT**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 **MDC PHARMACEUTICALS LIMITED** ('the Company') as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31st March 2020, based on 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.

**For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)**

FRN: 012599N

Sd/-

RAHUL KHURANA

(PARTNER)

M. No. 543481

UDIN: 20543481AAAAEV6767

Date: 25 September 2020

Place: Chandigarh

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)

BALANCE SHEET AS AT 31ST MARCH, 2020

In Rs.

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
		Amount	Amount
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	12,76,88,000	12,76,88,000
Reserves and Surplus	3	24,01,82,597	22,56,83,567
Money received against share warrants		-	-
		36,78,70,597	35,33,71,567
Share Application money pending allotment			
Non-current liabilities			
Long term borrowings	4	80,77,121	51,01,607
Deferred tax liabilities (Net)	5	24,91,358	25,91,643
Other Long term liabilities			
Long -term provisions	6	55,30,871	38,40,980
		1,60,99,350	1,15,34,230
Short-term borrowings	7	2,90,91,834	-
Trade payables	8	11,61,10,697	7,93,75,821
Other current liabilities	9	11,30,92,221	5,80,85,142
Short term provisions	10	1,69,48,869	3,22,30,530
		27,52,43,621	16,96,91,493
TOTAL		65,92,13,569	53,45,97,290
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	11	8,41,54,300	9,51,94,659
"Gross Block as on 01 April 2019		21,99,03,461	
Additions from 01.04.2019 to 31.03.2020		1,55,52,166	
Sales/Deductions from 01.04.2019 to 31.03.2020		(1,78,46,019)	
Gross Block as on 31 March 2020 =		21,76,09,608	
Intangible assets		74,040	1,23,400
"Gross Block as on 01 April 2019		1,45,000	
Additions from 01.04.2019 to 31.03.2020		Nil	
Sales/Deductions from 01.04.2019 to 31.03.2020		Nil	
Gross Block as on 31 March 2020 =		1,45,000	
Capital work-in-progress		-	-
Intangible assets under development		-	-
		8,42,28,340	9,53,18,059
Non Current Assets			
Non-current investments	12	10,06,74,736	10,05,96,750
Deferred tax assets (net)		-	-
Long term loans and advances	13	45,62,299	68,42,190
Other non-current assets	14	6,14,36,270	8,77,008
		16,66,73,304	10,83,15,948
Current assets			
Current Investments			
Inventories	15	17,16,56,680	12,11,58,242
Trade receivables	16	9,19,30,417	10,91,06,978
Cash and cash equivalents	17	2,69,30,962	3,80,79,609
Short-term loans and advances	18	11,15,27,620	5,79,19,269
Other current assets	19	57,66,246	46,99,185
		40,78,11,925	33,09,63,283
TOTAL		65,87,13,569	53,45,97,290

Statement on Significant Accounting Policies and Notes to Financial Statements are an integral part of the Balance Sheet

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAEN3510

Place: Chandigarh
Date: 25/09/2020

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020**1. A) Corporate Information :**

The Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 014820 issued by the Registrar of Companies, Punjab, HP & Chandigarh. Subsequently, the Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of the Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of the Company is U24231CH1994PLC014820.

B) Significant Accounting Policies:**a) Basis of preparation of financial statements:**

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Policies in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013.

The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Company unless otherwise stated.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and the difference between actual results and estimates are recognized in the periods in which the results are known/materialize.

c) Fixed Assets and Depreciation:

- i) Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- ii) Depreciation on Fixed Assets has been provided on Written down Value (WDV) method and computed with reference to useful life of respective assets specified and in the manner prescribed in Schedule II to the Companies Act, 2013 including pro rata depreciation on addition made during the year.

d) Revenue Recognition:

- Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

Other Operating Revenue

- Other Operating revenue comprise of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- Interest income is recognized on time proportion basis.
- Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

e) Investments:

Investments that are readily realizable and intended to be held for not more than twelve months are classified as Current Investments. All other investments are classified as Non- Current Investments. Non-Current Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Non-Current Investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Employee Benefits:**Defined-contribution plans:**

- i) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation performed by Ruchi Goel Chhatlani, F.I.A.I. (Consulting Actuary), as on dated 31st March 2020 using the projected unit credit actuarial method and in accordance with the provisions of Accounting Standard-15. For the purpose of reporting in the financial statements, we have relied upon the figures reported in the actuarial valuation report.

h) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

i) Provision, Contingent Liabilities & Contingent Assets:

A provision is recognized when an enterprise has a present obligation as result of past event(s) and it is probable that a outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation. Contingent Liabilities, if material, are disclosed by way of notes. Contingent Assets are not recognized or disclosed in the financial statements.

j) Contingencies and events occurring after the balance sheet date:

Event occurring after the date of the Balance sheet, which provide further evidence of conditions that existed at the Balance sheet or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

k) Segment Accounting**(i) Business Segment**

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of Pharma Products, and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset of the Aggregate revenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.

l) Earnings Per Share:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

m) Cash Flow:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

n) Foreign Currency Transactions

- a) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- b) The foreign currency exchange loss/gain has been computed as per the information provided to us by the company and in accordance with the guidelines prescribed by Accounting Standard-11.
- c) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

o) Inventories

- a) Raw Material, Packing Materials are valued at lower of Cost or net realizable value.

- b) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

p) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN: 20543481AAAAEN3510

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Place: Chandigarh
Date: 25/09/2020

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

In Rs.

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
		Amount	Amount
Revenue from operations	20	52,20,09,362	55,76,56,041
Other Income	21	18,74,169	38,53,270
Total Revenue		52,38,83,531	56,15,09,310
Expenses			
Cost of materials consumed	22	23,01,33,624	24,72,25,998
Purchase of Stock in Trade	23	10,59,24,492	4,07,21,444
Changes in Inventory of WIP, Finished Goods and Stock in Trade	24	(2,66,87,834)	3,08,78,719
Employee benefits expense	25	6,92,72,960	6,48,93,575
Finance Costs	26	12,76,777	18,72,138
Depreciation and amortization expense	11	1,26,45,790	1,02,55,684
Other Expenses	27	8,43,29,031	6,47,34,642
Total Expenses		47,68,94,839	46,05,82,200
Profit before Tax		4,69,88,692	10,09,27,111
Tax expense:			
Current tax	10	1,43,15,041	3,08,21,341
Short/(excess)provision for earlier years		-	8,46,666
Deferred tax	5	(1,00,284)	5,13,555
Profit (loss) for the period from continuing operations		3,27,73,935	6,87,45,548
Tax expense of discontinuing operations			
Profit/(loss) from discontinuing operations(after tax)			
Profit (loss) for the period		3,27,73,935	6,87,45,548
Basic & Diluted Earnings Per Share	25	2.57	5.10
Statement on Significant Accounting Policies and Notes to Financial Statements are an integral part of this Statement of Profit and Loss			

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

For and on behalf of the Board of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAEN3510

Sd/- Parvinder Singh Gulati Director DIN: 01565151	Sd/- Sham Lal Singla Managing Director DIN: 00496397
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Place: Chandigarh
Date: 25/09/2020

Sd/- Pramila Devi Chief Financial Officer PAN: AHPPD7831G	Sd/- Jolly Kashyap Company Secretary PAN: BKCPK9618M
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MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

In Rs.

PARTICULARS	As at 31 March, 2020		As at 31 March, 2019	
	Amount	Amount	Amount	Amount
A. Cash Flow from operating Activities				
Profit (Loss) for the period from continuing operations	3,27,73,935		6,87,45,548	
<u>Adjustments for:</u>				
Adjustment for Reserves	(1,82,74,905)		(1,24,81,173)	
Provision for Income Tax Liability	1,60,44,341		3,08,21,341	
Depreciation and amortisation	1,26,45,790		1,02,55,682	
Finance costs	12,76,777		18,72,138	
Interest on Fixed Deposits	(7,38,199)		(1,22,887)	
Profit on Sale of Fixed Assets	(6,13,923)		(1,14,272)	
Excise Duty Refund	-		(1,53,859)	
Provision for Deferred Tax Asset	(1,00,284)		5,13,555	
Operating profit/(loss) before working capital changes		4,30,13,531		9,93,36,073
<u>Changes in working capital:</u>				
<u>Adjustments for (increase)/decrease in operating assets:</u>				
Inventories	(5,04,98,438)		1,46,24,734	
Trade receivables	1,71,76,561		(3,61,67,178)	
Short Loans and Advances	(5,36,08,351)		(2,88,72,354)	
Other current assets	(10,67,061)		(25,47,343)	
		(8,79,97,289)		(5,29,62,141)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>				
Short-term borrowings	2,90,91,834		(77,16,177)	
Trade payables	3,67,34,876		2,22,48,498	
Other current liabilities	5,50,07,079		2,41,31,232	
Short-term provisions	(1,52,81,661)		77,38,365	
		10,55,52,128		4,64,01,918
		6,05,68,371		9,27,75,850
Cash generated from operations		6,05,68,371		9,27,75,850
Excise Duty Refund		-		1,53,859
Income Tax		(1,60,44,341)		(3,08,21,341)
Net cash flow from/(used in) operating activities (A)		4,45,24,030		6,21,08,368
B. Cash flow from investing activities				
Non-Current investments	(77,986)		(5,54,58,880)	
Purchase of Fixed Assets	(1,55,52,166)		(3,56,45,342)	
Capital Work in Progress	-		1,74,43,410	
Sale of Fixed Assets	1,39,96,096		2,65,459	
Profit on Sale of Property	6,13,923		1,14,272	
Interest on fixed deposits	7,38,199		1,22,887	
Long term loans and advances	22,79,891		(4,07,414)	
Other Non-Current Assets	(6,05,59,262)		(50,635)	
		(5,85,61,304)		(7,36,16,243)
Net cash flow from/(used in) investing activities (B)		(5,85,61,304)		(7,36,16,243)
C. Cash flow from financing activities				
Proceeds from/ (Repayment of) long term borrowings	29,75,514		(49,39,027)	
Long Term Provisions	16,89,891		38,40,980	
Proceeds from Share Capital	-		25,30,000	
Finance Cost	(12,76,777)		(18,72,138)	
		33,88,628		(4,40,185)
Net cash flow from/ (used in) financing activities (C)		33,88,628		(4,40,185)
Net increase/(decrease) in Cash and Cash				

Equivalents (A+B+C)		(1,06,48,647)		(1,19,48,060)
Cash and cash equivalents at the beginning of year		3,80,79,609		5,00,27,669
Cash and Cash equivalents at the end of year		2,74,30,962		3,80,79,609
Cash and Cash equivalents at the end of year*		2,74,30,962		3,80,79,609
*Comprises:				
(a) Cash on hand		32,77,398		24,36,042
(b) Balances with banks		2,36,53,564		3,56,43,567
		2,69,30,962		3,80,79,609

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

For and on behalf of the Board of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAEN3510

Sd/-
Parvinder Singh Gulati
Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Place: Chandigarh
Date: 25/09/2020

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
NOTES FORMING PARTS OF THE FINANCIAL STATEMENT

Note 2 Share Capital

a. Details of authorised, issued, subscribed and paid up share capital

In Rs.

Particulars	As at 31 st March, 2020		As at 31 st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each with voting rights	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued				
Equity Shares of Rs. 10 each with voting rights	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000
	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000
Paid up				
Equity Shares of Rs. 10 each with voting rights	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000
	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000

b. The reconciliation of the number of Equity Shares outstanding as at:-

Particulars	31-03-2020	31-03-2019
Number of shares at the beginning	1,27,68,800	1,19,98,800
Add: Bonus Shares Issued	-	-
Add: Fresh Issue of Shares	-	7,70,000
Number of shares at the end	1,27,68,800	1,27,68,800

c. Terms & Conditions

The company has only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Equity Shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013.

In the event of liquidation of the Company, the holder 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.

d. Shareholding Pattern- shareholders holding more than 5 % of shares:-

Name of the Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	% held	No. of shares	% held
Gurmeet Singh Narula	41,38,834	32.41%	41,29,500	32.34%
Parvinder Singh Gulati	41,65,633	32.62%	41,53,400	32.53%
Sham Lal Singla	40,10,933	31.41%	39,99,500	31.32%

Note 3 Reserves and Surplus**In Rs.**

Particular	As at 31 st March, 2020	As at 31 st March, 2019
A) Surplus in the statement of Profit & Loss		
Opening Balance	18,33,33,567	12,71,56,133
Add: Amount Transferred from Statement of P & L	3,27,73,935	6,87,45,548
Less: Dividend paid to shareholders	(1,59,61,001)	(89,99,100)
Less: Dividend Distribution Tax	(33,20,248)	(18,32,362)
Less: Prior Period Adjustments	10,06,344	(17,36,652)
	19,78,32,597	18,33,33,567
B) Security Premium		
Opening Balance	4,23,50,000	-
Addition during the period	-	4,23,50,000
Closing Balance as on the end of Period	4,23,50,000	4,23,50,000
Closing Balance of Reserve Transferred to Balance Sheet	24,01,82,597	22,56,83,567

Note 4 Long Term Borrowings**In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Secured Loans		
Term Loans	35,54,786	65,40,275
Less: Current year maturities	(32,68,791)	(29,85,489)
	2,85,995	35,54,786
Vehicle Loans	77,17,139	39,62,272
Less: Current year maturities	(12,18,593)	(24,15,451)
	64,98,546	15,46,821
Unsecured Loans from Directors	12,92,580	-
	12,92,580	-
	80,77,121	51,01,607

Additional information pertaining to long term borrowings:

a. Term Loans include Working Capital Loan from HDFC Bank amounting to Rs.35,54,786/- (P.Y.Rs. 65,40,275/-) is primarily secured against hypothecation of Plant & Machinery, Stock, Book Debts and accepted LC of other bank. It carries an interest rate of 8.75%. The Loan was repayable in 25 monthly installments of Rs.2,88,181/- each.

b. Vehicle Loans includes:-

Vehicle Loan-I is taken from Daimler Financial Services Pvt Ltd for the purchase of New Mercedes Benz Car. It carries interest rate of 10.77%. The Loan is repayable in 84 monthly installments of Rs. 67,400/- each.

Vehicle Loan-II is taken from HDFC Bank for the purchase of Jaguar Car. The Loan is repayable in 60 monthly installments of Rs.72,662/- each. Due to unavailability of rate of interest, we could not mention the same.

Vehicle Loan-III is taken from Axis Bank for the purchase of Audi Q7 Car. It carries interest rate of 9.05%. The Loan is repayable in 84 monthly installments of Rs.1,08,773/- each.

Note 5 Deferred Taxes

The major components of deferred tax liability / asset as recognised in the financial statement is as follows: **In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Deferred Tax Liabilities (Opening)	25,91,643	19,91,147
Add: Prior period adjustments pertaining to the difference in the opening value of fixed assets:	-	86,941
Reversal/ Addition of DTA/(DTL) during the year	(1,00,284)	5,13,555
	24,91,358	25,91,643

Note 6 Long Term Provisions**In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provisions for Gratuity	55,30,871	38,40,980
	55,30,871	38,40,980

Note 7 Short Term Borrowings**In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Bank Overdraft		
HDFC Bank	2,90,91,834	-
	2,90,91,834	-

Additional information pertaining to short term borrowings:

Bank overdraft facility (as reported above) has been availed by the company from HDFC Bank amounting to Rs.2,90,91,834/- (P.Y.Rs. NIL/-) against Fixed Deposits of 6,00,00,000/- which has been created in the current financial year.

Note 8 Trade Payables**In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade Payables		
Due to Micro, Small and Medium Enterprises *	2,52,02,196	1,59,82,474
Other than Micro, Small and Medium Enterprises	9,09,08,501	6,33,93,346
	11,61,10,697	7,93,75,821

Note : The amounts due to Micro, Small and Medium Enterprises suppliers defined under “The Micro Small and Medium Enterprises Development Act 2006” have been identified on the basis of information available with the Company.

Trade Payables stated above include amounts due from:

In Rs.

Particulars	As at 31 st March 2020	As at 31 st March 2019
<u>Private Company/Firm in which director is a member:</u>		
Jasco Paper Products	24,92,254	70,613
Hitech Formulation (P) Ltd	2,11,083	1,829
Hitech Pharma	34,42,144	-
Supreme Biotech Pvt Ltd	-	-
I M Healthcare Pvt Ltd	61,929	53,050
Zanon Life Science	8,360	-
	62,15,770	1,25,492

Note 9 Other Current Liabilities

Trade Payables stated above include amounts due from:

In Rs.

Particulars	As at 31 st March 2020	As at 31 st March 2019
Employee's Related	47,74,827	46,26,528
Statutory Dues	11,11,937	33,77,753
Expenses Payable	11,49,433	22,05,289
Advances From Customers	10,15,68,640	4,24,74,632
Current Maturities of Long Term Debt	44,87,384	54,00,940
	11,30,92,221	5,80,85,142

Note 10 Short Term Provisions**In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provision for Current Tax	1,43,15,041	3,08,21,341
Provision for Gratuity	3,70,259	3,21,833
Provision for Corporate Social Responsibility	22,63,569	10,87,356
	1,69,48,869	3,22,30,530

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)

Note 11. Fixed Assets as per Companies Act, 2013

Block of Assets	Gross Block				Depreciation					Net Block	
	01/04/2019	Additions	Sale/Adj.	31/03/2020	01/04/2019	For the Year	Sale/Adj.	Residual Value Adjustment	31/03/2019	31/03/2020	31/03/2019
Non-Depreciable Assets											
Land	1,78,19,580	5,11,800	1,32,12,220	51,19,160			-	-	-	51,19,160	1,78,19,580
Tangible Assets											
Buildings	7,39,28,923	8,07,495	-	7,47,36,418	3,44,91,978	32,89,552	-	-	3,77,81,530	3,69,54,888	3,94,36,945
Computers And Data Processing Units	59,57,615	6,99,819	-	66,57,434	52,00,294	4,61,138	-	-	56,61,433	9,96,001	7,57,321
Electrical Installations And Equipment	90,84,872	5,95,752	-	96,80,623	66,48,372	6,88,134	-	-	73,36,507	23,44,117	24,36,500
Furniture And Fittings	16,11,212	35,400	-	16,46,612	13,46,781	56,122	-	-	14,02,902	2,43,710	2,64,431
Motor Vehicles	2,13,29,515	73,33,960	42,86,000	2,43,77,475	1,82,07,188	16,84,351	38,49,923	-	1,60,41,615	83,35,860	31,22,327
Plant And Machinery	9,01,71,745	55,67,941	3,47,799	9,53,91,886	5,88,14,190	64,17,133		-	6,52,31,323	3,01,60,564	3,13,57,555
Total (Tangible Assets)	20,20,83,881	1,50,40,366	46,33,799	1,24,90,448	12,47,08,803	1,25,96,430	38,49,923	-	13,34,55,309	7,90,35,139	7,73,75,079
Grand Total	21,99,03,461	1,55,52,166	1,78,46,019	21,76,09,608	12,47,08,803	1,25,96,430	38,49,923	-	13,34,55,309	8,41,54,299	9,51,94,659
Intangible Assets											
Computer Software	1,45,000		-	1,45,000	21,600	49,360		-	70,960	74,040	1,23,400
Total (Intangible Assets)	1,45,000	-	-	1,45,000	21,600	49,360	-	-	70,960	74,040	1,23,400

11.1. Fixed Assets as per Income Tax Act 1961

Block	Rate	WDV as on 01/04/2019	Addition		Deduction	Total	Depreciation for the Year				WDV as on 31/03/2020
			More than 180 Days	Less than 180 Days			Normal	Rate (%)	Additional Depreciation	Total	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Building	10.00%	4,39,46,596	8,07,498		-	4,47,54,094	44,75,409	-	-	44,75,409	4,02,78,685
Furniture and Fittings	10.00%	6,06,651	4,800	30,600		6,42,051	62,675	-	-	62,675	5,79,376
Plant and Machinery	15.00%	4,10,40,578	50,47,018	84,50,634	13,97,799	5,31,40,431	73,37,267	20.00%	26,41,120	99,78,387	4,31,62,044
Computers And Data Processing Units	40.00%	7,50,303	2,27,970	4,71,849		14,50,122	4,85,679	-	-	4,85,679	9,64,443
Computer Software	25.00%	1,26,875			-	1,26,875	31,719			31,719	95,156
Total		8,64,71,003	60,87,286	89,53,083	13,97,799	10,01,13,573	1,23,92,749		26,41,120	1,50,33,869	8,50,79,704

Note 12 Non Current Investments**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
<u>Investment in Property</u>		
MDC Estates Private Limited	2,35,00,856	2,29,22,870
<u>Investment in Equity Instruments</u>		
MDC Estates Private Limited	6,00,000	6,00,000
Shvalik Solid Waste Management Limited	1,00,000	1,00,000
I M Healthcare Private Limited	7,62,85,000	7,67,85,000
MDC Hygene Private Limited	44,000	44,000
Moselle Drugs And Cosmetics Ltd.	99,880	99,880
<u>Mutual Funds</u>		
PNB Equity Mutual Fund	45,000	45,000
	10,06,74,736	10,05,96,750

Note 13 Long Term Loans and Advances**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Security Deposits		17,33,384
Loans and advances given to related parties/ inter-corporates	50,000	7,50,000
Loans and advances given to others	27,50,026	43,58,806
	45,62,299	68,42,190

Note 14 Other Non-Current Assets**In Rs.**

Particular	As at 31 st March 2020	As at 31 March, 2019
Fixed Deposits	6,14,36,270	8,77,008
	6,14,36,270	8,77,008

Note 15 Inventories-(at lower of cost and net realisable value)**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
(Valued at lower of Cost or Net Realisable Value)		
Raw Materials	4,29,22,766	2,76,75,040
Work In Progress	77,66,890	10,16,602
Packing Material	7,05,29,053	6,19,66,175
Finished Goods	1,02,91,911	1,27,00,552
Stock in Trade	1,81,00,836	1,77,99,873
Machinery	2,20,45,224	-
	17,16,56,680	12,11,58,242

Note 16 Trade Receivables**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
(Unsecured, considered good)		
Outstanding for a period more than six months from the due date for payment	1,89,90,965	2,07,15,374
Others debts	7,29,39,452	8,83,91,604
	9,19,30,417	10,91,06,978

Trade Receivable stated above include debts due by:

Particular	As at 31st March 2020	As at 31 March, 2019
Private Company/Firm in which director is a member:		
Diya Healthcare Pvt.Ltd	1,68,735	1,68,735
Mdc Project Hygene	32,28,766	10,45,291
Moselle Drugs & Cosmetics	-	5,92,260
Mdc Hygeine Pvt Ltd	67,410	-
Mdc Pharmaceuticals Ltd-Delhi	35,231	-
Hitech Formulations Pvt.Ltd.	11,34,619	11,20,409
Hitech Pharma	23,30,781	34,11,368
I M Healthcare Pvt.Ltd.	9,07,636	1,63,530
Jasco Labs Pvt Ltd.	17,41,696	17,74,826
Jasco Paper Products	16,905	-
Lyra Labs	25,86,102	25,85,805
Spark Multitrade Private Limited	1,73,106	961
Supreme Agencies	-	33,048
Supreme Biotech Pvt Ltd	91,752	73,701
Maya Biotech Pvt. Ltd.	-	91,641
	1,24,82,739	1,10,61,575

Note 17 Cash and Cash Equivalents**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Cash & Cash Equivalents		
Balances with Banks		
- Current Account with Punjab National Bank (Account No. 0095008700568662)	57,47,139	98,43,242
- Current Account with Punjab National Bank- (Account No.0095002101114000)	-	4,08,562
- Current Account with HDFC Bank- (Account No.50200036865666)	1,62,51,790	1,53,54,883
- Current Account with HDFC Bank- (Account No.50200037985113)	5,75,403	51,000
- Current Account with HDFC Bank- (Account No.50200038836094)	80,405	-
- Dividend Account with Punjab National Bank (Account No.0095002900000061)	312	95,76,600
- Gratuity Account with Punjab National Bank (Account No.0095002101103217)	66,153	1,59,834
- Smart Business Account with Standard Chartered Bank (Account No.70005069891)	9,32,362	2,49,446
Cash in hand	32,77,398	24,36,042
	2,69,30,962	3,80,79,609

Note 18 Short-term Loans and advances

Particulars	As at 31st March 2020	As at 31 March, 2019
Balance with Statutory/Revenue Authorities	1,57,94,501	1,48,47,535
Balance with Related Parties/ Inter Corporate Advances	56,40,743	37,18,074
Security against Product Development (I M Healthcare Private Limited)	1,35,50,000	59,50,000
Security against ESIC Fund	36,29,500	-
Prepaid Expenses	6,77,810	4,19,923
Others (including advances to sundry creditors)	7,22,35,067	3,29,83,738
	11,15,27,620	5,79,19,269

Note 19 Other Current Assets

Particular	As at 31st March 2020	As at 31 March, 2019
Initial Public Offer Exp. (IPO)	57,66,246	46,99,185
	57,66,246	46,99,185

Note 20 Revenue from Operations

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Operating revenue	52,20,09,362	55,76,56,041
	52,20,09,362	55,76,56,041

Note 21 Other Income

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Excise Duty Refund	-	1,53,859
Interest on Fixed Deposit and Other's	7,38,199	1,22,887
Interest on Income Tax Refund	-	2,05,557
Scrap Sale	3,960	9,990
Miscellaneous Income	-	3,98,816
Profit on Sale of Fixed Assets	6,13,923	1,14,272
Gain on Exchange of Rate Fluctuations	4,39,985	39,807
Prior Period Adjustments	-	11,930
Sundry Balances written off	78,102	27,96,152
	18,74,169	38,53,270

Note: The foreign currency exchange loss/gain has been computed as per the information provided to us by the company and in accordance with the guidelines prescribed by Accounting Standard-11.

Note 22 Cost of Materials consumed

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Construction of Materials		
Opening Stock of Raw Materials and packing material	8,96,41,215	7,33,87,231
Add: Purchases of Raw Material and Packing Material	25,39,44,228	26,34,79,983
Less: Closing Stock of Raw Materials and Packing Material	11,34,51,819	8,96,41,215
	23,01,33,624	24,72,25,998

Note 23 Purchases of Stock in Trade

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Construction of Materials		
Purchase of Stock in Trade	10,59,24,492	4,07,21,444
	10,59,24,492	4,07,21,444

Note 24 Changes in Inventory of WIP, Finished Goods and Stock In Trade

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Closing Inventories		
Work in Progress	77,66,890	10,16,602
Finished goods	1,02,91,911	1,27,00,552
Stock in Trade	1,81,00,836	1,77,99,873
Machinery	2,20,45,224	-
Sub Total (A)	5,82,04,861	3,15,17,027
Opening Inventories		
Work in Progress	10,16,602	2,62,22,356
Finished goods	1,27,00,552	1,50,29,495
Stock in Trade	1,77,99,873	2,11,43,894
Machinery	-	-
Sub Total (B)	3,15,17,027	6,23,95,745
Changes in Inventories : (B-A)	(2,66,87,834)	3,08,78,719

Note 25 Employee Benefits expenses

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Salary, Wages & Bonus	6,07,02,516	5,71,09,738
Gratuity	27,48,555	21,84,518
Staff Welfare	12,82,786	10,36,965
Contribution to PF & Other Funds	45,39,103	45,62,354
	6,92,72,960	6,48,93,575

Note 26 Finance Costs

In Rs.

Particulars	As at 31st March 2020	As at 31 March, 2019
Bank Gaurantee & Other Charges	2,29,053	3,08,493
Interest expenses		
- Cash Credit Limit	5,504	10,33,671
- Term Loans	10,42,220	5,29,973
	12,76,777	18,72,138

Note 27 Other Expenses

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Manufacturing Expenses		
Electrical Expenses	4,12,885	1,03,077
Factory Repair And Maintainence	33,88,310	27,02,365
Freight And Cartage	16,17,267	10,74,549
Fuel And Gases	21,17,534	19,92,486
Machinery Repair And Maintainence	7,11,852	9,99,064
Manufacturing Expenses	15,83,593	10,72,676
Product Approval	6,43,880	5,42,800
Security Guard Expenses	6,47,031	7,33,312
Testing Charges (Soil)	1,71,235	2,35,487
Water And Electricity	64,50,139	63,26,940
	1,77,43,727	1,57,82,756

Administrative Expenses		
Advertisement	22,08,566	14,44,932
Auditor's Remuneration (Refer Note No.-26.1)	2,00,000	2,00,000
Business Promotion	27,35,408	15,53,960
Bad Debts	78,08,958	-
Director Remuneration	3,07,33,786	2,87,60,000
Donation and Charity	40,580	2,05,786
Electrical Expenses	4,19,496	4,64,432
Festival Expenses	-	2,33,853
Freight And Cartage Outward	47,35,666	41,91,874
GST Late Filing Fees	5,414	1,93,872
Insurance	6,29,031	9,37,827
Interest on TDS/Late Filing Fees	23,131	92,863
Loss on Sale of Land	32,98,299	
Legal Expenses	2,16,278	4,93,001
Short/Excess Payment of earlier year TDS/Sales Tax	7,27,020	18,470
Income Tax Demand	-	60,186
Postage And Telegram	2,69,066	2,78,335
Printing And Stationery	6,68,535	8,39,211
Professional Charges	26,98,466	9,14,197
Rate fees taxes	10,425	22,530
Rent	26,49,147	24,57,112
Sitting fee of Directors	40,000	40,000
Short and Excess	35	-
Software Subscription	3,54,000	
Telephone Expenses	8,16,695	13,79,418
Tour And Travelling Expenses	13,79,814	15,41,527
Vehicle Running And Maintainance	19,83,697	11,16,299
Contributions towards Corporate Social Responsibility (Refer Note No. 26.2)	16,18,413	10,87,356
Repair and Maintainence		
Computer Repair And Maintainence	2,51,113	2,91,947
Office Repair And Maintainence	64,264	1,32,897
	6,65,85,304	4,89,51,886
	8,43,29,031	6,47,34,642

Note 27.1 Auditor's Remuneration

Particulars	As at 31st March 2020	As at 31 March, 2019
Statutory Audit	2,00,000	2,00,000
Total	2,00,000	2,00,000

Note 26.2 Corporate Social Responsibility Expenditure:- As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, programmes relating to water conservation and maintaining quality of soil, air and water. A CSR committee has been formed by the company as per the Act.

(a) Gross amount required to be spent by the company during the year: Rs. 20,60,880/-

(b). Amount spent during the year on:

Particular	In cash	Yet to be paid in cash	Total
(i). Construction/Acquisition of any asset	-	-	-
(ii). On purposes other than (i) above	4,42,200	16,18,413	20,60,613
Total	4,42,200	16,18,413	20,60,613

Note 27 Earning Per Share

Particulars	As at 31st March 2020	As at 31 March, 2019
Profit/(Loss) attributable to Equity shareholders	28,67,18,163	6,87,45,548
Shares outstanding at the beginning of the year	1,27,68,800	1,19,98,800
Shares outstanding at the end of the year	1,27,68,800	1,27,68,800
Weighted average no of Share Outstanding	1,27,68,800	1,34,84,101
Basic & Dilutive Earnings Per Share (Not Annuavalized)	22.45	5.10
Face value per Share	10.00	10.00

Note 28 : In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

Note 29 Contingent Liabilities

In Rs.

Particulars	As at 31st March 2020	As at 31 March, 2019
(i) Bond Issued to GST	20,00,000	20,00,000
(ii) Bills Discounted under Inland Letter of Credit	-	-
(iii) TDS Defaults outstanding	19,34,424	1,01,830
TOTAL	39,34,424	21,01,830

The amount of "Bond Issued to GST" mentioned above has been reported solely on the basis of information provided to us by the company. Since, we were not provided with any supporting document in relation to this, we could not verify and vouch the balance shown under the head "Bond Issued to GST".

Note 30 : Disclosure pursuant to Accounting Standard - 15 'Employee Benefits'

Particulars	As at 31st March 2020	As at 31 March, 2019
Salary Growth *	7.00%	7.00%
Discount Rate	6.80%	7.70%

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	As at 31st March 2020	As at 31 March, 2019
Present value of obligation as at the beginning of the year:	1,24,39,083	1,04,47,668
Interest cost	8,45,858	8,04,470
Current service cost	15,31,707	13,58,978
Benefits paid	(7,42,492)	(7,02,594)
Actuarial (gain) / loss on obligation	3,70,990	5,30,561
Closing Present value of obligation	1,44,45,146	1,24,39,083

ii) Actuarial gain/ loss recognised in the Statement of Profit and Loss:

Particulars	As at 31st March 2020	As at 31 March, 2019
Actuarial (gain)/ loss for the year obligation	3,70,990	5,30,561

(iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at 31st March 2020	As at 31 March, 2019
Present value of obligation as at the end of the year	1,44,45,146	1,24,39,083
Funded value of assets (unfunded)	85,44,016	82,76,270
Net Liability / (Asset) recognised in balance sheet	59,01,130	41,62,813

(iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	As at 31st March 2020	As at 31 March, 2019
Current service cost	15,31,707	13,58,978
Interest cost	8,45,858	8,04,470
Expected return on plan assets	(5,71,890)	(5,30,445)
Net actuarial (gain) / loss recognized in the year	9,42,880	5,51,515
Expenses recognised in the statement of profit and loss	27,48,555	21,84,518

Note 31 : Segment Reporting

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/ Asset of the Aggregate revenue/Profit/ Asset, therefore no segment other than domestic is identified by the management as reportable segment.

Note 32 : Related Party disclosures -

Disclosure in accordance with Accounting Standard-18 Related Party Transactions

(Amount in Lakhs Rs. Except Per Share Data)

Particulars	Names of related parties	Nature of Relationship
Directors and Key Management Personnel (KMP)	Gurmeet Singh Narula	Whole Time Director & Shareholder
	Parvinder Singh Gulati	Whole time Director & Shareholder
	Sham Lal Singla	Director & Shareholder
	Pramila Devi	Chief Financial Officer & Shareholder
	Jolly Kashyap	Company Secretary
	Manisha Sharma	Independent Director
	Harkanwal Kaur Bhatia	Independent Director
	Vir Pal Singh	Executive Director
	Ravdeep Singh Matta	Non executive Director
	Jatinder Singh Wig	Independent Director
	Narender Mohan Gupta (H U F)	Shareholder
	Sunil Kumar Sahoo	Shareholder
	Sneha Gupta	Shareholder
	Satinder Singh	Shareholder
	Gurvinder Kaur	Shareholder
	Jasmeet Singh	Shareholder
	Aruna Singla	Shareholder
	Raminder Singh Matta	Shareholder
	Sharoon Ganediwal	Shareholder
	Pankaj Dulwani	Shareholder
	Ranju Gupta	Shareholder
	Ruchi Agarwal	Shareholder
	Govind Gandhi	Shareholder
	Jose Ansal P P	Shareholder
	P K Vaidyanathan	Shareholder
	Parampreet Singh Khurana	Shareholder
	Ravinder Pal Singh Khurana	Shareholder
	Jagjit Singh	Shareholder
	Arvind Jaswal	Shareholder
	Sandeep Kumar Rishi	Shareholder
	Dinesh Sharma	Shareholder

	Anu Bhatia	Shareholder
	Anukriti Leasing And Exports Pvt Ltd	Shareholder
	Vivek Vashisht And Sons HUF	Shareholder
	Raman Aggarwal	Shareholder
	Charanjeet Singh Saini	Shareholder
	Rahul Jain (HUF)	Shareholder
	Nishant Khanna	Shareholder
	Vivek Thakur	Shareholder
	Gaurav Thapar	Shareholder
	Lokesh Sharma	Shareholder
	Anil Jaguri	Shareholder
	Ajit Kumar Warrior	Shareholder
	Venugopal T K	Shareholder
	Resmi Ramesh	Shareholder
	Avantika Singh	Shareholder
	Raj Mittal	Shareholder
Relatives of KMP	NIL	NIL
Company/Firm in which KMP/Relatives of KMP can exercise significant influence	Doon Infrastructure Limited	Directorship by Mr. Sham Lal Singla (Director of the Company).
	Diya Healthcare Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Baddi Infrastructure	SHAM LAL SINGLA (Managing Director of the Company).
	Brand Toniq LLP	Limited Liability Partnership where Mrs. Harkanwal Kaur Bhatia is partner.
	Hitech- Formulations (P) Ltd	Directorship by Mr. Dharminder Singh (Brother of Parvinder Singh Gulati).
	Hitech-Pharma	Partnership firm where Mr. Dharminder Singh (Brother of Parvinder Singh Gulati) is partner.
	Horizon Offset Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Labs	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	Jasco Labs Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Multipacking Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Paper Products	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	Keena Ayurveda LLP	Limited Liability Partnership where Mrs. Harkanwal Kaur Bhatia is partner.
	Kingsway Global Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Lifestyle Bio Sciences Private Limited	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma
	Lyra Laboratories (P) Ltd.	Directorship by Mr. Dharminder Singh (Brother of Parvinder Singh Gulati).
	Moselle Drugs And Cosmetics Limited	Associate, Company is owning 49.94% Equity share Capital.
	MDC Hygeine Private Limited	Associate, Company is owning 44% Equity share Capital.
	MDC Estate (P) Ltd	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharmaceuticals Limited.

	MDC Exports Private Limited	Shares held by Mr. Parvinder Singh Gulati and Mr. Jasmeet Singh
	NZ Health Care Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Nutrabouty International Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Onlinease Digital Transformation LLP	Limited Liability Partnership where Mr. Parvinder Singh Gulati is partner.
	Supreme Enterprises	Partnership Firm in which Brother and Mother of Director Mr. Narula was partner.
	I M Healthcare Pvt Ltd	Associate , Company is owning 20% Equity share Capital and Directorship by Mr. Parvinder Singh Gulati (Director of the Company) and Sham Lal Singla.
	Supreme Agencies	Director of Company Mr. Parvinder Singh Gulati and Mr. Gurmeet Singh Narula is partner in the Firm.
	Supreme Biotech Private Limited	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma plus shareholding also above 50%.
	Spark Multitrade Private Limited	Directorship by Mr. Gurmeet Singh Narula (Director of the Company).
	Vitamec Healthcare Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Zanon Lifesciences Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
CSR COMMITTEE MEMBERS	Sham Lal Singla, Chairman	Managing Director of the Company
	Parvinder Singh Gulati, Member	Whole time Director of the Company
	Jatinder Singh Wig, Member	Independent Director of the Company

(i) Transactions with KMP		As at 31st March 2020	As at 31st March 2019
A	PARVINDER SINGH GULATI (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	112.06	105.40
	Imprest given to Directors for Expenses (dr/(cr))	3.55	2.59
B	Closing Balance of Loan given to the company	5.64	
	GURMEET SINGH NARULA (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	92.15	86.00
C	Imprest given to Directors for Expenses (dr/(cr))	4.05	3.20
	Closing Balance of Loan given to the company	1.99	
	PRAMILA DEVI (CFO) - Appointed on 09/02/2018		
	Salary given	9.30	9.30
			-

D	JOLLY KASHYAP - (Company Secretary) - Appointed on 09/02/2018	-	-
	Salary given	3.96	3.92
		-	-
E	VIR PAL SINGH - Appointed on 26/02/2018	-	-
	Salary given	11.97	11.97
F	MANISHA SHARMA - Appointed on 26/02/2018		
	Director Sitting Fee	0.20	0.20
G	HARKANWAL KAUR BHATIA - Appointed on 26/02/2018		
	Director Sitting Fee	0.20	0.20
H	SHAM LAL SINGLA (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	103.13	96.20
	Imprest given to Directors for Expenses (dr/(cr))	3.55	2.17
	Closing Balance of Loan given to the company	5.29	
I	JASMEET SINGH (SHAREHOLDER)		
	Loan (Taken)/ Given	-	-
	Opening Balance (dr/(cr))	33.46	33.46
	Closing Balance (dr/(cr))	33.46	33.46
	Sales made to the company	25.92	56.64
	Closing Balance (dr/(cr))	-	25.92
(ii) Transactions with Relatives of KMP		NIL	NIL

(iii) Transaction with Company/Firm in which KMP/Relatives of KMP can exercise significant influence

A	HITECH FORMULATIONS PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	21.59	19.85
	Closing Balance (Cr/(Dr))	2.11	-0.21
	Sale made to the Company	0.24	11.31
	Closing Balance (Dr/(Cr))	11.35	11.20
	Export made	-	-
	Closing Balance (Dr/(Cr))	1.24	1.24
B	HITECH PHARMA	As at 31st March 2020	As at 31st March 2019
	Sale of Goods/Debit For Expenses incurred on Party behalf	6.26	59.44
	Closing Balance (Dr/(Cr))	23.31	34.11
	Purchase made by the Company	56.14	
	Closing Balance (Cr/(Dr))	36.14	
	Investment made by the company		
	Opening Balance (Dr/(Cr))	0.00	
	Increase in Investment	1.72	
	Decrease in investment	0.00	
	Closing Balance (Cr/(Dr))	1.72	
C	LYRA LABORATORIES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Closing Balance (Cr/(Dr))	0.00	0.00

	LYRA LABS	As at 31st March 2020	As at 31st March 2019
	Sale of Goods	0.00	32.31
	Closing Balance (Dr/(Cr))	25.86	25.86
D	SUPREME ENTERPRISES	As at 31st March 2020	As at 31st March 2019
	Loan Taken/Given		
	Opening Balance (dr/(cr))	0.50	0.50
	Loan taken by the Company	0.00	0.00
	Loan Repaid by the Company	0.00	0.00
	Closing Balance (dr/(cr))	0.50	0.50

E	SUPREME BIOTECH PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Sale of Goods by the Company	0.18	0.48
	Closing Balance (dr/(cr))	0.92	0.74
	Purchase made by the Company	33.80	8.04
	Closing Balance (Cr/(Dr))	-26.29	-21.46

	Debit For Expenses incurred on Party behalf	0.48	1.09
	Closing Balance (Cr/(Dr)	0.05	0.04
	Security Given	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	0.00	0.00
	Security given	2.06	
	Closing Balance (dr/(cr))	2.06	0.00
F	JASCO PAPER PRODUCTS	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	303.09	311.17
	Closing Balance (Cr/(Dr)	24.92	-31.33
	Sale of services made by the company	1.66	
	Closing Balance (Cr/(Dr)	0.17	
G	MDC ESTATES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Investment in Property		
	Opening Balance Dr/(Cr)	229.23	218.93
	Expenditure Done on behalf of the Company	0.22	0.06
	Payments made towards purchase of property	5.78	10.30
	Closing Balance Dr/(Cr)	235.24	229.23
	MDC ESTATES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Investments made by the Company		
	Opening Balance (Dr/(Cr)	6.00	6.00
	Increase in Investment	0.00	0.00
	Decrease in investment	0.00	0.00
	Closing Balance (Dr/(Cr)	6.00	6.00
H	Supreme Agencies	As at 31st March 2020	As at 31st March 2019
	Closing Balance (dr/(cr))	0.36	0.33
I	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Security for Product Development		
	Opening Balance	59.50	225.00
	Security Given during the year	66.50	-165.50
	Closing Balance	126.00	59.50
	Acquisition of Shares during the year	-	767.85
	Closing Balance of Shared	767.85	767.85
	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Purchases made to the company	17.11	0.28

	Closing Balance (Cr/(Dr))	0.62	0.53
	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	17.22	1.64
	Closing Balance (Cr/(Dr))	9.08	
J	DIYA HEALTHCARE PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	NIL	NIL
	Closing Balance (dr/(cr))	1.69	1.69
	DIYA HEALTHCARE PVT.LTD. -Security	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	2.00	2.00
	Closing Balance (dr/(cr))	2.00	2.00
K	JASCO LABS PVT LTD.	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	11.33	35.45
	Closing Balance (dr/(cr))	17.42	17.75
L	JASCO MULTIPACKING PVT. LTD.	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	13.06	7.99
	Closing Balance (Cr/(Dr))	-6.34	10.28
M	LIFE STYLE BIO SCIENCES PVT LTD	As at 31st March 2020	As at 31st March 2019
	Expenditure Done on behalf of the Company	0.06	0.09
	Closing Balance (dr/(cr))	1.23	1.17
N	ZANON LIFESCIENCES PRIVATE LIMITED	As at 31st March 2020	As at 31st March 2019
	Closing Balance (Cr/(Dr))	0.08	8.94
O	MOSELLE DRUGS AND COSMETICS LIMITED	As at 31st March 2020	As at 31st March 2019
	Shares Acquired during the year	0.00	1.00
	Closing Balance (dr/(cr))	1.00	1.00
P	MDC HYGEINE PRIVATE LIMITED	As at 31st March 2020	As at 31st March 2019
	Shares Acquired during the year	0.00	0.44
	Closing Balance (dr/(cr))	0.44	0.44
	Sale made by the company	0.67	0.00
	Closing Balance (dr/(cr))	0.67	0.00
Q	SPARK MULTITRADE PRIVATE LIMITED	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	0.01	-
	Sale made by the company	6.67	0.19
	Purchase made to the company	0.19	0.77
	Closing Balance (dr/(cr))	1.73	0.01

R	MDC EXPORTS PVT LTD	As at 31st March 2020	As at 31st March 2019
	Sale of Goods/Debit For Expenses incurred on Party behalf	527.86	518.82
	Closing Balance (Dr/(Cr))	145.09	137.76

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

For and on behalf of the Board of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAEN3510

Sd/-
Parvinder Singh Gulati
Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Place: Chandigarh
Date: 25/09/2020

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of MDC PHARMACEUTICALS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **MDC PHARMACEUTICALS LIMITED** ("the Parent Company"), I M HEALTHCARE PRIVATE LIMITED ("IMHPL") (its Associate Company), MDC HYGEINE PRIVATE LIMITED ("MHPL") (its Associate Company) and MOSELLE DRUGS AND COSMETICS LIMITED ("MDCL") (its Associate Company) (the Parent Company and its Associate Companies together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statement").

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 the true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

- a) We did not audit the financial statements of the Associate (I M Healthcare Private Limited), having net worth attributable to shareholding (at the time of acquisition) of Rs. 8,21,60,546/- including of share premium of Rs. 7,37,85,000 arising on acquisition of shares of associate for the period ended on that date as considered in the consolidated financial statements. During the period ended, associate company incurred loss of Rs.3,62,58,967.03/-. In respect of the Associate Company, financial statement has been audited by other auditor, whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Associate Company, is based on the report of the other auditor.
- b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(i). Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii). Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its associate companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

(iii). Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv). Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(v). Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vi). Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Parent Company for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 read with the effect of the matter described in Note No. 5.
- e) On the basis of written representations received from the directors of the Parent Company as on March 31, 2020, and taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of the Associate Company incorporated in India, none of the directors of the Parent Company and its Associate are disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Since the Interim period financials are prepared therefore, reporting on the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls is not applicable to the Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that;
- i) There is no pending litigation as on the period end, accordingly no disclosure is required for the same.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its Associate Company.

For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)
 FRN: 012599N

Sd/-
RAHUL KHURANA
 (PARTNER)
 M. No. 543481
 UDIN: 20543481AAAAFK2059

Date: 25 August 2020
 Place: Chandigarh

ANNEXURE A TO THE AUDITORS' REPORT

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 **MDC PHARMACEUTICALS LIMITED** ('the Company') as of 31st March 2020 in conjunction with our audit of the consolidated financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31st March 2020, based on 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.

**For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)**
FRN: 012599N

Sd/-

RAHUL KHURANA
(PARTNER)
M. No. 543481
UDIN: 20543481AAAFAFK2059

Date: 25 August 2020
Place: Chandigarh

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
 CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020
 CIN: U24231CH1994PLC014820

In Rs.

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
		Amount (Rs.)	Amount(Rs.)
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	12,76,88,000	12,76,88,000
Reserves and Surplus	3	23,11,54,337	22,49,37,162
Money received against share warrants		-	-
		35,88,42,337	35,26,25,162
Share Application money pending allotment			
Non-current liabilities			
Long term borrowings	4	80,77,121	51,01,607
Deferred tax liabilities (Net)	5	24,91,359	25,91,643
Other Long term liabilities			
Long -term provisions	6	55,30,871	38,40,980
		1,60,99,351	1,15,34,230
Short-term borrowings	7	2,90,91,834	-
Trade payables	8	11,61,10,697	7,93,75,821
Other current liabilities	9	11,30,92,221	5,80,85,142
Short term provisions	10	1,69,48,869	3,22,30,530
		27,52,43,621	16,96,91,493
TOTAL		65,01,85,308	53,38,50,885
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	11	8,41,54,300	9,51,94,659
"Gross Block as on 01 April 2019			
Additions from 01.04.2019 to 31.03.2020			
Sales/Deductions from 01.04.2019 to 31.03.2020			
Gross Block as on 31 March 2020 =			
Intangible assets		74,040	1,23,400
"Gross Block as on 01 April 2019			
Additions from 01.04.2019 to 31.03.2020			
Sales/Deductions from 01.04.2019 to 31.03.2020			
Gross Block as on 31 March 2020 =			
Capital work-in-progress		-	-
Intangible assets under development		-	-
		8,42,28,340	9,53,18,059
Non Current Assets			
Non-current investments	12	9,21,46,475	9,98,50,344
Deferred tax assets (net)		-	-
Long term loans and advances	13	45,62,299	68,42,190
Other non-current assets	14	6,14,36,270	8,77,008
		15,81,45,043	10,75,69,541
Current assets			
Current Investments			
Inventories	15	17,16,56,680	12,11,58,242
Trade receivables	16	9,19,30,417	10,91,06,978
Cash and cash equivalents	17	2,69,30,962	3,80,79,610
Short-term loans and advances	18	11,15,27,620	5,79,19,269
Other current assets	19	57,66,246	46,99,185
		40,78,11,925	33,09,63,284
TOTAL		65,01,85,308	53,38,50,885

In terms of our attached report of even date

FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Place: Chandigarh
Date: 25/09/2020

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Wholetime Director
DIN: 01565151

Sd/-
Sham Lal Singla
Director
DIN: 02398004

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2020**2. A) Corporate Information :**

The Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 014820 issued by the Registrar of Companies, Punjab, HP & Chandigarh. Subsequently, the Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of the Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of the Company is U24231CH1994PLC014820.

B) Significant Accounting Policies:**a) Basis of preparation of financial statements:**

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Policies in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act 2013.

The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Company unless otherwise stated.

b) PRINCIPLES OF CONSOLIDATION

- a. The consolidated financial statements relate to MDC Pharmaceuticals Limited ('the Company') and its associates. The financial statements of the associate used in consolidation are drawn / prepared for consolidation upto the same reporting date as the Company. The consolidated financial statements have been prepared on the following basis:
 - i. The Investment in Associates is accounted for using the Equity Method as laid down under Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements". The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Parent's investment in the associates includes goodwill identified on acquisition. The unrealised profits/losses on transactions with the associates are eliminated by reducing the carrying amount of investment.
 - b. The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - c. For the purpose of calculation of Goodwill/capital reserve arising on acquisition, Company has distributed the profit for the period based on the time proportion and such proportionate profit after the date of acquisition was considered in Statement of Profit and Loss and remaining was considered as profit prior to acquisition and considered in book value of Company to ascertain the goodwill/capital reserve on acquisition of shares.

c) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and the difference between actual results and estimates are recognized in the periods in which the results are known/materialize.

d) Fixed Assets and Depreciation:

- i) Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- ii) Depreciation on Fixed Assets has been provided on Written down Value (WDV) method and computed with reference to useful life of respective assets specified and in the manner prescribed in Schedule II to the Companies Act, 2013 including pro rata depreciation on addition made during the year.

e) Revenue Recognition:

- Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

Other Operating Revenue

- Other Operating revenue comprise of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- Interest income is recognized on time proportion basis.
- Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

f) Investments:

Investments that are readily realizable and intended to be held for not more than twelve months are classified as Current Investments. All other investments are classified as Non- Current Investments. Non-Current Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Non-Current Investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Employee Benefits:**I- In the Books of Parent - MDC Pharmaceuticals Limited****Defined-contribution plans:**

- iv) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- v) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- vi) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation performed by Ruchi Goel Chhatlani, F.I.A.I. (Consulting Actuary), as on dated 31st March 2020 using the projected unit credit actuarial method and in accordance with the provisions of Accounting Standard-15. For the purpose of reporting in the financial statements, we have relied upon the figures reported in the actuarial valuation report.

II – In the Books of Associate Company – I M Healthcare Private Limited

- i) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- ii) PF and Gratuity Act is not applicable to the company since the no of employees and period of organization has not crossed the requisite period for applicability of above statutory provisions.

III – In the Books of Associate Company – MDC Hygeine Private Limited

- i) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- ii) PF and Gratuity Act is not applicable to the company since the no of employees and period of organization has not crossed the requisite period for applicability of above statutory provisions.

IV – In the Books of Associate Company – Moselle Drugs And Cosmetics Limited

- iii) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- iii) PF and Gratuity Act is not applicable to the company since the no of employees and period of organization has not crossed the requisite period for applicability of above statutory provisions.

h) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961

Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

i) Provision, Contingent Liabilities & Contingent Assets:

A provision is recognized when an enterprise has a present obligation as result of past event(s) and it is probable that a outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation. Contingent Liabilities, if material, are disclosed by way of notes. Contingent Assets are not recognized or disclosed in the financial statements.

j) Contingencies and events occurring after the balance sheet date:

Event occurring after the date of the Balance sheet, which provide further evidence of conditions that existed at the Balance sheet or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

k) Segment Accounting**(i) Business Segment**

- (a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of Pharma Products, and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset of the Aggregate revenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.

l) Earnings Per Share:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

m) Cash Flow:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

n) Foreign Currency Transactions

- d) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- e) The foreign currency exchange loss/gain has been computed as per the information provided to us by the company and in accordance with the guidelines prescribed by Accounting Standard-11.
- f) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

o) Inventories

- c) Raw Material, Packing Materials are valued at lower of Cost or net realizable value.
- d) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

p) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to

get ready for its intended use or sale are capitalized as part of the cost of the respective asset.
All other borrowing costs are expensed in the period they occur.

For G S GAMBHIR AND ASSOCIATES
(CHARTERED ACCOUNTANTS)
FRN: 012599N

For and on Behalf of the Board Of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M. No. 543481
UDIN:20543481AAAAFJ7319

Sd/-
Parvinder Singh Gulati
(Wholetime Director)
DIN: 01565151

Sd/-
Sham Lal Singla
(Managing Director)
DIN: 00496397

Date: 25 September, 2020
Place: Chandigarh

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2020
CIN- U24231CH1994PLC014820

In

Rs.

Particulars	Note	As at 31 st March, 2020	As at 31 st March, 2019
	No.	Amount	Amount
Revenue from operations	20	52,20,09,362	55,76,56,041
Other Income	21	18,74,169	38,53,270
Total Revenue		52,38,83,531	56,15,09,310
Expenses			
Cost of materials consumed	22	23,01,33,624	24,72,25,998
Purchase of Stock in Trade	23	10,59,24,492	4,07,21,444
Changes in Inventory of WIP, Finished Goods and Stock in Trade	24	(2,66,87,834)	3,08,78,719
Employee benefits expense	25	6,92,72,960	6,48,93,575
Finance Costs	26	12,76,777	18,72,138
Depreciation and amortization expense	11	1,26,45,790	1,02,55,684
Other Expenses	27	8,43,29,031	6,47,34,642
Total Expenses		47,68,94,839	46,05,82,200
Profit before Tax		4,69,88,692	10,09,27,110
Tax expense:			
Current tax	10	1,43,15,041	3,08,21,341
Short/(excess)provision for earlier years		-	8,46,666
Deferred tax	5	(1,00,284)	5,13,555
Profit (loss) for the period from continuing operations		3,27,73,936	6,87,45,548
Tax expense of discontinuing operations			
Profit/(loss) from discontinuing operations(after tax)			
Profit (loss) for the period		3,27,73,936	6,87,45,549
Add: Share of Associate in Profit / (Loss)		(82,81,855)	(7,46,406)
Profit / (Loss) for the year after Share of Associate		2,44,92,081	6,79,99,143
Basic & Diluted Earnings Per Share	28	2.57	5.10

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

For and on behalf of the Board of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Place: Chandigarh
Date: 25/09/2020

Sd/-
Parvinder Singh Gulati
Wholesale Director
DIN: 01565151

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

In Rs.

PARTICULARS	As at 31 March, 2020		As at 31 March, 2019	
	Amount(₹)	Amount(₹)	Amount(₹)	Amount(₹)
A. Cash Flow from operating Activities				
Profit (Loss) for the period from continuing operations	3,27,73,936		6,87,45,548	
<u>Adjustments for:</u>				
Adjustment for Reserves	(1,82,74,905)		(1,24,81,173)	
Provision for Income Tax Liability	1,43,15,041		3,08,21,341	
Depreciation and amortisation	1,26,45,790		1,02,55,682	
Finance costs	12,76,777		18,72,138	
Interest on Fixed Deposits	(7,38,199)		(1,22,887)	
Profit on Sale of Fixed Assets	(6,13,923)		(1,14,272)	
Excise Duty Refund	-		(1,53,859)	
Provision for Deferred Tax Asset	(1,00,284)		5,13,555	
Operating profit/(loss) before working capital changes		4,12,84,232		9,93,36,074
<u>Changes in working capital:</u>				
<u>Adjustments for (increase)/decrease in operating assets:</u>				
Inventories	(5,04,98,438)		1,46,24,734	
Trade receivables	1,71,76,561		(3,61,67,178)	
Short Loans and Advances	(5,36,08,351)		(2,88,72,354)	
Other current assets	(10,67,061)		(25,47,343)	
		(8,79,97,289)		(5,29,62,141)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>				
Short-term borrowings	2,90,91,834		(77,16,177)	
Trade payables	3,67,34,876		2,22,48,498	
Other current liabilities	5,50,07,078		2,41,31,232	
Short-term provisions	(1,52,81,661)		77,38,365	
		10,55,52,127		4,64,01,918
		5,88,39,071		9,27,75,851
Cash generated from operations		5,88,39,071		9,27,75,850
Excise Duty Refund		-		1,53,859
Income Tax		(1,43,15,041)		(3,08,21,341)
Net cash flow from/(used in) operating activities (A)		4,45,24,030		6,21,08,368
B. Cash flow from investing activities				
Non-Current investments	(5,77,986)		(5,54,58,880)	
Purchase of Fixed Assets	(1,55,52,166)		(3,56,45,342)	
Capital Work in Progress	-		1,74,43,410	
Sale of Fixed Assets	1,39,96,096		2,65,459	
Profit on Sale of Property	6,13,923		1,14,272	
Interest on fixed deposits	7,38,199		1,22,887	
Long term loans and advances	22,79,891		(4,07,414)	
Other Non-Current Assets	(6,05,59,262)		(50,635)	
		(5,90,61,304)		(7,36,16,242)
Net cash flow from/(used in) investing activities (B)		(5,90,61,304)		(7,36,16,242)
C. Cash flow from financing activities				
Proceeds from/ (Repayment of) long term borrowings	29,75,514		(49,39,029)	
Long Term Provisions	16,89,891		38,40,980	
Proceeds from Share Capital	-		25,30,000	
Share Application Money	-		-	
Finance Cost	(12,76,777)		(18,72,138)	
		33,88,628		(4,40,185)
Net cash flow from/ (used in) financing activities (C)		33,88,628		(4,40,185)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(1,11,48,647)		(1,19,48,060)
Cash and cash equivalents at the beginning of year		3,80,79,609		5,00,27,669
Cash and Cash equivalents at the end of year		2,69,30,962		3,80,79,609
Cash and Cash equivalents at the end of year*		2,69,30,962		3,80,79,609

*Comprises:				
(a) Cash on hand		32,77,398		24,36,042
(b) Balances with banks		2,36,53,564		3,56,43,567
		2,69,30,962		3,80,79,609

In terms of our attached report of even date
FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Place: Chandigarh
Date: 25/09/2020

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Wholetime Director
DIN: 01565151

Sd/-
Sham L al Singla
Managing Director
DIN: 00496397

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
NOTES FORMING PARTS OF THE CONSOLIDATED FINANCIAL STATEMENT

Note 2 Share Capital

a. Details of authorised, issued, subscribed and paid up share capital

In Rs.

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of Rs. 10 each with voting rights	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued Equity Shares of Rs. 10 each with voting rights	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000
Paid up Equity Shares of Rs. 10 each with voting rights	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000
	1,27,68,800	12,76,88,000	1,27,68,800	12,76,88,000

b. The reconciliation of the number of Equity Shares outstanding as at:-

Particulars	As at 31st March, 2020	As at 31st March, 2019
Number of shares at the beginning	1,27,68,800	1,19,98,800
Add: Bonus Shares Issued	-	-
Add: Fresh Issue of Shares	-	7,70,000
Number of shares at the end	1,27,68,800	1,27,68,800

c. Terms & Conditions

The company has only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Equity Shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013.

In the event of liquidation of the Company, the holder 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.

d. Shareholding Pattern- shareholders holding more than 5 % of shares:-

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% held	No. of shares	% held
Gurmeet Singh Narula	41,38,834	32.41%	41,29,500	32.34%
Parvinder Singh Gulati	41,65,633	32.62%	41,53,400	32.53%
Sham Lal Singla	40,10,933	31.41%	39,99,500	31.32%

Note 3 Reserves and Surplus

In Rs.

Particular	As at 31st March, 2020	As at 31st March, 2019
A) Surplus in the statement of Profit & Loss		
Opening Balance	18,33,33,567	12,71,56,133
Add: Amount Transferred from Statement of P & L	3,27,73,935	6,87,45,548
Less: Dividend paid to shareholders	(1,59,61,001)	(89,99,100)
Less: Dividend Distribution Tax	(33,20,248)	(18,32,362)
Less: Prior Period Adjustments	10,06,344	(17,36,652)
	19,78,32,597	18,33,33,567
B) Security Premium		
Opening Balance	4,23,50,000	-
Addition during the period	-	4,23,50,000
Closing Balance as on the end of Period	4,23,50,000	4,23,50,000
Closing Balance of Reserve Transferred to Balance Sheet	24,01,82,597	22,56,83,567

Note 4 Long Term Borrowings

	In Rs.	
Particulars	As at 31 st March 2020	As at 31 st March 2019
Secured Loans		
Term Loans	35,54,786	65,40,275
Less: Current year maturities	(32,68,791)	(29,85,489)
	2,85,995	35,54,786
Vehicle Loans	77,17,139	39,62,272
Less: Current year maturities	(12,18,593)	(24,15,451)
	64,98,546	15,46,821
Unsecured Loans from Directors	12,92,580	-
	12,92,580	-
	80,77,121	51,01,607

Additional information pertaining to long term borrowings:

a. Term Loans include Working Capital Loan from HDFC Bank amounting to Rs.35,54,786/- (P.Y.Rs. 65,40,275/-) is primarily secured against hypothecation of Plant & Machinery, Stock, Book Debts and accepted LC of other bank. It carries an interest rate of 8.75%. The Loan was repayable in 25 monthly installments of Rs.2,88,181/- each.

b. Vehicle Loans includes:-

Vehicle Loan-I is taken from Daimler Financial Services Pvt Ltd for the purchase of New Mercedes Benz Car. It carries interest rate of 10.77%. The Loan is repayable in 84 monthly installments of Rs. 67,400/- each.

Vehicle Loan-II is taken from HDFC Bank for the purchase of Jaguar Car. The Loan is repayable in 60 monthly installments of Rs.72,662/- each. Due to unavailability of rate of interest, we could not mention the same.

Vehicle Loan-III is taken from Axis Bank for the purchase of Audi Q7 Car. It carries interest rate of 9.05%. The Loan is repayable in 84 monthly installments of Rs.1,08,773/- each.

Note 5 Deferred Taxes

The major components of deferred tax liability / asset as recognised in the financial statement is as follows: **In Rs.**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Deferred Tax Liabilities (Opening)	25,91,643	19,91,147
Add: Prior period adjustments pertaining to the difference in the opening value of fixed assets:	-	86,941
Reversal/ Addition of DTA/(DTL) during the year	(1,00,284)	5,13,555
	24,91,358	25,91,643

Note 6 Long Term Provisions

	In Rs.	
Particulars	As at 31 st March 2020	As at 31 st March 2019
Provisions for Gratuity	55,30,871	38,40,980
	55,30,871	38,40,980

Note 7 Short Term Borrowings

	In Rs.	
Particulars	As at 31 st March 2020	As at 31 st March 2019
Bank Overdraft		
HDFC Bank	2,90,91,834	-
	2,90,91,834	-

Additional information pertaining to short term borrowings:

Bank overdraft facility (as reported above) has been availed by the company from HDFC Bank amounting to Rs.2,90,91,834/- (P.Y.Rs. NIL/-) against Fixed Deposits of 6,00,00,000/- which has been created in the current financial year.

Note 8 Trade Payables

	In Rs.	
Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade Payables		
Due to Micro, Small and Medium Enterprises *	2,52,02,196	1,59,82,474
Other than Micro, Small and Medium Enterprises	9,09,08,501	6,33,93,346
	11,61,10,697	7,93,75,821

Note : The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

Trade Payables stated above include amounts due from:

In Rs.

Particulars	As at 31 st March 2020	As at 31 st March 2019
<u>Private Company/Firm in which director is a member:</u>		
Jasco Paper Products	24,92,254	70,613
Hitech Formulation (P) Ltd	2,11,083	1,829
Hitech Pharma	34,42,144	-
Supreme Biotech Pvt Ltd	-	-
I M Healthcare Pvt Ltd	61,929	53,050
Zanon Life Science	8,360	-
	62,15,770	1,25,492

Note 9 Other Current Liabilities

Trade Payables stated above include amounts due from:

In Rs.

Particulars	As at 31 st March 2020	As at 31 st March 2019
Employee's Related	47,74,827	46,26,528
Statutory Dues	11,11,937	33,77,753
Expenses Payable	11,49,433	22,05,289
Advances From Customers	10,15,68,640	4,24,74,632
Current Maturities of Long Term Debt	44,87,384	54,00,940
	11,30,92,221	5,80,85,142

Note 10 Short Term Provisions

In Rs.

Particulars	As at 31 st March 2020	As at 31 st March 2019
Provision for Current Tax	1,43,15,041	3,08,21,341
Provision for Gratuity	3,70,259	3,21,833
Provision for Corporate Social Responsibility	22,63,569	10,87,356
	1,69,48,869	3,22,30,530

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)

78

11.1 Fixed Assets as per Income Tax Act 1961

Block	Rate	WDV as on 01/04/2019	Addition		Deduction	Total	Depreciation for the Year				WDV as on 31/03/2020
			More than 180 Days	Less than 180 Days			Normal	Rate (%)	Additional Depreciation	Total	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Building	10.00%	4,39,46,596	8,07,498		-	4,47,54,094	44,75,409	-	-	44,75,409	4,02,78,685
Furniture and Fittings	10.00%	6,06,651	4,800	30,600		6,42,051	62,675	-	-	62,675	5,79,376
Plant and Machinery	15.00%	4,10,40,578	50,47,018	84,50,634	13,97,799	5,31,40,431	73,37,267	20.00%	26,41,120	99,78,387	4,31,62,044
Computers And Data Processing Units	40.00%	7,50,303	2,27,970	4,71,849		14,50,122	4,85,679	-	-	4,85,679	9,64,443
Computer Software	25.00%	1,26,875			-	1,26,875	31,719			31,719	95,156
Total		8,64,71,003	60,87,286	89,53,083	13,97,799	10,01,13,573	1,23,92,749		26,41,120	1,50,33,869	8,50,79,704

Note 12 Non Current Investments

(in Rs.)

Particular	As at 31st March, 2020	As at 31st March, 2019
Investment in property		
MDC Estates Private Limited	23,500,856	22,922,870
Security against product development		
Shivalik Solid Waste Management Limited	100,000	100,000
Investment in Associate Company		
I M Healthcare Private Limited		
Investment in Equity Shares (300000 Nos P.Y, NIL) 20% 76,785,000		
Goodwill on Consolidation of I M healthcare Pvt Ltd (at the time of acquisition) 74,999,809		
Less: Post Acquisition Profit/(Loss) from Associate (7,251,793)	68,982,798	76,234,592
MDC Hygeine Private Limited		
Investment in Equity Shares (4,400 Nos P.Y, NIL) 44% 44,000		
Less: Post Acquisition Profit/(Loss) from Associate (948,160)	(1,097,619)	(149,459)
Moselle Drugs and Cosmetics Limited		
Investment in Equity Shares (9,988 Nos P.Y, NIL) 49.94% 99,880		
Less: Post Acquisition Profit/(Loss) from Associate (81,902)	15,440	97,341
MDC Estates Private Limited	600,000	600,000
Mutual Funds		
PNB Equity Mutual Fund	45,000	45,000
	92,146,475	99,850,344
Investment in Associate (I M Healthcare Pvt. Ltd.)	68,982,798	76,234,592
Investment in Associate (MDC Hygene Private Limited)	(1,097,619)	(149,459)
Investment in Associate (Moselle Drugs and Cosmetics Limited)	15,440	97,341

Note 13 Long Term Loans and Advances

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
Security Deposits		17,33,384
Loans and advances given to related parties/ inter-corporates	50,000	7,50,000
Loans and advances given to others	27,50,026	43,58,806
	45,62,299	68,42,190

Note 14 Other Non-Current Assets

In Rs.

Particular	As at 31 st March 2020	As at 31 March, 2019
Fixed Deposits	6,14,36,270	8,77,008
	6,14,36,270	8,77,008

Note 15 Inventories-(at lower of cost and net realisable value)

In Rs.

Particular	As at 31 st March 2020	As at 31 March, 2019
(Valued at lower of Cost or Net Realisable Value)		
Raw Materials	4,29,22,766	2,76,75,040
Work In Progress	77,66,890	10,16,602
Packing Material	7,05,29,053	6,19,66,175
Finished Goods	1,02,91,911	1,27,00,552
Stock in Trade	1,81,00,836	1,77,99,873
Machinery	2,20,45,224	-
	17,16,56,680	12,11,58,242

Note 16 Trade Receivables

In Rs.

Particular	As at 31 st March 2020	As at 31 March, 2019
(Unsecured, considered good)		
Outstanding for a period more than six months from the due date for payment	1,89,90,965	2,07,15,374
Others debts	7,29,39,452	8,83,91,604
	9,19,30,417	10,91,06,978

Trade Receivable stated above include debts due by:

Particular	As at 31 st March 2020	As at 31 March, 2019
Private Company/Firm in which director is a member:		
Diya Healthcare Pvt.Ltd	1,68,735	1,68,735
Mdc Project Hygiene	32,28,766	10,45,291
Moselle Drugs & Cosmetics	-	5,92,260
Mdc Hygiene Pvt Ltd	67,410	-
Mdc Pharmaceuticals Ltd-Delhi	35,231	-
Hitech Formulations Pvt.Ltd.	11,34,619	11,20,409
Hitech Pharma	23,30,781	34,11,368
I M Healthcare Pvt.Ltd.	9,07,636	1,63,530
Jasco Labs Pvt Ltd.	17,41,696	17,74,826
Jasco Paper Products	16,905	-
Lyra Labs	25,86,102	25,85,805
Spark Multitrade Private Limited	1,73,106	961
Supreme Agencies	-	33,048
Supreme Biotech Pvt Ltd	91,752	73,701
Maya Biotech Pvt. Ltd.	-	91,641
	1,24,82,739	1,10,61,575

Note 17 Cash and Cash Equivalents

In Rs.

Particular	As at 31 st March 2020	As at 31 March, 2019
Cash & Cash Equivalents		
Balances with Banks		

- Current Account with Punjab National Bank (Account No. 0095008700568662)	57,47,139	98,43,242
- Current Account with Punjab National Bank- (Account No.0095002101114000)	-	4,08,562
- Current Account with HDFC Bank- (Account No.50200036865666)	1,62,51,790	1,53,54,883
- Current Account with HDFC Bank- (Account No.50200037985113)	5,75,403	51,000
- Current Account with HDFC Bank- (Account No.50200038836094)	80,405	-
- Dividend Account with Punjab National Bank (Account No.0095002900000061)	312	95,76,600
- Gratuity Account with Punjab National Bank (Account No.0095002101103217)	66,153	1,59,834
- Smart Business Account with Standard Chartered Bank (Account No.70005069891)	9,32,362	2,49,446
Cash in hand	32,77,398	24,36,042
	2,69,30,962	3,80,79,609

Note 18 Short-term Loans and advances

Particulars	As at 31st March 2020	As at 31 March, 2019
Balance with Statutory/Revenue Authorities	1,57,94,501	1,48,47,535
Balance with Related Parties/ Inter Corporate Advances	56,40,743	37,18,074
Security against Product Development (I M Healthcare Private Limited)	1,35,50,000	59,50,000
Security against ESIC Fund	36,29,500	-
Prepaid Expenses	6,77,810	4,19,923
Others (including advances to sundry creditors)	7,22,35,067	3,29,83,738
	11,15,27,620	5,79,19,269

Note 19 Other Current Assets

Particular	As at 31st March 2020	As at 31 March, 2019
Initial Public Offer Exp. (IPO)	57,66,246	46,99,185
	57,66,246	46,99,185

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
NOTES FORMING PARTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 Revenue from Operations

In Rs.

Particular	As at 31st March 2020	As at 31 March, 2019
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Operating revenue	52,20,09,362	55,76,56,041
	52,20,09,362	55,76,56,041

Note 21 Other Income**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Excise Duty Refund	-	1,53,859
Interest on Fixed Deposit and Other's	7,38,199	1,22,887
Interest on Income Tax Refund	-	2,05,557
Scrap Sale	3,960	9,990
Miscellaneous Income	-	3,98,816
Profit on Sale of Fixed Assets	6,13,923	1,14,272
Gain on Exchange of Rate Fluctuations	4,39,985	39,807
Prior Period Adjustments	-	11,930
Sundry Balances written off	78,102	27,96,152
	18,74,169	38,53,270

Note: The foreign currency exchange loss/gain has been computed as per the information provided to us by the company and in accordance with the guidelines prescribed by Accounting Standard-11.

Note 22 Cost of Materials consumed**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Construction of Materials		
Opening Stock of Raw Materials and packing material	8,96,41,215	7,33,87,231
Add: Purchases of Raw Material and Packing Material	25,39,44,228	26,34,79,983
Less: Closing Stock of Raw Materials and Packing Material	11,34,51,819	8,96,41,215
	23,01,33,624	24,72,25,998

Note 23 Purchases of Stock in Trade**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Construction of Materials		
Purchase of Stock in Trade	10,59,24,492	4,07,21,444
	10,59,24,492	4,07,21,444

Note 24 Changes in Inventory of WIP, Finished Goods and Stock In Trade**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Closing Inventories		
Work in Progress	77,66,890	10,16,602
Finished goods	1,02,91,911	1,27,00,552
Stock in Trade	1,81,00,836	1,77,99,873
Machinery	2,20,45,224	-
Sub Total (A)	5,82,04,861	3,15,17,027
Opening Inventories		
Work in Progress	10,16,602	2,62,22,356
Finished goods	1,27,00,552	1,50,29,495
Stock in Trade	1,77,99,873	2,11,43,894
Machinery	-	-
Sub Total (B)	3,15,17,027	6,23,95,745
Changes in Inventories : (B-A)	(2,66,87,834)	3,08,78,719

Note 25 Employee Benefits expenses**In Rs.**

Particular	As at 31st March 2020	As at 31 March, 2019
Salary, Wages & Bonus	6,07,02,516	5,71,09,738

Gratuity	27,48,555	21,84,518
Staff Welfare	12,82,786	10,36,965
Contribution to PF & Other Funds	45,39,103	45,62,354
	6,92,72,960	6,48,93,575

Note 26 Finance Costs

In Rs.		
Particulars	As at 31st March 2020	As at 31 March, 2019
Bank Guarantee & Other Charges	2,29,053	3,08,493
Interest expenses		
- Cash Credit Limit	5,504	10,33,671
- Term Loans	10,42,220	5,29,973
	12,76,777	18,72,138

Note 27 Other Expenses

In Rs.		
Particular	As at 31st March 2020	As at 31 March, 2019
Manufacturing Expenses		
Electrical Expenses	4,12,885	1,03,077
Factory Repair And Maintenance	33,88,310	27,02,365
Freight And Cartage	16,17,267	10,74,549
Fuel And Gases	21,17,534	19,92,486
Machinery Repair And Maintenance	7,11,852	9,99,064
Manufacturing Expenses	15,83,593	10,72,676
Product Approval	6,43,880	5,42,800
Security Guard Expenses	6,47,031	7,33,312
Testing Charges (Soil)	1,71,235	2,35,487
Water And Electricity	64,50,139	63,26,940
	1,77,43,727	1,57,82,756
Administrative Expenses		
Advertisement	22,08,566	14,44,932
Auditor's Remuneration (Refer Note No.-26.1)	2,00,000	2,00,000
Business Promotion	27,35,408	15,53,960
Bad Debts	78,08,958	-
Director Remuneration	3,07,33,786	2,87,60,000
Donation and Charity	40,580	2,05,786
Electrical Expenses	4,19,496	4,64,432
Festival Expenses	-	2,33,853
Freight And Cartage Outward	47,35,666	41,91,874
GST Late Filing Fees	5,414	1,93,872
Insurance	6,29,031	9,37,827
Interest on TDS/Late Filing Fees	23,131	92,863
Loss on Sale of Land	32,98,299	
Legal Expenses	2,16,278	4,93,001
Short/Excess Payment of earlier year TDS/Sales Tax	7,27,020	18,470
Income Tax Demand	-	60,186
Postage And Telegram	2,69,066	2,78,335
Printing And Stationery	6,68,535	8,39,211
Professional Charges	26,98,466	9,14,197
Rate fees taxes	10,425	22,530
Rent	26,49,147	24,57,112
Sitting fee of Directors	40,000	40,000
Short and Excess	35	-
Software Subscription	3,54,000	
Telephone Expenses	8,16,695	13,79,418
Tour And Travelling Expenses	13,79,814	15,41,527
Vehicle Running And Maintenance	19,83,697	11,16,299
Contributions towards Corporate Social Responsibility (Refer Note No. 26.2)	16,18,413	10,87,356
Repair and Maintenance		
Computer Repair And Maintenance	2,51,113	2,91,947

Office Repair And Maintenance	64,264	1,32,897
	6,65,85,304	4,89,51,886
	8,43,29,031	6,47,34,642

Note 27.1 Auditor's Remuneration

Particulars	As at 31st March 2020	As at 31 March, 2019
Statutory Audit	2,00,000	2,00,000
Total	2,00,000	2,00,000

Note 26.2 Corporate Social Responsibility Expenditure:- As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, programmes relating to water conservation and maintaining quality of soil, air and water. A CSR committee has been formed by the company as per the Act.

(a) Gross amount required to be spent by the company during the year: Rs. 20,60,880/-

(b). Amount spent during the year on:

Particular	In cash	Yet to be paid in cash	Total
(i). Construction/ Acquisition of any asset	-	-	-
(ii). On purposes other than (i) above	4,42,200	16,18,413	20,60,613
Total	4,42,200	16,18,413	20,60,613

Note 27 Earning Per Share

Particulars	As at 31st March 2020	As at 31 March, 2019
Profit/ (Loss) attributable to Equity shareholders	28,67,18,163	6,87,45,548
Shares outstanding at the beginning of the year	1,27,68,800	1,19,98,800
Shares outstanding at the end of the year	1,27,68,800	1,27,68,800
Weighted average no of Share Outstanding	1,27,68,800	1,34,84,101
Basic & Dilutive Earnings Per Share (Not Annuavalized)	22.45	5.10
Face value per Share	10.00	10.00

Note 28 : In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

Note 29 Contingent Liabilities

In Rs.

Particulars	As at 31st March 2020	As at 31 March, 2019
(i) Bond Issued to GST	20,00,000	20,00,000
(ii) Bills Discounted under Inland Letter of Credit	-	-
(iii) TDS Defaults outstanding	19,34,424	1,01,830
TOTAL	39,34,424	21,01,830

The amount of "Bond Issued to GST" mentioned above has been reported solely on the basis of information provided to us by the company. Since, we were not provided with any supporting document in relation to this, we could not verify and vouch the balance shown under the head "Bond Issued to GST".

Note 30 : Disclosure pursuant to Accounting Standard - 15 'Employee Benefits'

Particulars	As at 31st March 2020	As at 31 March, 2019
Salary Growth *	7.00%	7.00%
Discount Rate	6.80%	7.70%

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	As at 31st March 2020	As at 31 March, 2019
Present value of obligation as at the beginning of the year:	1,24,39,083	1,04,47,668
Interest cost	8,45,858	8,04,470

Current service cost	15,31,707	13,58,978
Benefits paid	(7,42,492)	(7,02,594)
Actuarial (gain) / loss on obligation	3,70,990	5,30,561
Closing Present value of obligation	1,44,45,146	1,24,39,083

ii) Actuarial gain/ loss recognised in the Statement of Profit and Loss:

Particulars	As at 31 st March 2020	As at 31 March, 2019
Actuarial (gain)/ loss for the year obligation	3,70,990	5,30,561

(iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at 31 st March 2020	As at 31 March, 2019
Present value of obligation as at the end of the year	1,44,45,146	1,24,39,083
Funded value of assets (unfunded)	85,44,016	82,76,270
Net Liability / (Asset) recognised in balance sheet	59,01,130	41,62,813

(iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	As at 31 st March 2020	As at 31 March, 2019
Current service cost	15,31,707	13,58,978
Interest cost	8,45,858	8,04,470
Expected return on plan assets	(5,71,890)	(5,30,445)
Net actuarial (gain) / loss recognized in the year	9,42,880	5,51,515
Expenses recognised in the statement of profit and loss	27,48,555	21,84,518

Note 31 : Segment Reporting

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset of the Aggregate revenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.

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Note 32 : Related Party disclosures

Disclosure in accordance with Accounting Standard-18 Related Party Transactions

(Amount in Lakhs Rs. Except Per Share Data)

Particulars	Names of related parties	Nature of Relationship
Directors and Key Management Personnel (KMP)	Gurmeet Singh Narula	Whole Time Director & Shareholder
	Parvinder Singh Gulati	Whole time Director & Shareholder
	Sham Lal Singla	Director & Shareholder
	Pramila Devi	Chief Financial Officer & Shareholder
	Jolly Kashyap	Company Secretary
	Manisha Sharma	Independent Director
	Harkanwal Kaur Bhatia	Independent Director
	Vir Pal Singh	Executive Director
	Ravdeep Singh Matta	Non executive Director
	Jatinder Singh Wig	Independent Director
	Narender Mohan Gupta (H U F)	Shareholder
	Sunil Kumar Sahoo	Shareholder
	Sneha Gupta	Shareholder
	Satinder Singh	Shareholder
	Gurvinder Kaur	Shareholder
	Jasmeet Singh	Shareholder
	Aruna Singla	Shareholder
	Raminder Singh Matta	Shareholder
	Sharoon Ganediwal	Shareholder
	Pankaj Dulwani	Shareholder
	Ranju Gupta	Shareholder
	Ruchi Agarwal	Shareholder
	Govind Gandhi	Shareholder
	Jose Ansal P P	Shareholder
	P K Vaidyanathan	Shareholder
	Parampreet Singh Khurana	Shareholder
	Ravinder Pal Singh Khurana	Shareholder
	Jagjit Singh	Shareholder
	Arvind Jaswal	Shareholder
	Sandeep Kumar Rishi	Shareholder
	Dinesh Sharma	Shareholder
	Anu Bhatia	Shareholder
	Anukriti Leasing And Exports Pvt Ltd	Shareholder
	Vivek Vashisht And Sons HUF	Shareholder
	Raman Aggarwal	Shareholder
	Charanjeet Singh Saini	Shareholder
	Rahul Jain (HUF)	Shareholder
	Nishant Khanna	Shareholder
	Vivek Thakur	Shareholder
	Gaurav Thapar	Shareholder
	Lokesh Sharma	Shareholder
	Anil Jaguri	Shareholder
	Ajit Kumar Warrior	Shareholder
	Venugopal T K	Shareholder
	Resmi Ramesh	Shareholder
	Avantika Singh	Shareholder
	Raj Mittal	Shareholder

Relatives of KMP	NIL	NIL
Company/Firm in which KMP/Relatives of KMP can exercise significant influence	Doon Infrastructure Limited	Directorship by Mr. Sham Lal Singla (Director of the Company).
	Diya Healthcare Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Baddi Infrastructure	SHAM LAL SINGLA (Managing Director of the Company).
	Brand Toniq LLP	Limited Liability Partnership where Mrs. Harkanwal Kaur Bhatia is partner.
	Hitech- Formulations (P) Ltd	Directorship by Mr. Dharminder Singh (Brother of Parvinder Singh Gulati).
	Hitech-Pharma	Partnership firm where Mr. Dharminder Singh (Brother of Parvinder Singh Gulati) is partner.
	Horizon Offset Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Labs	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	Jasco Labs Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Multipacking Private Limited	Directorship by Mr. Ravdeep Singh Matta (Director of the Company).
	Jasco Paper Products	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	Keena Ayurveda LLP	Limited Liability Partnership where Mrs. Harkanwal Kaur Bhatia is partner.
	Kingsway Global Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Lifestyle Bio Sciences Private Limited	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma
	Lyra Laboratories (P) Ltd.	Directorship by Mr. Dharminder Singh (Brother of Parvinder Singh Gulati).
	Moselle Drugs And Cosmetics Limited	Associate, Company is owning 49.94% Equity share Capital.
	MDC Hygeine Private Limited	Associate, Company is owning 44% Equity share Capital.
	MDC Estate (P) Ltd	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharmaceuticals Limited.
	MDC Exports Private Limited	Shares held by Mr. Parvinder Singh Gulati and Mr. Jasmeet Singh
	NZ Health Care Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Nutrabouty International Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
	Onlinease Digital Transformation LLP	Limited Liability Partnership where Mr. Parvinder Singh Gulati is partner.
	Supreme Enterprises	Partnership Firm in which Brother and Mother of Director Mr. Narula was partner.
	I M Healthcare Pvt Ltd	Associate , Company is owning 20% Equity share Capital and Directorship by Mr. Parvinder Singh Gulati (Director of the Company) and Sham Lal Singla.
	Supreme Agencies	Director of Company Mr. Parvinder Singh Gulati and Mr. Gurmeet Singh Narula is partner in the Firm.
	Supreme Biotech Private Limited	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma plus shareholding also above 50%.
	Spark Multitrade Private Limited	Directorship by Mr. Gurmeet Singh Narula (Director of the Company).
	Vitamec Healthcare Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).

	Zanon Lifesciences Private Limited	Directorship by Mr. Parvinder Singh Gulati (Director of the Company).
CSR COMMITTEE MEMBERS	Sham Lal Singla, Chairman	Managing Director of the Company
	Parvinder Singh Gulati, Member	Whole time Director of the Company
	Jatinder Singh Wig, Member	Independent Director of the Company

(i) Transactions with KMP		As at 31st March 2020	As at 31st March 2019
A	PARVINDER SINGH GULATI (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	112.06	105.40
	Imprest given to Directors for Expenses (dr/(cr))	3.55	2.59
	Closing Balance of Loan given to the company	5.64	
B	GURMEET SINGH NARULA (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	92.15	86.00
	Imprest given to Directors for Expenses (dr/(cr))	4.05	3.20
	Closing Balance of Loan given to the company	1.99	
C	PRAMILA DEVI (CFO) - Appointed on 09/02/2018		
	Salary given	9.30	9.30
D	JOLLY KASHYAP - (Company Secretary) - Appointed on 09/02/2018	-	-
	Salary given	3.96	3.92
		-	-
E	VIR PAL SINGH - Appointed on 26/02/2018	-	-
	Salary given	11.97	11.97
F	MANISHA SHARMA - Appointed on 26/02/2018		
	Director Sitting Fee	0.20	0.20
G	HARKANWAL KAUR BHATIA - Appointed on 26/02/2018		
	Director Sitting Fee	0.20	0.20

H	SHAM LAL SINGLA (DIRECTOR & SHAREHOLDER) - Appointed on 14/07/1994		
	Director Remuneration	103.13	96.20
	Imprest given to Directors for Expenses (dr/(cr))	3.55	2.17
	Closing Balance of Loan given to the company	5.29	
I	JASMEET SINGH (SHAREHOLDER)		
	Loan (Taken)/ Given	-	-
	Opening Balance (dr/(cr))	33.46	33.46
	Closing Balance (dr/(cr))	33.46	33.46
	Sales made to the company	25.92	56.64
	Closing Balance (dr/(cr))	-	25.92

(ii) Transactions with Relatives of KMP		NIL	NIL
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(iii) Transaction with Company/Firm in which KMP/Relatives of KMP can exercise significant influence

A	HITECH FORMULATIONS PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	21.59	19.85
	Closing Balance (Cr/(Dr))	2.11	-0.21
	Sale made to the Company	0.24	11.31
	Closing Balance (Dr/(Cr))	11.35	11.20
	Export made	-	-
	Closing Balance (Dr/(Cr))	1.24	1.24
B	HITECH PHARMA	As at 31st March 2020	As at 31st March 2019
	Sale of Goods/Debit For Expenses incurred on Party behalf	6.26	59.44
	Closing Balance (Dr/(Cr))	23.31	34.11
	Purchase made by the Company	56.14	
	Closing Balance (Cr/(Dr))	36.14	
	Investment made by the company		
	Opening Balance (Dr/(Cr))	0.00	
	Increase in Investment	1.72	
	Decrease in investment	0.00	

	Closing Balance (Cr/(Dr))	1.72	
C	LYRA LABORATORIES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Closing Balance (Cr/(Dr))	0.00	0.00

	LYRA LABS	As at 31st March 2020	As at 31st March 2019
	Sale of Goods	0.00	32.31
	Closing Balance (Dr/(Cr))	25.86	25.86
D	SUPREME ENTERPRISES	As at 31st March 2020	As at 31st March 2019
	Loan Taken/Given		
	Opening Balance (dr/(cr))	0.50	0.50
	Loan taken by the Company	0.00	0.00
	Loan Repaid by the Company	0.00	0.00
	Closing Balance (dr/(cr))	0.50	0.50

E	SUPREME BIOTECH PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Sale of Goods by the Company	0.18	0.48
	Closing Balance (dr/(cr))	0.92	0.74
	Purchase made by the Company	33.80	8.04
	Closing Balance (Cr/(Dr))	-26.29	-21.46
	Debit For Expenses incurred on Party behalf	0.48	1.09
	Closing Balance (Cr/(Dr))	0.05	0.04
	Security Given	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	0.00	0.00
	Security given	2.06	
	Closing Balance (dr/(cr))	2.06	0.00
F	JASCO PAPER PRODUCTS	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	303.09	311.17
	Closing Balance (Cr/(Dr))	24.92	-31.33
	Sale of services made by the company	1.66	
	Closing Balance (Cr/(Dr))	0.17	
G	MDC ESTATES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Investment in Property		
	Opening Balance Dr/(Cr)	229.23	218.93
	Expenditure Done on behalf of the Company	0.22	0.06
	Payments made towards purchase of property	5.78	10.30
	Closing Balance Dr/(Cr)	235.24	229.23
	MDC ESTATES PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Investments made by the Company		

	Opening Balance (Dr/(Cr))	6.00	6.00
	Increase in Investment	0.00	0.00
	Decrease in investment	0.00	0.00
	Closing Balance (Dr/(Cr))	6.00	6.00
H	Supreme Agencies	As at 31st March 2020	As at 31st March 2019
	Closing Balance (dr/(cr))	0.36	0.33
I	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Security for Product Development		
	Opening Balance	59.50	225.00
	Security Given during the year	66.50	-165.50
	Closing Balance	126.00	59.50
	Acquisition of Shares during the year	-	767.85
	Closing Balance of Shared	767.85	767.85
	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Purchases made to the company	17.11	0.28
	Closing Balance (Cr/(Dr))	0.62	0.53
	I M HEALTHCARE PVT LTD	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	17.22	1.64
	Closing Balance (Cr/(Dr))	9.08	
J	DIYA HEALTHCARE PVT.LTD.	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	NIL	NIL
	Closing Balance (dr/(cr))	1.69	1.69
	DIYA HEALTHCARE PVT.LTD. -Security	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	2.00	2.00
	Closing Balance (dr/(cr))	2.00	2.00
K	JASCO LABS PVT LTD.	As at 31st March 2020	As at 31st March 2019
	Sales Made by the company	11.33	35.45
	Closing Balance (dr/(cr))	17.42	17.75
L	JASCO MULTIPACKING PVT. LTD.	As at 31st March 2020	As at 31st March 2019
	Purchase made by the Company	13.06	7.99
	Closing Balance (Cr/(Dr))	-6.34	10.28
M	LIFE STYLE BIO SCIENCES PVT LTD	As at 31st March 2020	As at 31st March 2019
	Expenditure Done on behalf of the Company	0.06	0.09
	Closing Balance (dr/(cr))	1.23	1.17
N	ZANON LIFESCIENCES PRIVATE	As at 31st March 2020	As at 31st March 2019

	LIMITED		
	Closing Balance (Cr/(Dr)	0.08	8.94
O	MOSELLE DRUGS AND COSMETICS LIMITED	As at 31st March 2020	As at 31st March 2019
	Shares Acquired during the year	0.00	1.00
	Closing Balance (dr/(cr))	1.00	1.00
P	MDC HYGEINE PRIVATE LIMITED	As at 31st March 2020	As at 31st March 2019
	Shares Acquired during the year	0.00	0.44
	Closing Balance (dr/(cr))	0.44	0.44
	Sale made by the company	0.67	0.00
	Closing Balance (dr/(cr))	0.67	0.00
Q	SPARK MULTITRADE PRIVATE LIMITED	As at 31st March 2020	As at 31st March 2019
	Opening Balance (dr/(cr))	0.01	-
	Sale made by the company	6.67	0.19
	Purchase made to the company	0.19	0.77
	Closing Balance (dr/(cr))	1.73	0.01
R	MDC EXPORTS PVT LTD	As at 31st March 2020	As at 31st March 2019
	Sale of Goods/Debit For Expenses incurred on Party behalf	527.86	518.82
	Closing Balance (Dr/(Cr)	145.09	137.76

FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

For and on behalf of the Board of Directors

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Sd/-
Parvinder Singh Gulati
Wholtime Director
DIN: 01565151

Sd/-
Sham L al Singla
Managing Director
DIN: 00496397

Place: Chandigarh
Date: 25/09/2020

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

34. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sr. No.	Particulars	As At March 31, 2020 Rs.
i.	Principal/Interest amount remaining unpaid	2,52,02,196.08

ii.	Interest paid in term of Section 16	NIL
iii.	Interest due and payable for the period of delay in payment.	NIL
iv.	Interest accrued and remaining unpaid.	NIL
v.	Interest due and payable even in succeeding years.	NIL

35. The Parent Company has complied with the recommendation of Accounting Standard 22 - Accounting for Taxes on Income. There has been timing difference due to depreciation and gratuity and Rs.(1,00,284) /- has been provided in Statement of Profit and Loss Account towards incremental deferred tax liability on account of depreciation for the period ended 31 March 2020. No Deferred Tax Assets have been recognized on the carry forward losses as per the Income Tax Act, 1961 considering the prudence aspect in case of Associate Company. However, the position would be reviewed on yearly basis.
36. Statement pursuant to section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014 relating to Subsidiary Company and Associate and as certified by the management of the Holding Company is Annexed with these consolidated financial statements.
37. Being the first reporting period for consolidated financial since the company acquired shares in:
- (i). I M Healthcare Pvt Ltd on 14th May 2018 (20%);
 - (ii). MDC Hygene Private Limited on 19th January 2019 (44%);
 - (iii). Moselle Drugs and Cosmetics Limited on 5th February 2019 (49.94%).

Therefore previous year figure is not applicable.

FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Place: Chandigarh
Date: 25/09/2020

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Wholetime Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M

Annexure to the Consolidated Financial Statements

Statement containing salient features of the financial statements of Associate Company (Pursuant to first proviso to sub- section of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associate

Name of Associate Company	I M Healthcare Pvt Ltd	MDC Hygeine Private Limited	Moselle Drugs and Cosmetics Limited
Latest audited Balance Sheet Date	3/31/2020	3/31/2020	3/31/2020
Date on which the Associate was associated or acquired	5/14/2018	19/01/2019	05/02/2019
Share of Associate held by the company on the period end:			
Number	300,000	4,400	9,988
Amount of Investment in Associates	76,785,000	44,000	99,880
Extent of Holding (%)	20.00%	44.00%	49.94%
Description of how there is significant influence	Refer Note a	Refer Note a	Refer Note a
Reasons why the associate is not consolidated	NA	NA	NA
Net worth attributable to shareholding as per latest Audited Balance Sheet	(36,258,967)	(2,154,909)	(164,000)
Profit or Loss for the period			
i. Considered in Consolidation	(36,258,967)	(13,41,759)	94
ii. Not Considered in Consolidation	-	-	-

Note :

- Significant influence has been assumed since the holding is equal to 20 %, 44% and 49.94%.
- The above statement also indicates Performance of the Associate.
- Name of associates which are yet to commence operations: MDC Hygeine Private Limited, Moselle Drugs and Cosmetics Limited
- Name of associate which have been liquidated or sold during the year: None

FOR G S GAMBHIR AND ASSOCIATES
Chartered Accountants
FRN: 012599N

Sd/-
RAHUL KHURANA
(PARTNER)
M.NO. 543481
UDIN:-20543481AAAAFJ7319

Place: Chandigarh
Date: 25/09/2020

For and on behalf of the Board of Directors

Sd/-
Parvinder Singh Gulati
Wholetime Director
DIN: 01565151

Sd/-
Sham Lal Singla
Managing Director
DIN: 00496397

Sd/-
Pramila Devi
Chief Financial Officer
PAN: AHPPD7831G

Sd/-
Jolly Kashyap
Company Secretary
PAN: BKCPK9618M



MDC PHARMACEUTICALS LTD.

Plot no. 213, Industrial Area,
Phase-1 , Chandigarh- 160002