

2018 | ANNUAL REPORT



MDC PHARMACEUTICALS LTD.



“MEDICATION with
DEDICATION”

INDEX

1	From the Desk of Chairman	01
2	Managing Director's Message	02
3	About the company	03-09
4	Notice of Annual General Meeting	10-11
5	Board's Report	12-26
6	Independent Auditor's report	27-39
7	Balance sheet	40
8	Profit & Loss account	41
9	Cash flow statement	42
10	Notes to financial statements	43-56
11	Attendance slip and Proxy Form	57-59

Chairman's Letter



Parvinder S. Gulati (Chairman)

Dear Shareholders

First of all I welcome you to MDC family. Let me take this opportunity to introduce my self as the Chairman Cum Director of MDC Group. MDC as you know is a dynamic company with its strong Pharmaceutical foundation. Our unique business model drives our commercial success and growth.

It has been an eventful year for Pharmaceutical industry and MDC has had a good year which is reflected very well in this Annual report.

We, at MDC believe that Continuity and Change are the "drivers of growth". Even though we are extremely sure and excited about the attractiveness of Pharmaceutical sector, we have strategized extension of our portfolio in Nutraceuticals and Cosmetics to tap the maximum potential.

In order to continue our growth trajectory our core focus will be:

- » To strengthen our Pharmaceutical revenues by opening new domestic and international fronts.
- » To increase our Product portfolio by adding a New Plant to manufacture Soft gel capsules.
- » Introducing unique dosage form of gummies in Nutraceutical space.

“

*WE, AT OUR END BELIEVE IN
PROGRESS THROUGH HARD WORK
AND ETHICAL PRACTICES.*

”

- » Delegating resources to enhance presence on e-commerce platforms with our Cosmetic range of products.

I am confident that our company will emerge more strong and successful by addressing the transforming needs of the Pharmaceutical, Nutraceutical and Cosmetic industry.

My heartfelt thanks to all for your faith and trust in us. Your board and management council will continue to ensure that our purpose of "Medication with Dedication" continues to underpin our business even as we deliver value.

Sincerely
Parvinder Singh Gulati
Chairman
MDC Pharmaceuticals Limited

Managing Director's Letter



Dear Shareholders,

We wish to become the text book example of excellence for serving medical fraternity and reaching to ailing masses. We will make this possible through our world class manufacturing standards and developing new Drug delivery Techniques.

We are one of India's most preferred and trusted pharmaceutical company among the medical fraternity due to our innovative product range and quality standards. With our multi product offerings vertically integrated manufacturing base we are primed to ride on the next wave of growth by introducing new dosages forms and increasing our export base.

It gives me immense pleasure to present financial report of the company for year 2017-18. Your company has maintained overall revenue earnings and profit after tax (PAT) 6.73 Cr in spite of challenging economic conditions.

To conclude I would like to express my sincere thanks to all our shareholders for showing interest and confidence in our business. I also thank our customers, employees and everyone associated with us for supporting us to grow every single day.

Thanking you
S. L. SINGLA
Managing Director

Company's Profile At Glance

MDC Pharmaceutical Limited is global pharmaceutical company specialized in the development, production and marketing of proprietary branded pharmaceuticals products in all dosage form.

"MDC's vision is to become one of the leading pharmaceutical company by being the undisputed leader in the Global Pharmaceutical Industry and by developing a global standard in selected innovative products originating from natural science."

MDC differentiates itself by balancing its portfolio with innovative activities by strategic depth of its vertical integration by combining local customers responsiveness with a "Global Edge" and by successfully managing increasing profitable growth and complexity. Our success lies in the leadership of our management, the skill & devotion of our people, the quality of our Products and our focus on customers and patients. The company's strength are in developing intellectual property in the area of drug formulation, drug delivery systems and resolving complex chemistry challenges in the process. All this reflects the company's commitment toward developing innovative technologies and creating a knowledge base in chemical synthesis & development of drug delivery system.



“We aim to continue grow in the pharmaceutical industry in India and abroad.”

Our journey began with our promoters viz. **Mr. Parvinder Singh Gulati, Mr. Gurmeet Singh Narula and Mr. Sham Lal Singla** who have been the pillars of our growth since inception. Driven by passion for building an integrated pharmaceutical company, backed by their more than two decades of individual experience, our Promoters have built the values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry in India and abroad.

We have been bestowed upon with few accolades as mentioned below:

- » In 2012, Pharma excellency Award by Government of Himachal Pradesh
- » In 2016, Award for outstanding contribution by Pharma cum food technical institute.

THE KEY MANAGEMENT OF OUR COMPANY IS

Mr. Sham Lal Singla

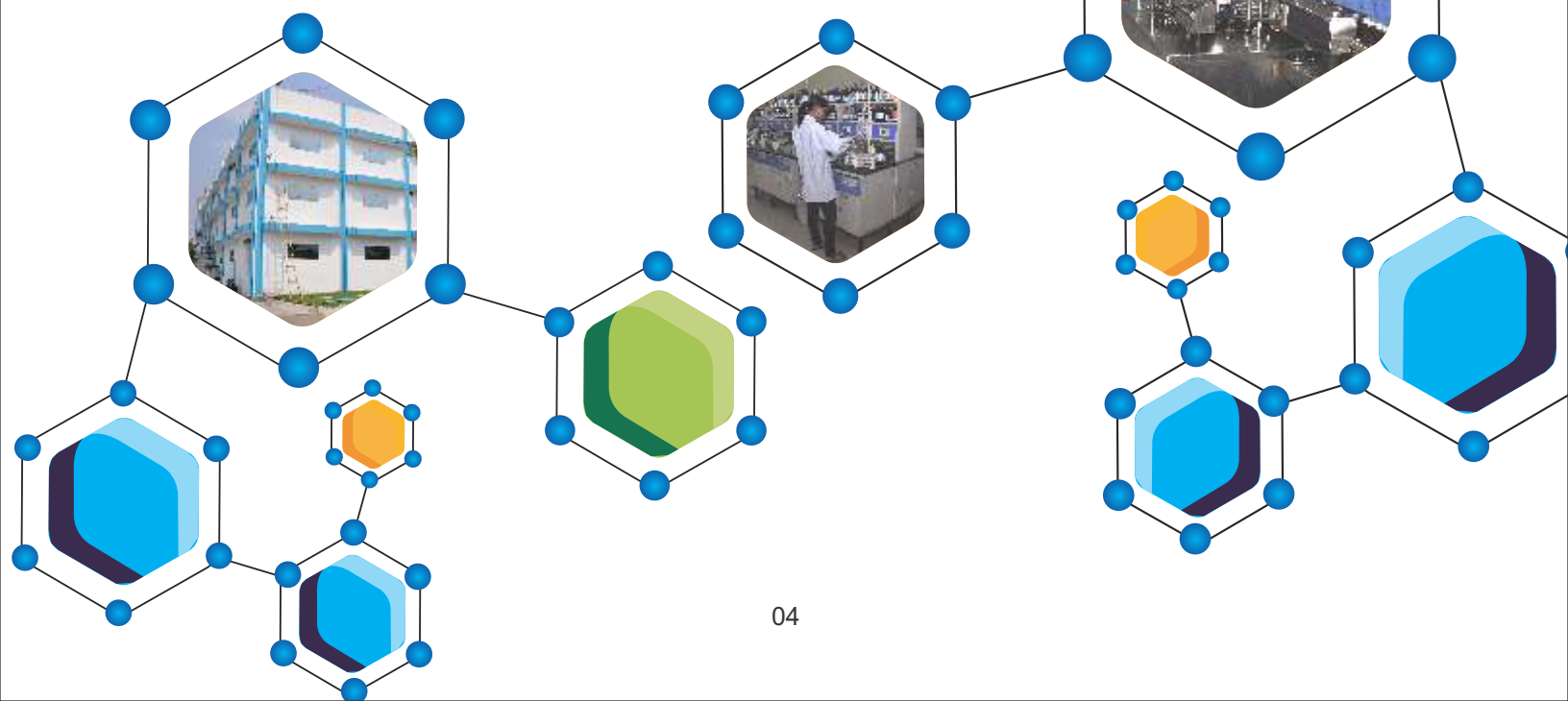
Mr. Sham Lal Singla aged 65 years is the Promoter and Managing Director of our Company. He has obtained Bachelor of Science Degree from Punjab University and Masters in chemistry from Meerut University. He has also passed Pre medical examination from Punjab University. He has an experience of more than 30 Years in the Pharma Industry in which we operate. He has been instrumental in formulating the production strategies of our Company and is entrusted with the responsibility of looking after the production management and operations at manufacturing units of our Company. He oversee the production process, ensure that production is cost effective and monitor product standards and implement quality-control programmes.

Mr. Parvinder Singh Gulati

Mr. Parvinder Singh Gulati aged 56 years is the Promoter, Chairman and Whole Time Director of our Company. He has an experience of more than 25 Years in the Pharma Industry in which we operate. His clarity of vision, leadership skills, ingenuity, in approach and penchant for understanding customer needs has helped the company register spectacular growth and success. He has been the key in formulating overall strategies of our Company and is entrusted with the responsibility of looking after the overall management and operations of our Company.

Mr. Gurmeet Singh Narula

Mr. Gurmeet Singh Narula aged 50 years is the Promoter and Whole Time Director of our Company. He has an experience of more than 20 Years in the industry in which we operate. He has been instrumental in formulating the marketing strategies of our Company and is entrusted with the responsibility of looking after Export operations of the Company. He Assess Market potential & leverage through right product mix aligned with Healthcare Solutions. Over the years he has built cohesive sales & marketing team to coach & develop different type of Sales, Marketing Brand and Category strategies.



OUR BUSINESS

Our Company engaged in the development and manufacturing of pharmaceutical formulations, nutraceutical formulations and marketing of cosmetic and skin care products. Our core strength lies in developing and manufacturing a variety of pharmaceutical and nutraceutical products at our own manufacturing facilities situated in Himachal Pradesh, which we commercialize through our wide franchisee network across various states of the country.

We are present in various therapy areas such as Anti-Hypertensive formulations, Cardio-Vascular pharmaceutical formulations, Antibiotics, Anti-Malarials, Anti-Histamine drugs, etc. We deal in cosmetics range and skin care products through our brand Murtela.

Further with the growing demand for nutraceutical products, we offer a range of such products which deals in General Health care, hair care supplements, joint pains & rheumatics and arthritis supplements, eye care supplements, etc.



In domestic markets, we have ensured to have our presence spread throughout the country and have achieved the same by supplying in 28 states and 2 union territories through our franchisee network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. At present, for our export operations we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export of our own branded Products until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan.



Our business operations are supported by two manufacturing facilities located in Baddi, Himachal Pradesh engaged in manufacturing of formulations. Unit I is situated at Dharampur, Baddi, Himachal Pradesh, spread over an area of 5,512 sq. mtr. whereas Unit II is situated at Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh spread over an area of 572 sq. mtr. Currently, we manufacture tablets, capsules, oral syrups, dry syrups at Unit I and tablets and capsules at Unit II. We believe that each of our facilities is designed, equipped and operated to deliver quality products within defined cost and delivery schedules. Our both units are GMP certified (currently under renewal process) and our products conform to FSSAI standards.

The backbone of our revenue from PAN India operations is our distribution through 450+ Technical Franchisee Network. Such franchisee markets products under our brands, thereby leveraging our brand value. This marketing strategy also helps us to increase our reach PAN India. Our franchisee takes care of marketing, distribution and selling of those products in that area without marketing expense of the company. We have also set up our own portal for commercialization of our cosmetic products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com>.

Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. In addition to manufacturing and supplying for our own products, we also manufacture for certain third parties in domestic markets.

OUR PRESENCE IN DOMESTIC MARKET:



“ We supply in around 28 states and 2 union territories.
Based on revenue of
March 31, 2018,
Our domestic presence
is presented below : ”

Forms of Products Manufactured by the Company:

TABLET



CAPSULE



ORAL SYRUPS



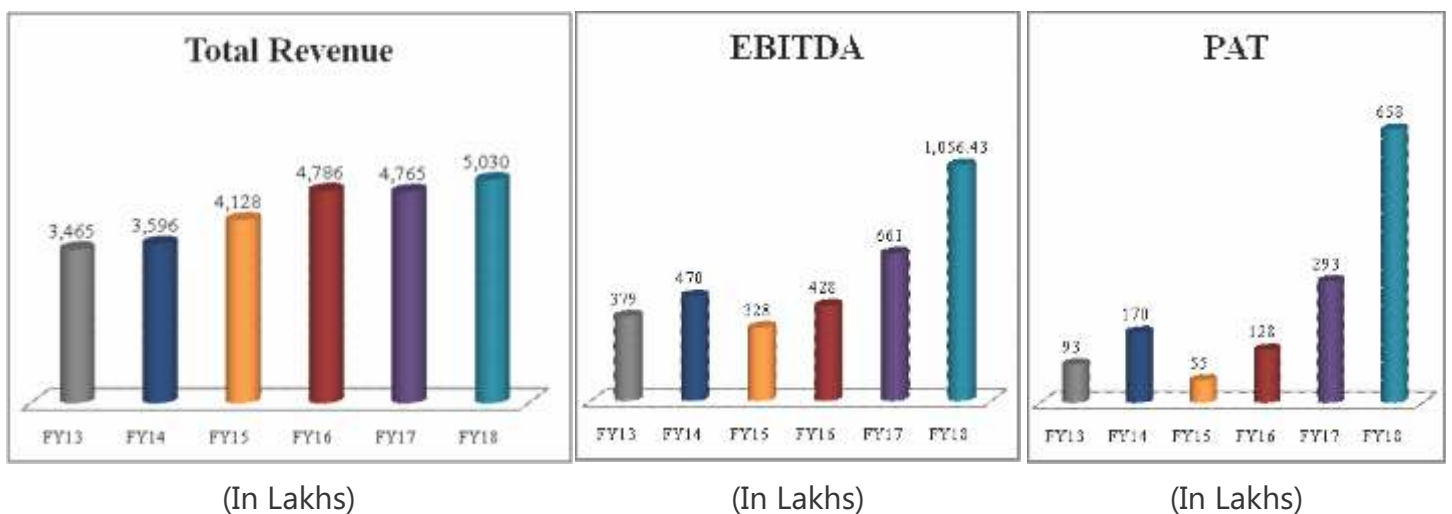
DRY SYRUPS



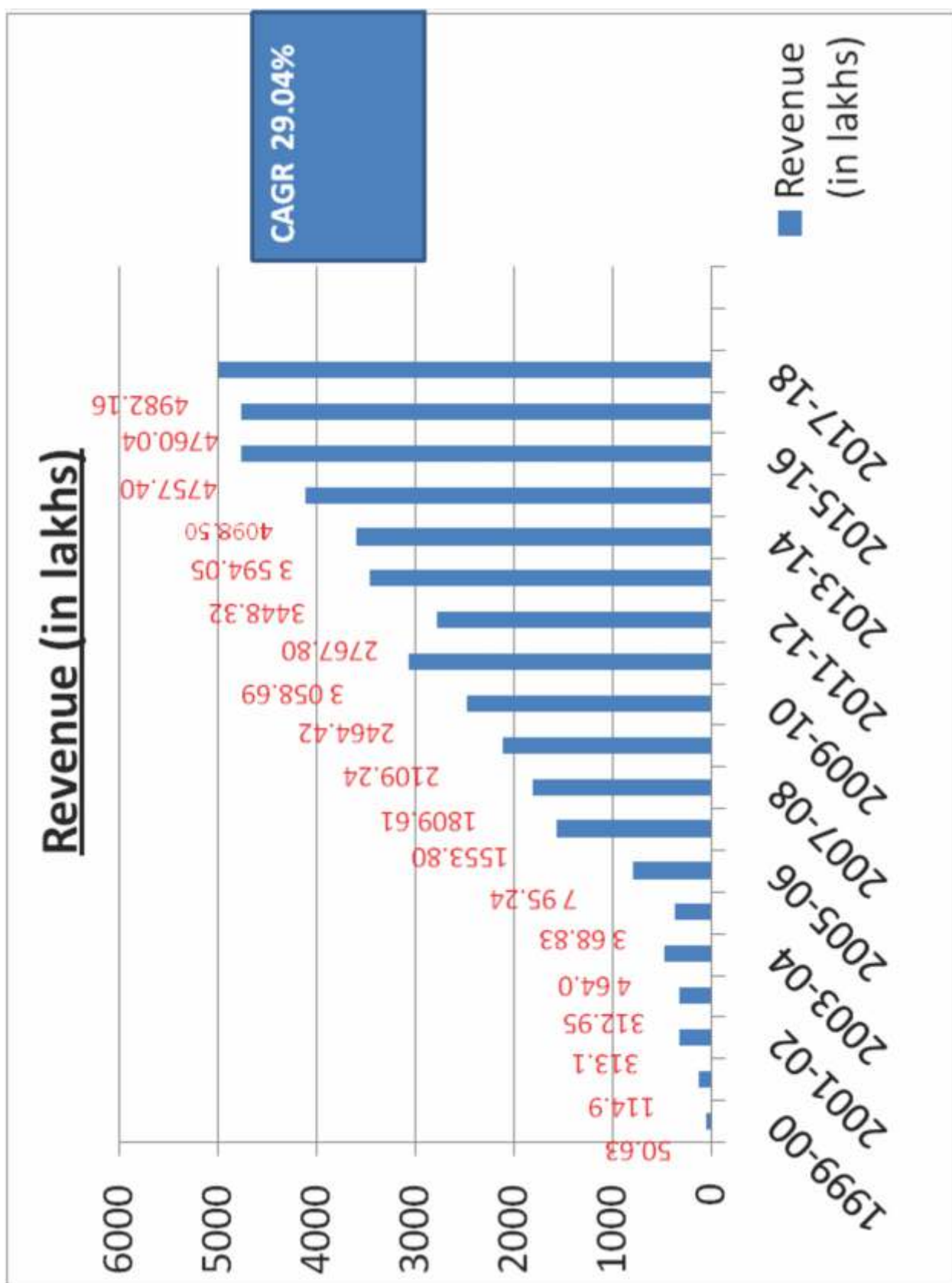
OUR GROWTH



“Strength and Growth come only through continuous effort & struggle”



PERFORMANCE OF THE COMPANY SINCE PRODUCTION (1999-2000)



Notice of Annual General Meeting

Notice

NOTICE is hereby given that the 24th Annual General Meeting of the members of M/s MDC PHARMACEUTICALS LIMITED will be held at 11.30 AM on Saturday, 29th September, 2018 at the registered office of the company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2018 and the Profit & Loss Account for the period ended at that date along with the Director's and Auditor's report thereon.
2. To ratify the appointment of Auditors and fix their remuneration.

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the appointment of M/s G.S. GAMBHIR & ASSOCIATES, Chartered Accountants, (Firm Registration No. 012599N), as Auditors of the Company for a term of Five years i.e. till the conclusion of the Annual General Meeting to be held in the year 2020, which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2019, at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

3. 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.
4. To declare final Dividend at the rate of 7.5 per cent to the Equity shareholders of the company for the year ended 31st March, 2018.

FOR AND ON BEHALF OF THE BOARD

Parvinder Singh Gulati
Chairman Cum Whole time Director
DIN: 01565151

Place: Chandigarh
Dated: 02/09/2018

Notes

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.
2. The instrument i.e. Proxy Form appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of companies must be supported by appropriate resolutions as applicable.
3. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the reply can be made available at the Meeting.
4. Members are requested to bring their personal copy of the Annual Report to the Meeting.
5. All Documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 6.00 p.m.) on all working days except Sundays (including Public Holidays) up to date of the AGM.
6. The members are requested to inform to the company regarding the change of their address if any.
7. Only member carrying the attendance slips or the holders of valid proxies registered with the company will be permitted to attend the meeting. Member attending the meeting are requested to bring their copy of annual report with to the Annual General Meeting, as extra copies will not be supplied.
8. The cut-off date for the purpose of Dividend is 20TH March, 2018.

FOR AND ON BEHALF OF THE BOARD

Parvinder Singh Gulati
Chairman Cum Whole time Director
DIN: 01565151

Place: Chandigarh
Dated: 02/09/2018

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, 2018.

1. FINANCIAL RESULTS

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

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Net Sales/Income From Business Operations	49,82,16,411.00	47,60,05,642.00
Other Income	47,46,475.00	15,74,066.00
Total Income	50,29,62,886.00	47,75,79,708.00
Less Interest	29,80,014.00	69,89,869.00
Profit before Depreciation	10,25,16,434.00	6,03,20,357.00
Less Depreciation	95,03,562.00	1,14,98,408.00
Profit after depreciation and Interest	9,30,12,872.00	4,88,21,949.00
Less Current Income Tax	2,54,76,020.00	1,84,80,932.00
Less Previous year adjustment of Income Tax	0.00	0.00
Less Deferred Tax	1,95,023.00	-14,50,204.00
Net Profit after Tax	6,73,41,829.00	3,17,91,221.00

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 has also been increased from Rs. 1,99,98,000/- to Rs. 11,99,88,000/- divided into 1,19,98,800 Equity Shares of Rs. 10/- each by issue of Bonus shares of Rs. 9,99,99,000/- consisting of 99,99,900 Equity shares of Rs. 10/- each in the ratio of 5:1.

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. However the company has decided to issue its securities to the open market by way of Initial Public Offering (IPO).

5. DIVIDEND

The Company had declared dividend of Rs. 58.93 lakhs during the year 2017-18.

6. 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.

7. 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 and is attached to this Report as Annexure I.

8. 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;

- © 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.

9. 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.

10. BOARD OF DIRECTORS

The Board of Directors remained duly constituted during the financial year 2017-18. Mr. Parvinder Singh Gulati (DIN:01565151) and Mr. Gurmeet Singh Narula (DIN:02398004) has been designated as Whole time Directors of the company w.e.f. 26th February, 2018 and Mr. Sham Lal Singla (DIN:00496397) as the Managing Director of the company w.e.f. 26th February, 2018.

Further Mr. Ravdeep Singh Matta (DIN:01589954) and Mr. Vir Pal Singh (DIN:08074450) has been appointed as Non-Executive and Executive Directors of the company respectively w.e.f. 26th February, 2018.

Further, Mrs. Harkanwal Kaur Bhatia (DIN:07936863), Ms. Manisha Sharma (DIN:08073704) and Mr. Jatinder Singh Wig (DIN:08074279) has been appointed as Independent Directors of the company w.e.f. 26th February, 2018.

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

Necessary resolutions 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.

11. APPOINTMENT OF CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mrs. Pramila Devi has been appointed as the Chief Financial Officer of the company w.e.f. 09th February, 2018 and Ms. Jolly Kashyap (Membership no. A43227) has been appointed as Company Secretary of the Company w.e.f. 09th February, 2018.

12. 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.---

© Foreign Exchange Earnings/ Outgo: (in Rs.)

Earnings	3,08,01,755.00
Outgo	0.00

13. 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.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

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

The company has not provided any Loans, Guarantees and investments under Section 186 of the Companies Act, 2013 during the financial year 2017-18.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties as defined under Section 188 of the Companies Act, 2013 which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of the transactions with Related Parties are provided in the accompanying financial statements.

17. 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.

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

The Company had 14 (Fourteen) Board meetings during the financial year under review.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no Subsidiary/Holding/ Associate/Joint Ventures companies as on 31st March, 2018.

20. DEPOSITS

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

21. DIRECTORS

The Board of Directors of the company remains duly constituted. During the year under review, Mr. Sham Lal Singla (DIN: 00496397) was re-designated as the Managing Director of the company w.e.f. 26th February, 2018 and Mr. Parvinder Singh Gulati (DIN: 01565151) and Mr. Gurmeet Singh Narula (DIN: 02398004) was re-designated as the Whole Time Directors of the Company w.e.f. 26th February, 2018.

Further Ms. Harkanwal Kaur Bhatia (DIN: 07936863), Mr. Virpal Singh (DIN: 08074279), Ms. Manisha Sharma (DIN: 08073704), Mr. Ravdeep Singh Matta (DIN: 01589954) and Mr. Jatinder Singh Matta (DIN: 08074279) have been appointed as Independent Directors of the company w.e.f. 26th February, 2018.

22. 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.

23. STATUTORY AUDITORS

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. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

24. 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.

25. 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:

Sr. 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

Sr. 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

Sr. 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

26. 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.

27. 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 issued 99,99,000 bonus shares of Rs. 10/- each in the ratio of 5:1.

d. EMPLOYEES STOCK OPTION PLAN

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

28. 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.

29. 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.

30. 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 2017-18 and hence no complaint is outstanding as on 31.03.2018.

31. 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

32. CASH FLOW ANALYSIS

In conformity with the provisions of the Companies Act, 2013, the Cash Flow Statement for the year ended on 31st March, 2018 is annexed hereto.

33. 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

Parvinder Singh Gulati
Chairman Cum Whole Time Director
DIN: 01565151

Gurmeet Singh Narula
Whole Time Director
DIN: 02398004

Place: Chandigarh
Date: 14/07/2018

FORM NO. MGT 9

Annexure I

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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.	N.A

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					
2					
3					

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		1,999,800	1,999,800	100.00%		11,998,800	11,998,800	100.00%	500.00%
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			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	1,999,800	1,999,800	100.00%	-	11,998,800	11,998,800	100.00%	500.00%
(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)	-	1,999,800	1,999,800	100.00%	-	11,998,800	11,998,800	100.00%	500.00%

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.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	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):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	1,999,800	1,999,800	100.00%	-	11,998,800	11,998,800	100.00%	500.00%

(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	666,600	33.33%		3,999,600	33.33%		500.00%
2	SHAM LAL SINGLA	666,600	33.33%		3,999,600	33.33%		500.00%
3	GURMEET SINGH NARULA	666,600	33.33%		3,999,600	33.33%		500.00%

(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			666,600	33.33%	666,600	5.56%
	Changes during the year	15.02.2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22.02.2018	Transfer	(100)	-0.01%	3,999,500	33.33%
		22.02.2018	Transfer	(100)	-0.01%	3,999,400	33.33%
	At the end of the year				0.00%	3,999,400	33.33%

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			666,600	33.33%	666,600	5.56%
	Changes during the year	15.02.2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22.02.2018	Transfer	(100)	-0.01%	3,999,500	33.33%
	At the end of the year				0.00%	3,999,500	33.33%

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			666,600	33.33%	666,600	5.56%
	Changes during the year	15.02.2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22.02.2018	Transfer	(100)	-0.01%	3,999,500	33.33%
	At the end of the year					3,999,500	33.33%

(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			666,600	33.33%	666,600	5.56%
	Changes during the year	15/02/2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22/02/2018	Transfer	(100)		3,999,500	33.33%
		22/02/2018	Transfer	(100)		3,999,400	33.33%

	At the end of the year				0.00%	3,999,400	33.33%
2	SHAM LAL SINGLA						
	At the beginning of the year			666,600	33.33%	666,600	5.56%
	Changes during the year	15/02/2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22/02/2018	Transfer	(100)		3,999,500	33.33%
	At the end of the year					3,999,500	33.33%
3	GURMEET SINGH NARULA						
	At the beginning of the year			666,600	33.33%	666,600	5.56%
	Changes during the year	15/02/2018	Bonus	3,333,000	166.67%	3,999,600	33.33%
		22/02/2018	Transfer	(100)		3,999,500	33.33%
	At the end of the year				0.00%	3,999,500	33.33%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	243.38	4.00		247.38
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	243.38	4.00	-	247.38
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	-	-
* Reduction	65.81	4.00	-	69.81
Net Change	65.81	4.00	-	69.81
Indebtedness at the end of the financial year				
i) Principal Amount	177.57	0.00		177.57
ii) Interest due but not paid	0.00	0.00		-
iii) Interest accrued but not due	0.00	0.00		-
Total (i+ii+iii)	177.57	0.00	-	177.57

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/WT/ Manager			Total Amount
	Name	Parvinder Singh Gulati	Sham Lal Singla	Gurmeet Singh Naru	(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	92,60,000	7,715,301.00	6800000	23,775,301.00
	(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)	92,60,000	7,715,301.00	6800000	23,775,301.00
	Ceiling as per the Act				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Remuneration (Total)	Vir Pal Singh		Total Amount
					(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Executive Directors				-
	Fee for attending board committee				-
	Commission				-
	Others, please specify- SALARY		1,043,437.00		1,043,437.00
	Total (2)	-	1,043,437.00	-	1,043,437.00
	Total (B)=(1+2)	-	1,043,437.00	-	1,043,437.00
	Total Managerial Remuneration				25,275,301.00
	Overall Ceiling as per the Act				

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		8,50,903.00	75,000.00	925,903.00
	(b) Value of perquisites u/s 17(2) Income-	-	-	-	-
	(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	-	850,903.00	75,000.00	925,903.00

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					

Independent Auditor's Report

To the Members of
MDC PHARMACEUTICALS LIMITED
formerly known as
MDC PHARMACEUTICALS PRIVATE LIMITED

Report On the Financial Statement

We have audited the accompanying financial statements of MDC PHARMACEUTICALS LIMITED ("the Company"), (formerly known as MDC Pharmaceuticals Private Limited) which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, the changes in equity and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. **As required by 'the Companies (Auditor's Report) Order, 2016'**, 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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by Section 143(3) of the Act, we report that:**
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
 - (g) 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, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

1. The Company does not have any pending litigations which would impact its financial position in its financial statements.
2. The Company did not have any long-term contracts including derivative contracts as at year end for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G.S. GAMBHIR & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No.-012599N)

DATED: 14/07/2018
PLACE: CHANDIGARH

RAHUL KHURANA
(PARTNER)
M.NO. 543481

Annexure-A to Independent Auditors' Report

Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016)

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited on the financial statements as of and for the year ended March 31, 2018.

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all items periodically, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- 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 are held in the name of the Company.
- ii. As explained to us the inventory has been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the Clause (v) of paragraph 3 of the CARO 2016 for acceptance of deposit rules as per the provisions of section 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed thereunder, are not applicable to the Company.
- 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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including excise duty, goods and service tax, provident fund, employees' state insurance, cess and other material statutory dues, as applicable, with the appropriate authorities.

However, according to the information and explanations given to us the following dues of income tax have not been deposited by the company which are due for a period of more than six months from the date they became payable:-

<i>Name of the statute</i>	<i>Nature of dues</i>	<i>Amount (in ₹)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and Interest</i>	<i>82,360</i>	<i>Assessment Year 2011-2012</i>	<i>Jurisdictional Assessing Officer</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and Interest</i>	<i>10</i>	<i>Assessment Year 2013-2014</i>	<i>Jurisdictional Assessing Officer</i>
<i>Income Tax Act, 1961</i>	<i>TDS and Interest</i>	<i>10,28,680</i>	<i>For previous A.Y.</i>	<i>Jurisdictional Assessing Officer</i>

*Note:- The above demand outstanding for AY 2011-12 after adjustment of refund of Rs.22,185/- pertaining to the AY 2010-11 against this demand, as assessed by the jurisdictional assessing officer, has been deposited by the company as on 18 June 2018. Further, the demand outstanding for AY 2013-14 of Rs.10/- has also been paid by the company on 18 June 2018. However, due to non-updation of records at the CPC portal, the same appears to be outstanding at the income tax portal as on 14 July 2018. Also as reported to us by the management, a demand pertaining to the TDS and interest of Rs.10,28,680/- is also outstanding against the company as on 14 July 2018.

(b) According to the information and explanations given to us and the records of the Company examined by us there are no dues of income tax, excise duty, service tax, goods and service tax and other statutory dues which have not been deposited as on March 31, 2018 on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. Further the company has not issued any debentures.

ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

Note:-

During the financial year under review a sum of ` 4,75,20,000 has been credited in the account of company on account of share application money which has been successfully allotted to investors as on dated 12th April, 2018.

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR G.S. GAMBHIR & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No.-012599N)

DATED: 14/07/2018
PLACE: CHANDIGARH

RAHUL KHURANA
(Partner)
M.NO. 543481

Annexure-B to Independent 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") (formerly known as MDC Pharmaceuticals Private Limited as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India (ICAI). 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 judgement, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G.S. GAMBHIR & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No.-012599N)

DATED: 14/07/2018
PLACE: CHANDIGARH

RAHUL KHURANA
(Partner)
M.NO. 543481

MDC PHARMACEUTICALS LIMITED

formerly known as MDC Pharmaceuticals Private Limited

Statement on Significant Accounting Policies forming part of Balance sheet and Profit & loss account statements for the year ended March 31, 2018

1.1 Corporate Information

The MDC Pharmaceuticals Limited ("Company"), is a public limited company converted on 13 February 2018 from private limited company (formerly known as MDC Pharmaceuticals Private Limited). The company is incorporated as private limited company on 14 July 1994. It is promoted by Sh. Parvinder Singh Gulati, Sh. Sham Lal Singla and Sh. Gurmeet Singh Narula., which holds a significant stake in the Company. The Company is primarily engaged in the business of manufacturing of pharmaceutical products.

1.2 Accounting convention

- i. The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) 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 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts.
- ii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the 2013 Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.
- iii. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets including decline in carrying value of investments and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

1.3 Tangible Fixed assets and depreciation- Adoption of Schedule II to the Companies Act, 2013

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- ii. Borrowing costs if any, relating to acquisition of tangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be

put to use.

iii. Depreciation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation is provided upto the month of sale or disposal of the assets.

iv. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Further, any part or components of fixed assets which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized and depreciated separately, based on the technical assessment of the Management. Further, assets having residual life if any transferred/adjusted with opening balance of retained earnings in confirmation with provisions of Schedule II of Company Act, 2013.

v. Prior period adjustments

The written down value of the assets of the company as on 01 April 2017 has been restated in this year and the difference in the written down value so arrived has given effect as Prior Period Adjustments in Reserves and Surplus of the Company. The restatement of the written down value of the assets has been done due to the re-classification of the assets of the company in their respective blocks and also the change in the estimated useful life of the assets of the company. Further, the another reason of restatement is the classification of additions to assets as capital work in progress in this year, which were earlier taken in assets on the basis of facts and information given by the management. Therefore, written down value of tangible assets of the company as on April 01, 2017 have been restated from ` 9,26,05,219 to ` 7,36,70,221 which affects the decrease of tangible assets by ` 96,04,414 and increase of work-in-progress by ` 93,30,584.

1.4 Building and Capital Work-in-Progress

Building are stated at cost, less accumulated depreciation and impairment if any. Costs directly attributable to acquisition of material are capitalized until the property are ready for use, as intended by the Management. The company depreciates property, over their estimated useful lives using the written down value method.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property outstanding at each balance sheet date is classified as capital advances under other non-current investments.

Cost of assets not ready for use before such date are disclosed under capital work-in-progress. Subsequent expenditures/additions relating to building, plant and machinery are capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.5 Inventories

i. Inventory are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ii. Cost includes taxes and duties and is net of eligible credits under CENVAT / VAT Schemes.

1.6 Borrowing costs

Borrowing costs if any attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

1.7 Revenue recognition

i. Sale of Products

Revenue from sale of products net of returns, is recognised on despatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty. Price escalation claims are recognised to the extent there is reasonable certainty of its realisation.

ii. Interest Income

Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable compiled with certificates provided by concerned authorities.

iii. Other operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

iv. Other non-operating revenues

In absence of any uncertainty as to the payment of the amount outstanding to certain sundry creditors for an amount of `24,96,022 and securities refundable against Form-C for an amount of `8,66,999. The balances have been written off and recognized as revenue in the Statement of Profit and Loss after obtaining the relevant certificates provided by management. However, when there is uncertainty as to measurement or ultimate credibility, revenue recognition is postponed until such uncertainty is resolved.

1.8 Employee benefits

i. Employee benefit expenses include salary, wages, performance incentives, compensated absences, medical benefits and other perquisites. It also includes post-employment benefits such as provident fund, etc.

ii. Short term employee benefit obligations are estimated and provided for.

iii. Post-employment benefits and other long term employee benefits

- Defined contribution plans:

Company's contribution to provident fund and employee stock insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

In respect of provident fund, contributions made to the concerned statutory authority administered by the State/Central government, under the Employees Provident Fund and Miscellaneous Provisions Act 1952 and shortfall, if any, shall be contributed by the Company and charged to the Statement of Profit and Loss.

Company also provides for gratuity, a defined benefit retirement plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by

estimated basis and valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the provisions.

Liabilities with regards to the Gratuity Plan are determined on the basis of actuarial valuation, performed by Ruchi Goel Chhatlani, F.I.A.I. (Consulting Actuary), as on dated 04th July, 2018 using the projected unit credit method and in accordance with the provisions of Accounting Standard-15.

Present value of benefit obligation as on balance sheet date is yield upto ` 1,04,47,668/- against fair value of plan assets as on 31-03-2018 of ` 62,10,701/-.

1.9 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets/liabilities are neither recognised nor disclosed in the financial statements.

1.10 Income taxes

i. Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) if any available under the said Act.

ii. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.11 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translations of monetary assets and liabilities at the reporting date exchange rates are recognized in the Statement of Profit and Loss.

Further based upon the audit procedures performed and the information and explanations given by the management, during the period under review the company has entered into transactions involving multiple receipts in advance which has been translated/recognized in compliance with the provisions of AS-11 (The Effects of Changes in Foreign Exchange Rates).

1.12 Cash Flow statement

Cash flow statements are reported using the indirect method, whereby profit / (loss) before extra-ordinary items / exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information including taxes paid relating to these activities.

1.13 Earnings Per Share

Basic/diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

1.14 The Board of Directors has reviewed the realizable value of all current assets of the Company and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements.

FOR G.S. GAMBHIR & ASSOCIATES FOR AND ON BEHALF OF THE BOARD OF DIRECTORS CHARTERED
ACCOUNTANTS
(Firm's Registration No. -012599N)

RAHUL KHURANA
(Partner)
M.NO. 543481

PARVINDER SINGH GULATI
(Director)
DIN: 01565151

GURMEET SINGH NARULA
(Director)
DIN: 02398004

DATED: 14/07/2018
PLACE: CHANDIGARH

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)			
BALANCE SHEET AS AT 31ST MARCH 2018			
Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
		Amount (₹)	Amount (₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	119,988,000	19,998,000
Reserves and surplus	3	127,156,133	176,534,815
Money received against share warrants		-	-
		247,144,133	196,532,815
Share application money pending allotment		47,520,000	-
Non-current liabilities			
Long-term borrowings	4	10,040,634	24,737,809
Deferred tax liabilities (Net)	5	1,991,147	1,796,124
		-	-
Long-term provisions		-	-
		59,551,781	26,533,933
Short-term borrowings	6	7,716,177	-
Trade payables	7	57,127,323	59,957,441
Other current liabilities	8	33,953,911	44,083,639
Short-term provisions	9	24,492,165	18,480,932
		123,289,576	122,522,012
TOTAL		429,985,490	345,588,760
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	70,193,860	92,605,219
Intangible assets		-	-
Capital work-in-progress		17,443,410	-
Intangible assets under development		-	-
		87,637,271	92,605,219
Non-current investments	11	45,137,870	1,627,577
Deferred tax assets (net)		-	-
Long-term loans and advances	12	6,434,776	1,414,163
Other non-current assets	13	826,373	-
		140,036,289	95,646,960
Current assets			
Current investments		-	-
Inventories	14	135,782,976	130,658,383
Trade receivables	15	72,939,800	67,354,250
Cash and cash equivalents	16	50,027,668	638,835
Short-term loans and advances	17	29,046,915	50,027,957
Other current assets	18	2,151,842	1,262,375
		289,949,201	249,941,800
TOTAL		429,985,490	345,588,760

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

For and on behalf of the Board of Directors

RAHUL KHURANA

(PARTNER)

M.NO. : 543481

Sham Lal Singla

Managing Director

DIN:00496397

Parvinder Singh Gulati

Chairman Cum whole time Director

DIN: 01565151

Gurmeet Singh Narula

Whole time Director

DIN: 02398004

Place: Chandigarh

Date: 14/07/2018

Pramila Devi

Chief Financial Officer

PAN: AHPPD7831G

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, 2018

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
		Amount (₹)	Amount (₹)
Revenue from operations	19	498,216,411	476,005,642
Other income	20	4,746,475	1,574,066
Total Revenue		502,962,886	477,579,708
Expenses			
Cost of materials consumed	21	279,904,198	285,784,589
Employee benefits expense	22	62,900,027	58,270,122
Finance costs	23	3,559,023	7,843,436
Depreciation and amortization expense	10	9,503,562	11,498,408
Other expenses	24	54,083,205	65,361,204
Total expenses		409,950,014	428,757,759
Profit before tax		93,012,872	48,821,949
Tax expense:			
Current tax	9	25,476,020	18,480,932
Deferred tax	5	195,023	(1,450,204)
Profit (Loss) for the period from continuing operations		67,341,829	31,791,221
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)			
Profit (Loss) for the period		67,341,829	31,791,221
Basic & Diluted Earnings Per Share	25	21.03	15.90

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

RAHUL KHURANA

(PARTNER)

M.NO. : 543481

Sham Lal Singla

Managing Director

DIN:00496397

Parvinder Singh Gulati

Chairman Cum whole time
Director

DIN: 01565151

Gurmeet Singh Narula

Whole time Director

DIN: 02398004

Place: Chandigarh

Date: 14/07/2018

Pramila Devi

Chief Financial Officer
PAN: AHPPD7831G

Jolly Kashyap

Company Secretary
PAN: BKCPK9618M

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A. Cash flow from operating activities				
Profit (Loss) for the period from continuing operations	67,341,829		31,791,221	
<i>Adjustments for:</i>				
Adjustment for Reserves	(107,116,097)		(1,551,600)	
Provision for Income Tax Liability	25,476,020		18,480,932	
Depreciation and amortisation	9,503,562		11,498,408	
Finance costs	3,559,023		7,843,436	
Interest on Fixed Deposits	(48,663)		(64,131)	
Profit on sale of property	(140,987)		(853,525)	
Excise Duty Refund	(81,137)		(200,450)	
Provision for Deferred Tax Asset	195,023		(1,450,204)	
Operating profit / (loss) before working capital changes		(1,311,427)		65,494,087
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(5,124,593)		(34,959,274)	
Trade receivables	(5,585,550)		(1,529,596)	
Short Loans and Advances	20,981,042		(2,699,523)	
Other current assets	(889,467)		(550,560)	
		9,381,432		(39,738,953)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Short-term borrowings	7,716,177			
Trade payables	(2,830,118)		9,805,284	
Other current liabilities	(10,129,728)		10,993,069	
Short-term provisions	6,011,233		9,767,723	
		767,564		30,566,076
		8,837,569		56,321,210
Cash generated from operations		8,837,569		56,321,210
Excise Duty Refund		81,137		200,450
Income Tax		(25,476,020)		(18,480,932)
Net cash flow from / (used in) operating activities (A)		(16,557,314)		38,040,728
B. Cash flow from investing activities				
Non-Current Investments	(43,510,293)		3,662,569	
Purchase of Fixed Assets	(6,036,214)		(28,209,143)	
	(8,112,826)			
Sale of Fixed Assets	9,013		546,475	
Profit on sale of property	140,987		853,525	
Interest on fixed deposits	48,663		64,131	
Long term loans and advances	(5,020,612)		(438,353)	
	(826,373)			
		(63,307,656)		(23,520,796)
Net cash flow from / (used in) investing activities (B)		(63,307,656)		(23,520,796)
C. Cash flow from financing activities				
Repayment of long term borrowings	(14,697,175)		(46,448,356)	
Proceeds from Share Capital	99,990,000		-	
Share Application Money	47,520,000		-	
Finance cost	(3,559,023)		(7,843,436)	
		129,253,802		(54,291,793)
Net cash flow from / (used in) financing activities (C)		129,253,802		(54,291,793)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		49,388,833		(39,771,860)
Cash and cash equivalents at the beginning of the year		638,835		40,410,695
Cash and cash equivalents at the end of the year		50,027,668		638,835
Cash and cash equivalents at the end of the year *		50,027,668		638,835
* Comprises:				
(a) Cash on hand		2,374,513		534,200
(b) Balances with banks		47,653,155		104,635
		50,027,668		638,835

For G S GAMBHIR & ASSOCIATES

Chartered Accountants
FRN : 012599N

For and on behalf of the Board of Directors

RAHUL KHURANA

(PARTNER)

M.NO. : 543481

Sham Lal Singla

Managing Director

DIN:00496397

Parvinder Singh
GulatiChairman Cum whole time
Director

DIN: 01565151

Gurmeet Singh Narula

Whole time Director

DIN: 02398004

Date: 14/07/2018

Place : Chandigarh

Pramila Devi

Chief Financial Officer

PAN: AHPPD7831G

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 `

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Authorised				
Equity shares of ` 10 each with voting rights	20,000,000	200,000,000	2,000,000	20,000,000
	20,000,000	200,000,000	2,000,000	20,000,000
Issued				
Equity shares of ` 10 each with voting rights	11,998,800	119,988,000	1,999,800	19,998,000
	11,998,800	119,988,000	1,999,800	19,998,000
Paidup				
Equity shares of ` 10 each with voting rights	11,998,800	119,988,000	1,999,800	19,998,000
	11,998,800	119,988,000	1,999,800	19,998,000

b. Terms & Conditions

The company has only one class of shares i.e. Equity Shares having a face value of ` 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 Share holders 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.

c. Shareholders having more than 5% Shareholding

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% held	No. of shares	% held
Gurmeet Singh Narula	3,999,500	33.33%	666,600	33.33%
Parvinder Singh Gulati	3,999,400	33.33%	666,600	33.33%
Sham Lal Singla	3,999,500	33.33%	666,600	33.33%

d. Reconciliation of Number of Shares

In `

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Opening number of Equity shares outstanding	1,999,800	19,998,000	1,999,800	19,998,000
Add: Bonus shares issued during the year	9,999,000	99,990,000	-	-
Less: Buy Back/ Redemption of Shares	-	-	-	-
Closing number of Equity shares outstanding	11,998,800	119,988,000	1,999,800	19,998,000

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

Note 3 Reserve and Surplus

Particular	As at 31 March 2018	As at 31 March 2017
Surplus in the statement of Profit and Loss		
Opening Balance	176,534,815	146,295,194
Add: Amount Transferred From Statement of P&L	67,341,829	31,791,221
Less: Dividend paid to shareholders	(5,892,999)	(1,551,600)
Less: Dividend Distribution Tax	(1,233,098)	-
Less: Bonus shares issued to directors	(99,990,000)	-
Less: Prior Period Adjustments	(9,604,414)	-
Closing Balance of Reserve Transferred to Balance Sheet	127,156,133	176,534,815

Note 4 Long Term Borrowings

Particular	As at 31 March 2018	As at 31 March 2017
Secured		
From Banks		
PNB (0095008700568662)	-	3,367,636
	-	3,367,636
Term Loans	9,411,698	9,457,250
Less: Current maturities of long term debt	(3,333,336)	-
	6,078,362	9,457,250
Vehicle Loans	6,311,862	11,512,923
Less: Current maturities of long term debt	(2,349,591)	-
	3,962,272	11,512,923
Unsecured		
From Banks	-	-
Less: Current maturities of long term debt	-	-
	-	-
Loans from Related Parties:		
- Inter Corporate Deposits	-	400,000
	-	400,000
	10,040,634	24,737,809

Additional information pertaining to long term borrowings:

a. Term Loan from Punjab National Bank amounting to Rs.60,78,362/- (P.Y.Rs.94,57,250/-) was primarily secured against hypothecation of Stock. It carried an interest rate of 10.40%. The Loan was repayable in 72 monthly installments of Rs.2,77,777/- each.

b. Vehicle Loans includes:-

Vehicle Loan-I is taken from Daimler Financial Services Pvt Ltd amounting to Rs.11,72,556/- (P.Y. Rs.18,16,883/-) against the acquisition of New Mercedes Benz Car. However, 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 amounting to Rs.15,25,179/- (P.Y. Rs.22,19,584/-) against the purchase of Jaguar Car. The Loan is repayable in 60 monthly installments of Rs.72,662/- each.

Vehicle Loan-III is taken from Volkswagen Finance amounting to Rs.11,11,713/- (P.Y. Rs.18,16,258/-) against the purchase of Audi Car. However, it carries interest rate of 10.68%. The Loan is repayable in 84 monthly installments of Rs.72,058/- each.

Vehicle Loan-IV is taken from Toyota Financial Services Private Limited amounting to Rs.1,52,824/- (P.Y. Rs.3,68,613/-) against the purchase of Toyota Corolla Altis Car. However, it carries interest rate of 10.24%. The Loan is repayable in 60 monthly installments of Rs.20,300/- each.

Vehicle Loan-V is taken from Punjab National Bank amounting to Rs.90,524/- (P.Y. Rs.1,05,348/-) against the purchase of Toyota Fortuner Car and has been squared off during the year.. However, it carries interest rate of 9.65%.

c. Intercompany Deposits amounting to Rs. 0/- (P.Y. Rs.4,00,000/-) are unsecured and interest free.

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

Note 5 Deferred Taxes

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

Particular	As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities (Opening)	1,796,124	3,246,328
Depreciation as per Companies Act, 2013	9,503,562	11,498,408
Depreciation as per Income Tax Act, 1961	10,260,932	6,805,192
	757,370	4,693,216
Reversal/Addition of DTA/(DTL) during the year	195,023	1,450,204
	1,991,147	1,796,124

Note 6 Short Term Borrowings

Particular	As at 31 March 2018	As at 31 March 2017
Secured Loans		
From Banks		
Cash Credit Facility	7,716,177	-
	7,716,177	-

Additional information pertaining to short term borrowings :

Cash Credit facility from Punjab National Bank amounting to Rs.77,16,177/- (P.Y. Rs.33,67,635.97/-) is secured against Hypothecation of stock of raw material, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors.

Note 7 Trade Payables

Particular	As at 31 March 2018	As at 31 March 2017
Trade Payables		
Due to Micro, Small and Medium Enterprises *	-	-
Other than Micro, Small and Medium Enterprises	57,127,323	59,957,441
	57,127,323	59,957,441

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.

Note 8 Other Current Liabilities

Particular	As at 31 March 2018	As at 31 March 2017
Employee's Related	4,362,064	4,228,409
Statutory Dues	1,642,102	1,947,191
Expenses Payable	549,368	2,485,738
Advances From Customers	21,717,451	26,991,701
Current Maturities of Long Term Debt	5,682,927	8,430,600
	33,953,911	44,083,639

Note 9 Short Term Provisions

Particular	As at 31 March 2018	As at 31 March 2017
Provision for Current Tax	15,152,538	18,480,932
Provision for Gratuity	340,527	-
Proposed Dividend	8,999,100	-
	24,492,165	18,480,932

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS
Note 11 Non-current investments

Particular	As at 31 March 2018	As at 31 March 2017
Unquoted, Trade Investments		
Investment in Equity instruments		
Inter Corporates	100,000	-
Investment in Property		
Inter Corporates	22,492,870	1,100,000
Security Against Product Development		
Inter Corporates	22,500,000	-
Fixed Deposits	-	482,577
Mutual Funds	45,000	45,000
	45,137,870	1,627,577

Particulars	As at 31 March 2018	As at 31 March 2017
Aggregate value of unquoted investments	45,000	45,000
	45,000	45,000

Note 12 Long Term Loans and Advances

(Unsecured, considered good)

Particular	As at 31 March 2018	As at 31 March 2017
Security Deposits	1,360,970	1,414,163
Loans and advances given to related parties/ inter-corporates	750,000	-
Loans and advances given to others	4,323,806	-
	6,434,776	1,414,163

Note 13 Other Non-Current Assets

(Unsecured, considered good)

Particular	As at 31 March 2018	As at 31 March 2017
Fixed Deposits		
Fixed Deposits (maturity of more than 12 months)*	826,373	-
	826,373	-

Note 14 Inventories-(at lower of cost and net realisable value)

Particular	As at 31 March 2018	As at 31 March 2017
(Valued at lower of Cost or Net Realisable Value)		
Raw Materials and components	73,387,231	-
Work-in-progress *	26,222,356	-
Finished Goods	36,173,389	130,658,383
	135,782,976	130,658,383

* Work in Progress represents Material at site

Note 15 Trade receivables

Particular	As at 31 March 2018	As at 31 March 2017
(Unsecured, considered good)		
Outstanding for a period more than six months from the due date for payment	19,833,246	16,455,906
Others debts	53,106,554	50,898,344
	72,939,800	67,354,250

Trade Receivable stated above include debts due by:

Particular	As at 31 March 2018	As at 31 March 2017
Private Company in which director is a member:		
Supreme Biotech Private Limited	25,611	-
Maya Biotech Private Limited	91,641	-
I M Healthcare Private Limited	59,419	-
	176,671	-

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)**NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS****Note 16 Cash and cash equivalents**

Particular	As at 31 March 2018	As at 31 March 2017
Cash & Cash Equivalents		
Balances with Banks		
- Current Account with Punjab National Bank	47,520,000	-
- Dividend Account with Punjab National Bank	19,776	7,435
- Gratuity Account with Punjab National Bank	113,379	97,200
Cash on hand	2,374,513	534,200
	50,027,668	638,835

Note 17 Short-term loans and advances

(Unsecured, Considered Good)

Particular	As at 31 March 2018	As at 31 March 2017
Balance with Statutory/Revenue Authorities	892,382	516,167
Balance with Related Parties/ Inter Corporate Advances	3,455	27,731,590
Cheque pending for encashment	-	4,476,225
Prepaid Expenses	752,798	-
Others (including advances to sundry creditors)	27,398,281	17,303,975
	29,046,915	50,027,957

Note 18 Other current assets

Particular	As at 31 March 2018	As at 31 March 2017
Gratuity	-	565,669
Prepaid Insurance	-	619,362
Initial Public Offer Exp. (IPO)	2,151,842	
Balance with Statutory/ Revenue Authorities		
Excise Duty	-	74,391
VAT Output @5%	-	2,953
	2,151,842	1,262,375

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

Note 19 Revenue from operations

Particular	As at 31 March 2018	As at 31 March 2017
Operating revenue	498,216,411	476,005,642
	498,216,411	476,005,642

Note 20 Other income

Particular	As at 31 March 2018	As at 31 March 2017
Excise Duty Refund	81,137	200,450
Interest on Fixed Deposit and Other's	48,663	64,131
Scrap Sale	119,780	11,176
Miscellaneous Income	557,389	39,313
Prior Period Adjustments	-	405,471
Profit on Sale of Fixed Assets	140,987	853,525
Gain on Exchange of Rate Fluctuations	435,499	-
Sundry Balances written off	3,363,021	-
	4,746,475	1,574,066

Note 21 Cost of materials consumed

Particular	As at 31 March 2018	As at 31 March 2017
Construction of Materials		
Opening Stock of Materials	130,658,383	95,699,109
Add: Purchases During the Year	285,028,791	320,743,863
Less: Closing Stock of Materials (including Material at site)	135,782,976	130,658,383
	279,904,198	285,784,589

Note 22 Employee benefits expenses

Particular	As at 31 March 2018	As at 31 March 2017
Salary, Wages & Bonus	57,375,927	57,428,165
Gratuity	340,527	
Staff Welfare	904,272	841,957
Contribution to PF & Other Funds	4,279,301	
	62,900,027	58,270,122

Note 23 Finance costs

Particular	As at 31 March 2018	As at 31 March 2017
Bank Gaurantee & Other Charges	579,009	853,567
Interest expenses		
- Cash Credit Limit	606,089	2,851,762
- Term Loans	2,373,925	4,138,107
	3,559,023	7,843,436

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS
Note 24 Other expenses

Particular	As at 31 March 2018	As at 31 March 2017
<u>Manufacturing Expenses</u>		
Electrical Expenses	163,030	390,766
Freight And Cartage	1,169,539	795,821
Fuel And Gases	1,510,076	1,337,083
Water And Electricity	6,004,715	5,595,976
Manufacturing Expenses	984,281	570,452
Product Approval	457,000	249,500
Factory Repair And Maintainence	1,037,953	2,035,588
Machinery Repair And Maintainence	943,902	303,659
Security Guard Expenses	498,208	932,938
Testing Charges (Soil)	323,640	329,978
	13,092,343	12,541,761
<u>Administrative Expenses</u>		
Advertisement	709,233	724,323
Auditor's Remuneration (Refer Note-25.1)	118,000	118,000
Business Promotion	1,139,447	753,666
Commission	4,000	2,984
Consultancy Services		115,000
Director Remuneration	23,775,301	37,934,944
Festival Expenses	100,990	-
Donation and Charity	195,800	413,810
Electrical Expenses	49,700	
Export Guarantee		40,000
Discount and Rebate written off	2,500	-
Freight And Cartage Outward	4,741,790	1,090,285
General Expenses	146,450	
Rate fees taxes	92,751	11,218
Interest on TDS	12,247	
Insurance	822,481	912,878
Legal Expenses	77,566	463,886
Newspaper & Periodicals		560
Packing Material	113,407	-
Postage And Telegram	723,350	969,463
Printing And Stationery	711,862	700,072
Professional Charges	399,272	58,220
Rent	2,499,357	2,665,424
Vehicle Running And Maintainance	1,225,288	1,242,234
Telephone Expenses	1,250,758	1,585,400
Tour And Traveling Expenses	1,738,424	2,651,211
<u>Repair and Maintainence</u>		
Office Repair And Maintainence	160,371	44,940
Computer Repair And Maintainence	180,515	320,926
	40,990,861	52,819,443
	54,083,205	65,361,204

Note 24.1 Auditors' Remuneration

Particulars	As at 31 March 2018	As at 31 March, 2017
Statutory Audit	118,000	118,000
Tax Audit		-
Other Services		
Total	118,000	118,000

Note 25 Earning Per Share

Particulars	As at 31 March 2018	As at 31 March, 2017
Profit/(Loss) attributable to Equity shareholders	67,341,829	31,791,221
Shares outstanding at the beginning of the year	1,999,800	1,999,800
Shares outstanding at the end of the year	11,998,800	1,999,800
Basic & Dilutive Earnings Per Share	21.03	15.90
Face value per Share	10	10

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

Note 26 : 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 27 : Disclosure pursuant to Accounting Standard – 15 ‘Employee Benefits’

Particulars	As at 31 March 2018	As at 31 March, 2017
Salary Growth *	7.00%	
Discount Rate	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

Particulars	As at 31 March 2018	As at 31 March, 2017
Present value of obligation as at the beginning of the year:	8,688,135	
Interest cost	668,986	
Current service cost	1,156,411	
Benefits paid	(280,579)	
Actuarial (gain) / loss on obligation	214,715	
Closing Present value of obligation	10,447,668	-

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

Particulars	As at 31 March 2018	As at 31 March, 2017
Actuarial (gain)/ loss for the year obligation	214,715	

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

Particulars	As at 31 March 2018	As at 31 March, 2017
Present value of obligation as at the end of the year	10,447,668	-
Fair Value of Plan Assets on 31st March 2018	6,210,701	-
Net assets / (liability) recognised in balance sheet	4,236,967	-

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

Particulars	As at 31 March 2018	As at 31 March, 2017
Current service cost	1,156,411	
Interest cost	668,986	
Expected return on plan assets	(493,952)	
Net actuarial (gain) / loss recognized in the year	255,279	
Expenses recognised in the statement of profit and loss	1,586,724	

Note 28 : Segment Reporting
(i) Business 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.

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

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS**Note 29 : Related Party disclosures****a. List of related parties****(i) Key Management Personnel**

Name	Designation
Parvinder Singh Gulati	Director
Gurmeet Singh Narula	Director
Sham Lal Singla	Director

(ii) Relative of Key Management Personnel with whom the company has entered into the transactions during the year**(iii) Subsidiary Company: NIL**

(iii) Enterprise having significant influence and/or Same Key Management Personnel or their relatives with whom the company has entered into transactions during the year:

Name of the Party
Hitech- Formulations (P) Ltd
Jasco Paper Products
Lyra Laboratories (P) Ltd.
Mdc Estate (P) Ltd
Mdc Exports
Supreme Agencies
Supreme Biotech Private Limited

b. Transactions with Related Parties :

Name of Party	Nature of Transaction	As at 31 March 2018
Parvinder Singh Gulati	Directors Remuneratio	9,260,000
Gurmeet Singh Narula	Directors Remuneratio	6,800,000
Sham Lal Singla	Directors Remuneratio	7,715,301

Note 30 : Additional Disclosure pertaining to general financial statements pursuant to Schedule III of Companies Act (a) Value of Imports on C.I.F Basis:

Particulars	As at 31 March 2018	As at 31 March 2017
Raw Materials & Components		

(b) Expenditure in foreign currency - Rs.Nil. (PY Rs. Nil)

(c) Consumption of raw materials:

Particulars	As at 31 March 2018	As at 31 March 2017	
	Percentage	Amount	Percentage
Imported		-	
Indigenous		-	
Total		-	

Note 31 : Accounting Standard - 19

The Company has not entered into any non-cancellable lease agreement and hence no further disclosure are required.

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
Note 10. Fixed Assets as per Companies Act 2013

Block of Assets	01/04/2017		Gross Block		31/03/2018		01/04/2017		For the Year		Depreciation		Residual Value Adjustment		31/03/2018		Net Block	
	Rupees		Additions	Sale / Adj.	Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees	
Non-Depreciable Assets																		
Land	15,749,976																15,749,976	
Tangible Assets																		
Buildings	56,113,882						29,894,748		1,950,160						31,844,908		24,268,973	
Computers And Data Processing Units	4,936,034		522,759				4,138,768		494,914						4,633,682		825,111	
Electrical Installations And Equipment	7,379,205		323,407				6,130,293		222,744						6,353,036		1,349,576	
Furniture And Fittings	1,389,521		57,378				1,279,467		25,479						1,304,947		141,952	
Motor Vehicles	23,513,467						16,676,511		2,145,033						18,821,543		4,691,924	
Plant And Machinery	71,679,646		5,132,670				48,971,723		4,665,233						53,465,706		23,166,347	
Total (Tangible Assets)	165,011,754	6,036,214	6,036,214		180,263	170,867,706	107,091,509	9,503,562	171,250		171,250				116,423,822		54,443,884	
Grand Total	180,761,730	6,036,214	6,036,214		180,263	186,617,682	107,091,509	9,503,562	171,250		171,250				116,423,822		70,193,860	
	49,550,203						68,485,202		(18,934,998)									

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
Note 10.1 Fixed Assets as per Income Tax Act 1961

Block	Rate	WDV as on 01/04/2017	Addition		Deduction	Total	Depreciation for the Year			WDV as on 31/03/2018	
			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%	24,577,924	-	-	-	24,577,924	2,457,792	-	-	2,457,792	22,120,132
Furniture and Fittings	10.00%	293,566	-	57,378	-	350,944	32,226	-	-	32,226	318,718
Plant and Machinery	15.00%	39,611,334	1,851,843	3,604,234	150,000	44,917,411	6,742,629	20.00%	696,856	7,439,485	37,477,926
Computers And Data Processing Units	40.00%	527,000	80,387	442,372	-	1,049,759	331,429	-	-	331,429	718,330
Total		65,009,824	1,932,230	4,103,984	150,000	70,896,038	9,564,076		696,856	10,260,932	60,635,106

MDC PHARMACEUTICALS LIMITED (formerly known as MDC Pharmaceuticals Private Limited)
Notes forming part of the financial statements

Note-26

Disclosure in accordance with Accounting Standard-18 Related Party Transactions

Details of related parties:-							
Description of relationship	Names of related parties						
Holding Company	Nil						
Subsidiary	Nil						
Key Management Personnel (KMP)	<u>Director's and Shareholders</u> 1 GURMEET SINGH NARULA (DIRECTOR & SHAREHOLDER) 2 PARVINDER SINGH GULATI (DIRECTOR & SHAREHOLDER) 3 SHAM LAL SINGLA (DIRECTOR & SHAREHOLDER)						
Relatives of KMP	1 DHARMINDER SINGH 2 GURMEET SINGH NARULA 3 MANMEET SINGH NARULA						
Company/Firm in which KMP /Relatives of KMP can exercise significant influence	1 HITECH- FORMULATIONS (P) LTD 2 HITECH-PHARMA 3 JASCO LABS 4 JASCO PAPER PRODUCTS 5 LYRA LABORATORIES (P) LTD. 6 MDC ESTATE (P) LTD 7 MDC EXPORTS 8 SUPREME AGENCIES 9 SUPREME BIOTECH PRIVATE LIMITED						
Note: Related parties have been identified by the Management							
Details of related party balance outstanding as at 31st March, 2018							
Type of Transactions	Holding Company	Subsidiary Company	Associates	KMP	Relatives of KMP	Inter-Corporates	Total
Director's Remuneration	-	-	-	-	23,775,301	-	23,775,301
Investments	-	-	-	-	-	22,492,870	22,492,870
Trade Payables	-	-	-	-	-	210,795	210,795
Loans and Advances	-	-	-	-	-	436,910	436,910
Note: Figures shown in the statement is outstanding as on March 31, 2018							

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PARVINDER SINGH GULATI
(DIRECTOR)
DIN: 01565151

GURMEET SINGH NARULA
(DIRECTOR)
DIN: 02398004

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

RAHUL KHURANA
(PARTNER)
M.NO. : 543481

Date: 14/07/2018
PLACE: CHANDIGARH

ATTENDANCE SLIP

Name of the member/Proxy in Block Letters	
Folio no./DPID:	
No. of shares held	

I certify that I am a member/proxy for the member of the company.

I hereby record my presence at the Annual General Meeting of the company on Saturday, 29th September, 2018 at 11:30 a.m. at the registered office of the company situated at 213, FIRST FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH.

.....

Signature of the Member/Proxy

Note:

1. Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.

Form No. MGT-11**Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U24231CH1994PLC014820

Name of the Company: MDC PHARMACEUTICALS LIMITED

Registered office: 213, FIRST FLOOR, INDUSTRIAL AREA, PHASE I, CHANDIGARH

Name of the Member(s):

Registered address:

I/ We being the member of, holding.....shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 24th Annual General Meeting of members of the Company, to be held on 29th September, 2018 at 213, First Floor, Industrial Area, Phase I, Chandigarh , registered office of the Company at 11.30 am, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1 . To consider and adopt audited financial statements for the year ended 31st March, 2018

2. To ratify the appointment of **M/s G.S. GAMBHIR & ASSOCIATES**, Chartered Accountants and fix their remuneration.

3. 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.

4. To declare final Dividend at the rate of 7.5 per cent to the Equity shareholders of the company for the year ended 31st March, 2018.

Affix Revenue
Stamp

Signed this day of..... 2018

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.



MDC PHARMACEUTICALS LTD.

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