



EY Entrepreneur  
of the year-2013



FROST & SULLIVAN  
Best Practices-2013



Business today/YES bank  
Excellence Awards-2013



**Date: October 4, 2017**

<b>To</b> <b>The Department of Corporate Services</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	<b>To</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai-400051
<b>Security Code: 540596</b>	<b>Symbol: ERIS</b>

Dear Sir/Madam,

**Subject: Submission of Annual Report 2016 – 17**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the annual report of the Company for the financial year 2016-17 duly approved and adopted by the members of the Company at the 11<sup>th</sup> Annual General Meeting of the Company held on Friday, 29<sup>th</sup> September, 2017 alongwith Notice of the Annual General Meeting.

Thanking You,

**For Eris Lifesciences Limited**

**Milind Talegaonkar**  
**Company Secretary & Compliance Officer**

Encl: As Above

**Registered & Corporate Office:**

8<sup>th</sup> Floor, Commerce House - IV, Prahlad Nagar, Ahmedabad - 380 015, Gujarat, India

Phone: +91 - 79 - 30451111 / 30179400 - 03 • Fax: +91 - 79 - 30179404 / 30451001 • Email: eris@erislifesciences.com • Web Site: www.eris.co.in

CIN: L24232GJ2007PLC049867

***Annual Report***  
***2016-17***



***Caring Caring Growing...***

# FORWARD-LOOKING STATEMENTS

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.

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## 10 years ago, Eris Lifesciences commenced operations with a vision...

Of doing its bit in confronting the exponentially growing lifestyle disorders in the country. Of identifying diagnostic gaps in specialty and super-specialty pharmaceutical segments and filling up the void with solutions. Of taking quality healthcare to every doorstep. Of being change initiators in the industry in terms of delivering healthcare.

## Of leading the path to a healthier world

**In** just 10 years of our operations, we have become a multi brand and super-specialty organisation with a nationwide presence. Having recorded multi-fold growth over the years and touching lives of millions of patients across the country, we have emerged as one of the most reputed players in the segment.

Today, we are the fastest\* growing company in the chronic category of the Indian Pharmaceutical market with a CAGR of 28.9% (FY 2013-17). Over 50,000 doctors\*\* across the country trust our products. We have a robust line-up of 80 mother brands.

***Caring  
Caring  
Growing...***

\* based on revenue CAGR of top 25 companies in IPM during FY 2013-17 as per IMS TSA MAT March 2017

\*\* IMS Medical Audit MAT, March 2017



# Chairman and Managing Director's Message



## Dear Shareholders,

It is indeed a pleasure to present our maiden annual report since our listing on the stock exchange in June 2017. This marks an important milestone in our successful journey over the past 10 years and I am humbled by the overwhelming response shown by the shareholders. The IPO, worth INR 17,411 million, was one of the largest ever witnessed in the pharmaceutical space. This goes on to prove the immense faith that the financial markets have in our business model.

Eris is engaged in the business of manufacturing and marketing branded formulations. We cater to specific therapeutic areas in the chronic and specialty acute categories. These categories are primarily related to lifestyle disorders and are treated by superspecialist and specialist doctors. These diseases have been on the rise in India due to modern-day sedentary lifestyle, unhealthy eating habits and rising work-related stress. The segments focussed by our Company are amongst the fastest growing segments of the industry.

Driven by this unique positioning in the market and focus on high growth therapeutic segments along with strong portfolio of brands, we have emerged as the fastest growing company in the chronic category of the IPM\*.

Our revenue for this year increased by 21.5% to INR 7,250 million, despite the temporary disruption due to demonetisation. The therapeutic areas of cardiovascular, anti-diabetics, vitamins and gastroenterology together accounted for nearly 85% of the revenues. The contribution of revenues from our top 10 and top 25 mother brands at 72.5% and 92.2% respectively was higher than the average of top 25 companies in IPM at 48% and 69% respectively. This indicates the robustness of products in our top mother brands. In addition to this, 73% and 25% of our FY 2016-17 revenues came from products in the growth and mature phases of lifecycle of their representative pharmaceutical molecules respectively indicating the newness of our products and significant growth opportunity they provide for the future. Our per man per month productivity is INR 4 Lakh. We aspire to achieve industry leading productivity. Our prescription ranking across most of the mother brands have also witnessed improvement over the years.

\* Based on revenue CAGR of top 25 companies in IPM during FY 2013-17

During the year, we also undertook strategic acquisitions, which include:

- Acquired 75.48% stake in Kinedex Healthcare, which caters to mobility-related disorders. This shall facilitate us to diversify our product offerings.
- Acquired trademarks of 40 brands from Amay Pharma to strengthen portfolio in the cardiovascular and anti-diabetics therapeutic segments.

We entered into agreement with India Medtronic for distribution, marketing and promotion of the 'i-Port Advance' injection port, India Medtronic is a wholly-owned subsidiary of Medtronic Plc., one of the largest medical technology company in the world. 'i-Port Advance' injection port requires lesser injections than the standard insulin delivery methods.

An increase in lifestyle disorders has increased the prevalence of chronic diseases. As per International Diabetes Federation (IDF), India had the second highest number of diabetics in the world in FY 2015 with 69.2 million adults living with diabetes. This number is likely to touch 87 million by FY 2030 as per IDF estimates. India has amongst the highest rates of cardiovascular disease (CVD) globally.\*\* As per WHO, Cardiovascular diseases contribute to 26% of deaths in India. The major challenge for our country would be to effectively manage the burden of chronic diseases. We will continue in our endeavour to provide better healthcare solutions via superior products and patient care initiatives to enable early detection. Recently, the government has also decided to double post graduate medical seats in the next 5 years. This will significantly increase the number of superspecialist doctors, helping to bridge the huge gap in doctor-patient ratio that currently exists in our country.

In addition to this, we are actively exploring new acquisition and in-licensing opportunities to further strengthen our product offerings and diversify to newer therapeutic areas. We intend to consolidate positions in our existing product areas as significant untapped opportunities still exist. We have undertaken patient care initiatives such as 'pathfinder' through which we offer access to various diagnostic tools for better clinical outcomes. ABPM on call and CGM on call are some of the tools made accessible under this initiative.

With enough growth opportunities and right steps taken by us, we expect to continue with our present growth momentum and maximise shareholder value. I also take this opportunity to thank all our people who have partnered with us in taking Eris Lifesciences to newer heights and making it a brand of repute in just ten years of its existence.

Warm regards,  
**Amit Bakshi**

\*\* <https://www.ncbi.nlm.nih.gov/pubmed/17085827>

# About Eris Lifesciences

Engaged in the business of manufacturing and marketing of branded formulations.

One of the youngest company to feature in the list of Top 30 companies in the Indian Pharmaceutical space.

21.5%

Revenue growth over FY 2015-16

56.4%

EBIDTA growth over FY 2015-16

116.9%

PAT growth over FY 2015-16

72.5%\*

Contribution of top 10 mother brands  
Average revenue per brand for top 10 mother brands : ₹607 million

Ranked

2<sup>nd</sup> amongst Cardiologists\*\*

3<sup>rd</sup> amongst Diabeto/Endocrinologists\*\* &

5<sup>th</sup> amongst Consulting Physicians\*\*

2

Acquired entities in branded formulations space

100+ years

Combined experience of promoters

## PROFILE

Eris Lifesciences was founded by Mr. Amit Bakshi and team, all first generation entrepreneurs. Our focus has been on developing, manufacturing and marketing products which are linked to lifestyle-related disorders that are chronic in nature and are treated by superspecialist and specialist doctors. Our Company is present in Chronic therapy segments such as cardiovascular, anti-diabetes and specialty acute segments like vitamins, gastroenterology, women's health and bone health.

## VISION

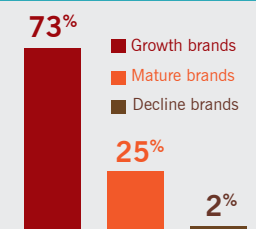
To lead the path towards a healthier world, we strive to become the most admired Company by the patients and doctors via filling the patient care need gaps through innovative and path-breaking products and at the same time maximising value proposition for our employees and all other stakeholders.

\*IMS TSA MAT March 17

\*\*IMS Medical Audit MAT March 2017, ranking within Eris represented market

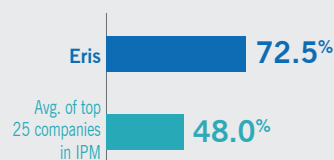
# Powerful Brands

## Superior Product Lifecycle vs IPM



**98%\*** of Company's products are in growth and mature stages of lifecycle of represented pharmaceutical molecules as compared to 70% for the IPM

## Strong Brand Focus



**72%\*\*** of Company's revenues for FY 2016-17 came from top 10 mother brands as compared to 48% (average of top 10 mother brands for top 25 companies in IPM)

**92%\*\*** of Company's revenues for FY 2016-17 came from top 25 mother brands as compared to 69% (average of top 25 mother brands for top 25 companies in IPM)

## Top 10 mother brands\*



**GlimiSave**



**Eritel**



**Rabonik**



**Remylin**



**Tayo**



**Olmin**



**AtorSave**



**LNBLOC**



**Tendia**



**Crevast**

\* Revenue in INR MN

Source : IMS TSA & Medical Audit MAT March 17

\* SMSRC Feb MAT 17

\*\*IMS TSA MAT March 17



## Strong brand presence in Chronic & Specialty Acute Therapy segments

### Chronic Cardiovascular

The cardiovascular therapeutic area is the largest chronic therapeutic area in India, with a total market size of ₹ 1,34,031.7 million as of Fiscal 2017 and grew at a CAGR of 11.6% between Fiscals 2013 and 2017. Our products in Cardiovascular therapy grew at a CAGR of 25.8% during Fiscals 2013 and 2017. We were the third fastest growing (CAGR Fiscal 2013-2017) companies amongst the top 25 ranked and were ranked 18th in terms of revenues for Fiscal 2017

Hypertension and Lipid-lowering agents are the key segments within Cardiovascular therapy. Our mother brand groups Eritel, Olmin, LnBloc, AtorSave and Crevast are amongst the top 10 players within these segments thus ensuring therapeutic coverage and leadership. The table below provides details on our key mother brand groups:

Key Mother Brand Groups	Launch Date	Indication	Subgroup	Revenue*	Market Share	Brand CAGR	Market CAGR
				FY 17	FY 17	FY 13 - FY 17	FY 13 - FY 17
<b>Eritel</b>	2008	Hypertension	Telmisartan	1022	5.3%	28.5%	21.1%
<b>Olmin</b>	2010	Hypertension	Olmesartan	487	6.8%	36.1%	19.2%
<b>AtorSave</b>	2007	Lipid-Lowering	Atorvastatin	377	3.5%	7.2%	2.0%
<b>LN BLOC</b>	2012	Hypertension	Cilnidipine	360	10.8%	168.4%	75.7%
<b>Crevast</b>	2010	Lipid-Lowering	Rosuvastatin	230	2.5%	20.4%	23.2%

\* Revenue in INR MN

### Anti-diabetic

Anti-diabetics is the second largest chronic category in India with a total market size of ₹ 1,00,586.2 million in Fiscal 2017 and grew at a CAGR of 19.1% between Fiscals 2013 and 2017. Our products in Anti Diabetic-therapy grew at a CAGR of 34.5% during Fiscals 2013 and 2017. We were the third fastest growing (CAGR Fiscal 2013-2017) companies amongst the top 25 ranked and were ranked 10<sup>th</sup> in terms of revenues for Fiscal 2017

(Source: IMS TSA MAT, March 2017)

We have focussed on the oral anti-diabetics therapeutic area and have created certain leading brands through our patient care model which combines diagnostics assistance to increase the awareness and improve prognosis. The table below provides details on our key mother brand groups:

Key Mother Brand Groups	Launch Date	Indication	Subgroup	Revenue*	Market Share	Brand CAGR	Market CAGR
				FY 17	FY 17	FY 13 - FY 17	FY 13 - FY 17
<b>GlimiSave</b>	2007	Anti-diabetics	Glimepiride	1709	5.5%	29.0%	18.6%
<b>Tendia</b>	2015	Anti-diabetics	Teneligliptin	288	7.2%	448.3%**	352.4%**
<b>Cyblex</b>	2014	Anti-diabetics	Gliclazide	220	4.2%	42.4%**	9.0%**
<b>Advog</b>	2009	Anti-diabetics	Voglibose	109	2.5%	11.7%	15.0%

\* Revenue in INR MN

Source: IMS TSA and Medical Audit MAT, March 2017  
\*\*Growth over FY 16 as brand launched post 2013

## Specialty Acute

Our presence in Specialty Acute segment is to focus on developing products which cater to lifestyle-related disorders and have to be prescribed over an extended period of time than just a one-time incidence-related medication. We have grown to become the seventh largest company in cholecalciferol oral solids (including combinations) subgroup, in terms of revenues with a market share of 4.6% in Fiscal 2017; and we have the largest brand in Vitamin D and mecobalamin subgroup, in terms of revenues, with a market share of 27.3% in Fiscal 2017.

In the Gastroenterology segment, five of our brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2017. In the Anti-arthritis segment, our brand Rosiflex caters to mobility-related disorders. The brand was ranked first in the respective subgroup, in terms of revenues in Fiscal 2017. The table below provides details on our key mother brand groups:

(Source: IMS TSA MAT, March 2017)

Key Mother Brand Groups	Launch Date	Indication	Subgroup	Revenue#	Market Share	Brand CAGR	Market CAGR
				FY 17	FY 17	FY 13 - FY 17	FY 13 - FY 17
<b>Rabonik</b>	2008	Gastroenterology	Rabeprazole	542	4.4%	9.2%	14.4%
<b>Remylin</b>	2007	Vitamins	Mecobalamin+ Colecalciferol	530	6.3%	10.2%	13.7%
<b>Tayo</b>	2011	Vitamins	Vitamin D	527	4.9%	7.7%	23.4%
<b>ROSIFLEX</b>	2011	Anti-Arthritic	Rosa Canina extract	396*	20.1%	143.6%***	40.8%**
<b>Marzon</b>	2011	Anti-Infectives	Ampicillin+ Sulbactam	188	57.0%	7.6%	16.5%
<b>Metital</b>	2014	Gynaecology	Inositol	119	19.7%	10.3%**	58.4%**

# Revenue in INR MN

\* Rosiflex revenue considered for entire FY 17 as per IMS

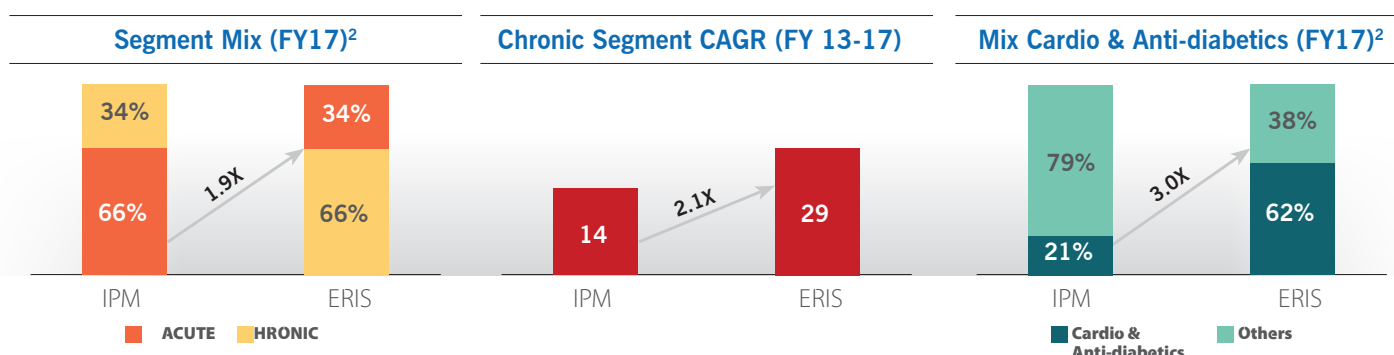
\*\*Growth over FY 16 as brand launched post 2013

\*\*\*Growth over FY 16 as Rosiflex IMS data pre 2015 unavailable

Source: IMS TSA and Medical Audit MAT, March 2017

# High Growth Chronic Franchise Focused on Lifestyle Disorders

- 66% of the revenues from chronic growing at 2x the industry <sup>1</sup>
- 94% of chronic revenues from cardiac and anti-diabetics



## Therapy Focus & Leadership

	Chronic Therapy Segments		
	Cardiovascular	Anti-diabetics	Others
<b>Market Growth</b> (FY 13-17)	11.6%	19.1%	14.1%
<b>Eris Growth</b> (FY 13-17)	25.8%	34.5%	20.5%
<b>Eris Market Share</b>	2.0%	2.4%	Neurology Chronic, Respiratory Chronic Pain
<b>Focus Segments</b>	Hypertension, Lipid-lowering	Oral Anti-diabetic	
<b># of brands</b> (March 31, 2017)	63	26	
<b>Flagship Mother Brands</b>	Eritel, Olmin, LN Bloc	Glimisave, Tendia, Cyblex	

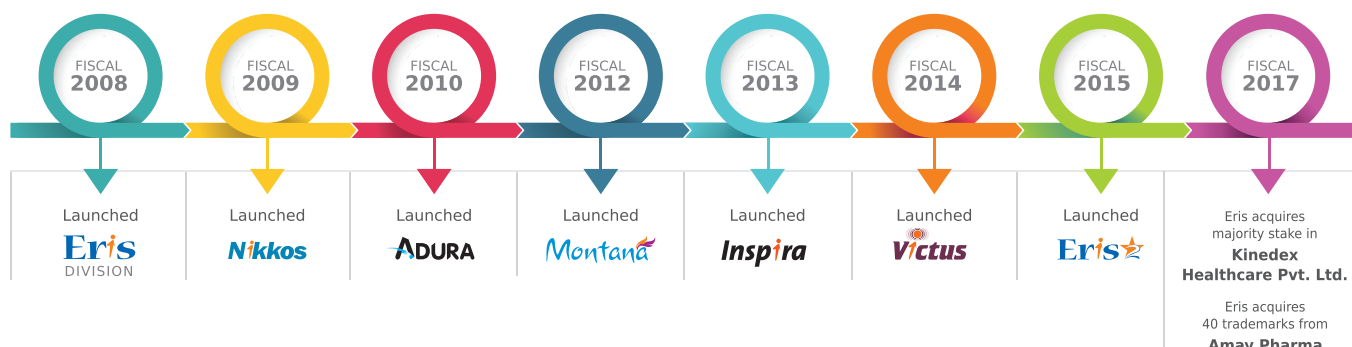
Source: IMS TSA MAT March 2017

Note:

1. Based on chronic segment CAGR over FY 13-17 for Eris vis-à-vis IPM

2. As percentage of total revenue based on IMS TSA MAT March 2017

# Our Journey



## OUR PEOPLE

# 2,645

Employees



**1,501** Medical Representatives



**696** Field Managers



**198** Manufacturing



**60** Sales & Marketing



**32** Intellectual Property & Research



**158** Others

**₹4** lakhs

Yield per Man per Month

- Our workforce is a critical factor in maintaining quality which strengthens our competitive position
- We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality
- We have one of the best Manager to Field Staff ratio in the industry which ensures superior execution and better supervision
- Our per man per month productivity is INR 4 Lakh. We aspire to achieve industry leading productivity

# Eris Business Drivers

## High Growth Therapeutic areas

Our focus has been on developing, manufacturing and marketing products, which are linked to lifestyle related disorders, are chronic in nature, and are treated by superspecialist and specialist.

We develop, manufacture and commercialize branded prescription based pharmaceuticals products in select chronic and acute therapeutic areas, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; anti-infectives; and gynaecology.

## Super specialty Approach

We are focused on specialty and super specialty segment of the pharmaceutical market. Over the years, we have earned the trust and faith of renowned healthcare professionals who are also popularly referred to as Key Opinion Leaders (KOLs) in their respective fields. As a result, we have witnessed consistent growth in the demand for our products in each passing year. Super specialists and specialists contribute to over 96%\* of our total prescriptions as compared to 61.5% for the IPM.

\*IMS Medical Audit MAT March 17



## Multi-faceted product selection based on identification of therapeutic and diagnostic gaps

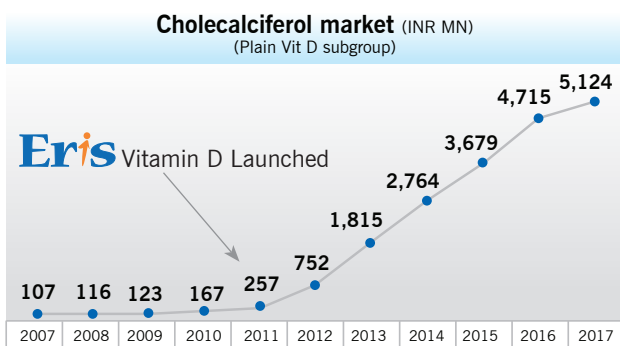
Our multi-faceted product selection model comprises of identifying and addressing diagnostic gaps, therapeutic gaps and patient compliance gaps. Our approach to R&D is driven by objective of creating new markets and improve clinical outcomes

### THERAPEUTIC GAP:

#### Vitamin D

- Introduced Vitamin D brand, Tayo 60K, considering the therapeutic relevance of Cholecalciferol (Vitamin D) in lipid metabolism, diabetes and hypertension, as opposed to merely prescription as a supplement
- Our Tayo mother brand has crossed revenues of ₹527 million in FY 2017

VITAMINS



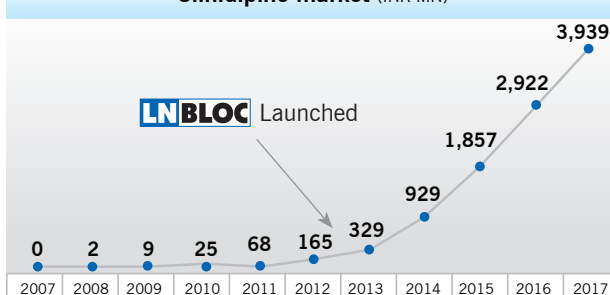


## HYPERTENSION

## Cilnidipine

- Launched LN BLOC (Cilnidipine) in FY 2012
- India is the only market where Amlodipine is being challenged and being displaced by Cilnidipine rapidly
- Our LnBloc mother brand has crossed ₹ 360 million in FY 2017

Cilnidipine market (INR MN)

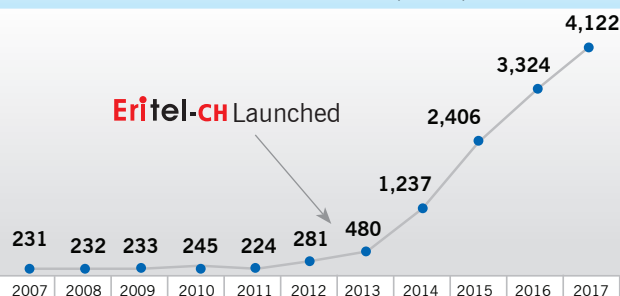


## HYPERTENSION

## Chlorthalidone

- Eritel CH was launched in June 2012
- The new chlorthalidone combinations market created, post Eritel CH launch, has crossed ₹ 4,122 million
- Eris Chlorthalidone franchisee has crossed revenue of ₹ 520 million in FY 2017

Chlorthalidone market (INR MN)



## DIAGNOSTIC GAP:

We believe that a combination of diagnostics with commercialisation and marketing enhances the quality of diagnosis and prognosis. We have undertaken certain initiatives to help with early detection and diagnosis, primarily in Hypertension and Diabetes care



Providing insights and accessibility of ABPM (Ambulatory Blood Pressure Monitoring) to doctors and patients. Approximately 16,300 patients were supported till March 31, 2017



Continuous glucose monitoring ("CGM") is an important tool for precise treatment decisions but unavailability of device and lack of expertise has led to underutilisation of this technology. Our unique initiative – CGM On Call has bridged this treatment gap & enabled thousands of patients with diabetes to receive customised medication and diet plan

# Distribution Network & Manufacturing Infrastructure

## DISTRIBUTION NETWORK

24

Sales depots

1,200<sup>+</sup>

Stockists

5,00,000<sup>+</sup>

Retail chemists

## MANUFACTURING INFRASTRUCTURE

### OWN MANUFACTURING

**State-of-the-art manufacturing facility** in Guwahati, Assam

**Products manufactured** in-house contributed to **77.97%\*** of our revenues for **FY 2017**

**1 Lakh sq ft** built-up area

Our manufacturing facility is eligible to avail of certain **tax incentives** including income tax and excise duty exemption for a period of 10 years (until FY 2025)

**WHO GMP guidelines compliant**

Annual manufacturing **capacity** **1,500 million tablets, 250 million capsules and 40 million sachets**

## CAPACITY UTILISATION

Output in million units

Product	Fiscal 2016		Fiscal 2017	
	Output	Utilisation	Output	Utilisation
Tablets	508.37	50.84%	760.53	76.05%
Capsules	41.40	49.87%	47.83	57.61%
Sachets	3.85	21.38%	3.53	19.62%

\*Commercial production commenced in May 2014.

Capacity utilisation = Output / Installed capacity. Installed capacity is calculated assuming operations on a single shift basis. The manufacturing plant can operate up to a maximum of three shifts per day.

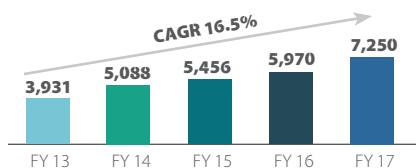
# Strategies for Future Leadership

Eris has emerged as the 2<sup>nd</sup> fastest growing Company in IPM and the fastest growing in the chronic segment. We are now focussed on taking forward this momentum by strengthening our business model to create long-term sustainability.

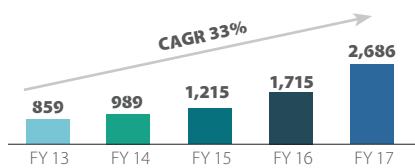


# ERIS - Growth Credentials & Key Ratios

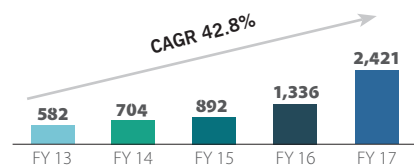
## REVENUE FROM OPERATIONS



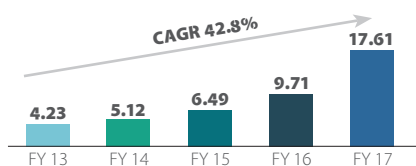
## EBITDA



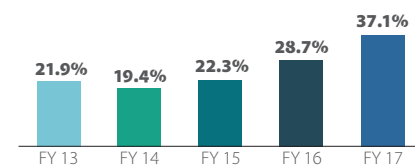
## PAT



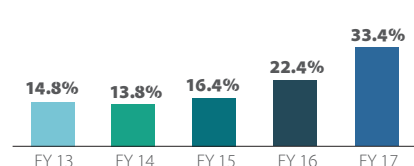
## EPS



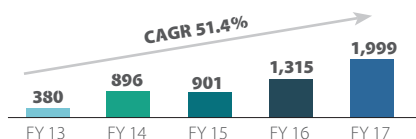
## EBITDA MARGIN



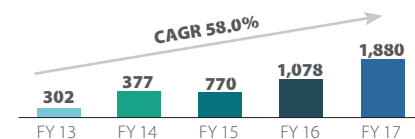
## PAT MARGIN



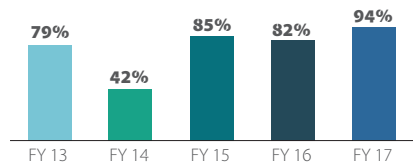
## OPERATING CASH FLOW



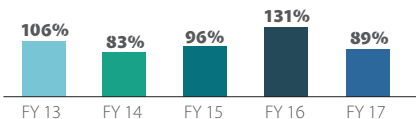
## FREE CASH FLOW



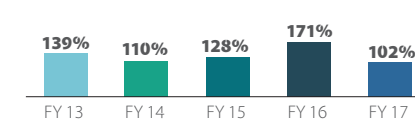
## FCF% CONVERSION OF NET CASH FROM OPERATIONS



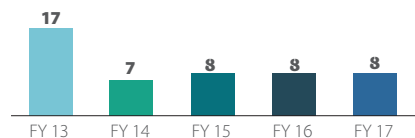
## ROE



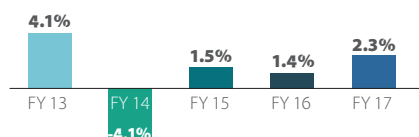
## ROCE



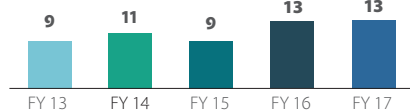
## FIXED ASSET TURNOVER RATE



## CHANGES IN WORKING CAPITAL TO REVENUE



## INVENTORY TURNOVER RATE



Net Cash from Operations = Net cash flow from operating activities as per Cash flow statement

FCF (Free Cash Flow) = Net Cash from Operations - CAPEX  
(Purchase of Fixed assets as per cash flow statement)

ROE: PAT after minority and share of associates / Net worth (ex-cash)

Net Worth (ex-cash) = Shareholders' funds - Treasury Investments - Cash and cash equivalents

ROCE (Return On Capital Employed) = EBITDA / Capital Employed (ex-cash)

Capital Employed (ex-cash): Net worth (ex-cash) + Minority interest + Long-term Borrowings + Current maturities of long-term borrowings + Short-term Borrowings + Deferred tax liabilities (net)

Fixed Asset Turnover Rate : Fixed Assets (Net) / Net Revenue From Operations

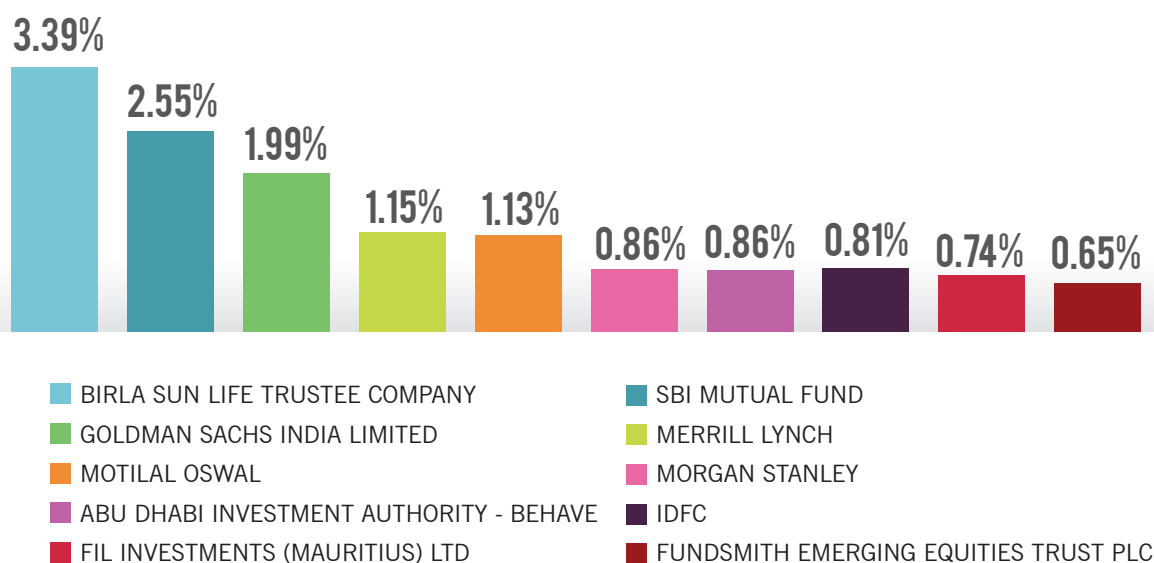
Changes in Working Capital to Revenue:

Changes in Working Capital as per Cash Flow/ Net Revenue from Operations

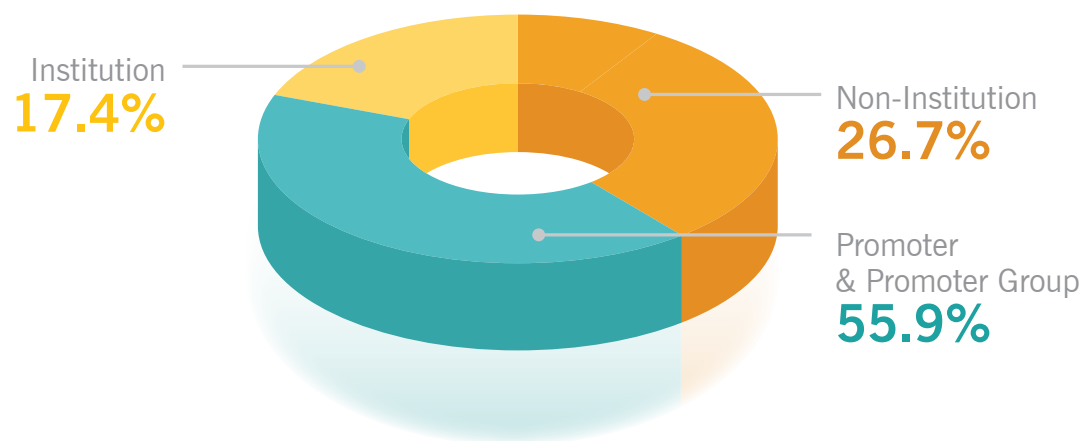
Inventory Turnover Rate : Inventories / Net Revenue from Operations

FY 2013-17 consolidated figures are restated and in INR millions

## Top 10 Institutional Investors\*



## Share Holding Pattern



Institution – Mutual Funds, Financial Institutions, Foreign Portfolio Investors, Foreign Institutional Investors, Nationalised and Non-Nationalised Banks  
 Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non-Resident Indians, Hindu Undivided Family and Trusts

\*As of June 30, 2017 and based on grouping assumptions



## Board of Directors



**Mr. Amit Bakshi**

Chairman and Managing Director

He has over 20 years of experience in the pharmaceutical industry working with several companies in various capacities. He was recognised as an 'Entrepreneur of the Year, 2013' by Ernst & Young. He has been on the Company's Board since January 2007.



**Mr. Himanshu J. Shah**

Executive Director

He holds a bachelor's degree in science from the Indira Gandhi National Open University (IGNOU), a diploma in pharmacy from Gujarat University and a diploma in management from IGNOU. Over his more than 20 years of experience in the pharmaceutical sector, he has worked for several companies in various capacities. He has been on the Company's Board since January 2007.



**Mr. Inderjeet Singh Negi**

Executive Director

He is bachelor in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). He has 23 years of experience in the pharmaceutical industry. He has been on the Company's Board since January 2007.



**Ms. Vijaya Sampath**

Independent Director

She is a bachelor in Arts (English literature) from Madras University, a law graduate from Mysore University, and a fellow member of the Institute of Company Secretaries of India. She has also attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA. She has 35 years of experience in the legal profession as an in-house counsel and lawyer with expertise in corporate law, joint ventures, mergers and acquisitions and commercial contracts. Her prior stints include working for Indian Aluminium Company and Bharti Airtel Limited where she held the designation of Group General Counsel and Company Secretary. Presently, she is a senior partner in corporate law practice of Lakshmikumaran and Sridharan, Attorneys, an Indian law firm. She is also an independent director on the boards of various listed and unlisted companies in the financial services, power, renewable energy and branded luggage sector. She has been on the Company's Board since February 2017.

**Mr. Shardul Suresh Shroff**

Independent Director

He holds a bachelor's degree in commerce from University of Bombay and a LLB. degree from the University of Bombay. He is the executive chairman of the Shardul Amarchand Mangaldas & Co, an Indian law firm. With over 35 years of experience as a corporate attorney, he has expertise in the areas of infrastructure, projects and project finance, privatisation and disinvestment, mergers and acquisitions, joint ventures, banking and finance, capital markets and commercial contracts. He has been a member of several committees appointed by the Government of India, including the J. J. Irani Committee (2006) on corporate governance. He also serves on the board of directors of various companies, as an independent director, including Ashok Leyland Limited and Hindustan Media Ventures Limited. He has been on the Company's Board since February 2017.

**Mr. Rajiv Gulati**

Independent Director

He is bachelor in pharmacy from the Delhi University, a master in pharmacy from the Banaras Hindu University, a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and a post-graduate diploma in international trade from the Panjab University. He has over 30 years of experience in the pharmaceutical industry working for companies in various capacities. He has been on the Company's Board since February 2017.

**Dr. Kirit Nanubhai Shelat**

Independent Director

He holds a bachelor's degree in arts (special) from the University of Gujarat and a Ph.D degree (arts). He is a retired IAS officer and has over 40 years of experience in public administration. He has worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation. He has been on the Company's Board since February 2017.



# Corporate Information

## Board of Directors

**Mr. Amit Bakshi**

Managing Director

**Mr. Himanshu J. Shah**

Wholetime Director

**Mr. Inderjeet Singh Negi**

Wholetime Director

**Mrs. Vijaya Sampath**

Independent Director

**Mr. Rajiv Gulati**

Independent Director

**Mr. Shardul Suresh Shroff**

Independent Director

**Dr. Kirit Nanubhai Shelat**

Independent Director

## Audit Committee

**Mrs. Vijaya Sampath**

Chairperson

**Mr. Himanshu J. Shah**

Member

**Mr. Rajiv Gulati**

Member

## Bankers

**AXIS Bank Limited**

**HDFC Bank Limited**

**IDBI Bank Limited**

## Chief Financial Officer

**Sachin Shah**

## Company Secretary

**Milind Talegaonkar**

## Statutory Auditors

**M/s. Deloitte Haskins & Sells LLP**

## Internal Auditors

**M/s. Dharmesh Parikh & Co.**

## Cost Auditors

**M/s. Kiran J Mehta & Co.**

## Secreterial Auditors

**M/s Ravi Kapoor & Associates**

## Registered Office

8<sup>th</sup> Floor, Commerce House-IV,  
Prahladnagar, Ahmedabad-380  
015, Gujarat, India

## (Manufacturing Facility) Factory

Plot Nos. 30 and 31, Brahmaputra  
Industrial Park, Under Mouza-Sila,  
Senduri Ghopa, Amingaon,  
North Guwahati,  
Guwahati 781 031 Assam, India

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C - 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400 083



# **DIRECTORS' REPORT**

# Directors' Report

## Dear Members,

The Board of Directors have pleasure in presenting their 1st Annual Report (Post IPO) on the business and operations of the company together with the Audited Financial Statements (standalone and consolidated) for the year ended March 31, 2017.

## 1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under:

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 31st March, 2017	Year ended 31st March, 2016
Total Revenue (Gross)	7129.04	6229.34	7494.95	6144.72
<b>Profit/(Loss) before taxation</b>	<b>2654.79</b>	<b>1208.13</b>	<b>2630.24</b>	<b>1212.56</b>
Less : Tax Expenses	(237.78)	(51.23)	(219.92)	(87.52)
<b>Profit after tax before share of profit/(loss) of minority interest</b>	<b>2417.01</b>	<b>1156.90</b>	<b>2,410.32</b>	<b>1,125.04</b>
Share of profit/(loss) attributable to Minority Interest	-	-	(1.79)	12.88
<b>Profit for the year attributable to the shareholders of the company</b>	<b>2417.01</b>	<b>1156.90</b>	<b>2,412.11</b>	<b>1,112.16</b>
Add : Balance B/F from the previous year	3015.27	2858.28	2954.22	2841.97
Less: Interim dividend	-	(999.91)	-	(999.91)
(₹ 6,042 per share+ Tax on Interim Dividend (Current year NIL)				
Less: Utilised for issuing bonus shares	(136.12)	-	(136.12)	-
Less: Share of loss of minority	-	-	(13.99)	-
<b>Balance Profit / (Loss) C/F to the next year</b>	<b>5296.16</b>	<b>3015.27</b>	<b>5216.22</b>	<b>2954.22</b>

(₹ in million)

## 2. STATE OF AFFAIRS AND FUTURE OUTLOOK:

The gross sales and other incomes for the financial year under review was ₹ 7129.04 million as against ₹ 6229.34 million in the previous year, recording a growth of 14.44%. The profit before tax was ₹ 2654.79 million for the financial year under review as against ₹ 1208.13 million for the previous financial year, registering an increase of 119.74%. The profit after tax for the financial year under review was ₹ 2417.01 million as against ₹ 1156.90 million for the previous financial year, registering an increase of 108.92%. During the year under review there has been no change in the nature of the business of the Company.

## 3. DIVIDEND:

The Board does not recommend any dividend for the financial year 2016-17 (during the previous year an Interim dividend of ₹ 6042/- per equity share had been paid. No Final dividend was declared).

## 4. CAPITAL EXPENDITURES:

As on March 31st, 2017 the gross fixed assets (tangible and intangible) stood at ₹ 1543.25 million (last year

₹ 1086.60 million) and the net fixed assets (tangible and intangible), at ₹ 900.84 million (last year ₹ 647.91 million). Capital expenditure during the year amounted to ₹ 488.62 million (last year ₹ 232.18 million). During the year under review capital expenditure on acquisition of brands, amounting to ₹ 378.70 million, was made which is included in the figures disclosed above.

## 5. AMOUNT TO BE CARRIED TO RESERVE:

The Company has not transferred any amount to the reserves during the financial year (previous year: Nil ).

## 6. INDIAN ACCOUNTING STANDARD:

The Indian Accounting Standards (Ind-AS) became applicable to the Company from April 1, 2017.

## 7. CHANGES IN CAPITAL STRUCTURE:

The Capital Structure of the Company underwent the following changes during the financial year under review:

During the financial year 2016-17, the Company's equity Shares of face value ₹ 10/- (Rupees Ten only) were sub-



divided into 10 (Ten) equity Shares of face value Re. 1/- (Rupee One Only) each fully paid-up.

13,61,25,000/- (Thirteen Crore Sixty One Lac and Twenty Five Thousand) equity shares of Re. 1/- each were allotted as Bonus Shares. Authorised capital of the Company stood increased from ₹ 10,00,00,000/- (Rupees Ten Crore) to ₹ 30,00,00,000 (₹ 30,00,00,000/-) (Rupees Thirty Crore) at the end of the period under review.

#### 8. KEY CHANGES DURING THE YEAR:

Retirement from Partnership: The Company retired from the partnership of M/s Sozin Flora Pharma, partnership firm (Reg. No. 244/2010) w.e.f. 1st September, 2016.

Conversion to Public Limited: The Company has converted itself into a public limited Company after obtaining the requisite approvals in this regard.

#### 9. STATUTORY AUDITORS:

At the 10th Annual General Meeting of the Company held on 25th October, 2016, M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018, were appointed as the statutory auditors of the Company to hold office till the conclusion of the 15th Annual General Meeting, subject to ratification by the members at every intervening Annual General Meeting of the Company.

#### 10. INTERNAL AUDITORS:

M/s Dharmesh Parikh & Co., (Firm No. 112054W) have been duly appointed as the Internal Auditor for the financial year 2017-2018.

#### 11. COST AUDITORS:

M/s Kiran J Mehta & Co.. Cost Accountants have been duly appointed as the Cost Auditors for the financial year 2017-2018.

#### 12. SECRETARIAL AUDIT REPORT:

M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad have been duly appointed as the Secretarial Auditor of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2016-17 appears at "Annexure 1" to this report. The Secretarial Auditor's report does not contain any qualification, or reporting on fraud.

#### 13. BOARDS' COMMENTS ON AUDITORS' REPORT:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts including the notes thereto. The Auditors' Report is self-explanatory and does not call for any further explanation / clarification in-terms of section 134(3) of the Companies Act, 2013. The Auditors of the Company

have not reported any fraud within the meaning of Section 143(12) of the Companies Act, 2013.

The Board has also duly reviewed the Secretarial audit report wherein no fraud or any qualifying remark appears.

#### 14. DEPOSITS ACCEPTED/RENEWED DURING THE YEAR COVERED UNDER CHAPTER V (ACCEPTANCE OF DEPOSITS BY COMPANIES) OF THE COMPANIES ACT, 2013:

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

#### 15. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR TRIBUNALS OR COURTS:

There were no material or significant orders passed by the Regulators or Courts during the year under review impacting the going concern status and Company's operations in future.

#### 16. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

#### 17. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appear at "Annexure 2" to this report:

#### 18. SUBSIDIARY COMPANY /ASSOCIATE/JOINT VENTURE COMPANIES:

The Company held a wholly owned subsidiary, namely M/s Eris Therapeutics Private Limited, at the commencement of the year under review which continues to be so at the end of the year under review. Further, the Company acquired 100% of the paid-up equity Capital of M/s. Aprica Healthcare Private Limited during the year under review thereby constituting it as a wholly owned subsidiary of the Company. Further, during the year under review, the Company acquired 75.48% of paid-up equity share capital of M/s. Kinedex Healthcare Private Limited. In view of the above investment made by the Company, M/s. Kinedex Healthcare Private Limited has become a subsidiary of the Company during the year under review.

The details of subsidiary companies are as under:

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2017
Eris Therapeutics Private Limited	Subsidiary	India	100.00%
Aprica Healthcare Private Limited	Subsidiary	India	100.00%
Kinedex Healthcare Private Limited	Subsidiary	India	75.48%

The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at <http://eris.co.in/policies>.

## 19. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

The Board has reviewed the affairs of its subsidiary Companies. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014 a statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company appears in Form AOC – 1 which is enclosed at "Annexure 3" to this report. Details pertaining to the subsidiaries of the Company are provided in the notes to the Consolidated Financial Statements.

## 20. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 as also the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Board. The Auditors' Report to the shareholders does not contain any qualification, observation or adverse remark or comment.

## 21. EXTRACT OF ANNUAL RETURN (MGT-9):

The extract of the Annual Return appears at "Annexure-4" to this Report.

## 22. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee Meetings and the attendance of the Members at the meetings along with other

details appears in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at "Annexure 5" to this Report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee are available on the website of the Company at the link: <http://eris.co.in/policies>.

## 23. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appear separately at "Annexure 6" to this Report.

## 24. CORPORATE GOVERNANCE:

Your Company strongly believes in adherence with good and ethical governance practices to enable the management to direct and control the affairs of the Company in an efficient and effective manner. It believes in imbining good governance practices to ensure the maximization of value and goodwill for all the stakeholders of the Company. With that belief, though not applicable before listing, the Company voluntarily complied with the requirements of Regulation 17 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as applicable to the listed Companies and has been complying with the aforesaid requirements of Corporate Governance post listing. A separate report on Corporate Governance, and the Practicing Company Secretary's Certificate appear at "Annexure 7" to this report.

## 25. DIRECTORS & KEY MANAGERIAL PERSONNELS:

The composition of the Board of Directors underwent the changes set-out below:

### During the year under review

- (i) Mr. Amit Indubhushan Bakshi was re-appointed as the Managing Director of the Company for a period of 5 years (April 1st, 2016 to March 31st 2021).
- (ii) Independent Directors were appointed in the extra ordinary general meeting held on 3rd February, 2017 namely:
  1. Mrs. Vijaya Sampath
  2. Mr. Rajiv Gulati
  3. Mr. Shardul Suresh Shroff
  4. Mr. Kirit Nanubhai Shelat
- (iii) Mr. Inderjeet Singh Negi and Mr. Himanshu Jayantbhai Shah were appointed as Whole-time Directors at the extra ordinary general meeting held on 3rd February, 2017.

- (iv) Mr. Kaushal Kamlesh Shah and Mr. Rajendra Rambhai Patel resigned from the Directorship of the Company w.e.f. 5th January, 2017 due to their other pre-occupations pertaining to the business of the Company.

Subsequent changes in composition till the date of this Report:

- (v) Mr. Sanjiv Dwarkanath Kaul resigned from the Directorship of the Company w.e.f. 26th May, 2017.
- (vi) Mr. Himanshu Jayantbhai Shah, Whole-time Director of the Company retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

During the year under review Mr. Milind Talegaonkar has been designated as the Company Secretary of the Company, w.e.f. 21st September, 2016.

During the year under review Mr. Sachin Shah has been designated as the Chief Financial Officer of the Company, w.e.f. 28th September, 2016.

## 26. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND THE COMMITTEES THEREOF:

During the year under review the Board of Directors of the Company duly met 11 (Eleven) times respectively. The applicable details of these Board and Committee meetings including the attendance of the Directors at those meetings appear in the Report on Corporate Governance which separately appears in this Annual Report.

## 27. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

No Material changes and commitments occurred between the end of the financial year under review and the date of this report, which could affect the financial position of the Company.

The Company in its Board Meeting held on 6th June, 2017 approved the Red Herring Prospectus for the Initial Public Offering and filed the same with the office of Registrar of Companies, Gujarat on 6th June, 2017 and with the Securities and Exchange Board of India (SEBI) on 7th June, 2017.

Further the Company in its Board Meeting held on 21st June, 2017 approved the Prospectus for the Initial Public Offering and filed the same with the office of Registrar of Companies, Gujarat on 21st June, 2017.

## LISTING OF SHARES

The equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited

w.e.f. 29th June, 2017 and consequently the Company has become a listed entity.

## 28. AUDIT COMMITTEE:

During the year under review, the Board of Directors, in their meeting held on 04.02.2017, constituted an Audit Committee. The details of its meetings, the attendance of the members thereat and the other applicable details appear in the Report on Corporate Governance which separately appears in this Annual Report.

## 29. NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, the Board of Directors, in their meeting held on 04.02.2017, constituted a Nomination and Remuneration Committee of the Company. The details of its meetings, the attendance of the members thereat and the other applicable details appear in the Report on Corporate Governance which separately appears in this Annual Report.

## 30. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, the Board of Directors, in their meeting held on 04.02.2017, constituted a Stakeholders Relationship Committee. The details of its meetings, the attendance of the members thereat and the other applicable details appear in the Report on Corporate Governance which separately appears in this Annual Report.

## 31. IPO COMMITTEE:

An IPO Committee of the Board had been constituted during the year under review. The details of its meetings, the attendance of the members thereat and the other applicable details appear in the Report on Corporate Governance which separately appears in this Annual Report. The Committee has been duly dissolved after completion of the IPO.

## 32. EMPLOYEES' STOCK OPTION SCHEME:

'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 03.02.2017 to create, offer and grant from time to time up to 3,91,599 Employee Stock Options in one or more tranches to the permanent employees, existing and future, including the Directors (but excluding the Independent Directors) of the Company, exercisable into not more than 3,91,599 fully paid-up equity Shares of the Company in the aggregate and having face value of Re. 1 each. The details as required to be disclosed under the SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB, 2014) are put on the Company's website: <http://eris.co.in/> which is adopted herein by reference. The Plan is in compliance with the SEBI SBEB, 2014. There are no material changes in the Plan.

### 33. CONTRACTS WITH RELATED PARTIES:

Related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 8" to this report.

### 34. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE OR SECURITY PROVIDED BY THE COMPANY:

Details of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 appear in the notes to the financial statements.

### 35. PROTECTION OF WOMEN AT WORKPLACE:

The Company has in place a Prevention of Sexual Harassment policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Frequent communication of this policy is done in assimilation programmes and at regular intervals with the employees.

During the year 2016-2017, no complaints were received by the Company related to sexual harassment.

### 36. RISK MANAGEMENT PLAN:

The Board of Directors of the Company has duly formulated and implemented a risk management policy and plan for enabling the company to identify elements of risks as contemplated by the provisions of Section 134(3)(n).

### 37. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

As per the provisions of Section 177(9) of the Companies Act, 2013 ('Act'), the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns.

In the light of the above, Vigil Mechanism Policy (Whistleblower Policy) of the Company was adopted in the meeting of Board of Directors dated February 6th, 2017.

The Vigil mechanism policy seeks to help persons who have major concerns over any wrongdoing within the Company to report unlawful activities, accounting irregularities, etc. The objective of the Policy is to maintain a redressal system which can process all such complaints /concerns and resolve the issues. Further, it provides for adequate

safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed to the notice of the Company.

### 38. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual accounts on a going concern basis;
- The Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating efficiently; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

### 39. DISCLOSURE OF REMUNERATION:

During the year under review, Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was not applicable to the Company.

### 40. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The provisions of Section 178 (1) became applicable to the Company after its conversion into a public Company. The Board of Directors have adopted the requisite policy which appears at "Annexure-9" to this report.

The parameters approved by the Board for the evaluation of the performance of Non-Executive Directors are:

- Attendance at meetings of the Board and Committees thereof,

- b) Extent of participation through discussions in the Board meetings or Committee thereof,
- c) Contribution to strategic decision making,
- d) Inputs received while making risk assessments and suggestions on risk mitigation,
- e) Inputs received during the review of financial statements, business performance.
- f) Overall contribution to the enhancement of brand image of the Company.

The parameters approved by the Board for the evaluation of the performance of Managing Director and the Whole-time Director(s) are:

- a) appropriate benchmarks set as per industry standards,
- b) the performance of the role occupant.

The requirements of Section 134(3)(p) were not applicable to the company during the reporting financial year.

#### **41. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company

Secretaries of India on Board Meetings and Annual General Meetings.

#### **42. DECLARATION OF INDEPENDENCE:**

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 of the Companies Act, 2013.

#### **43. ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

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

**Amit Bakshi**

(DIN: 01250925)

Chairman and Managing Director

Ahmedabad, 17th August 2017



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Eris Lifesciences Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eris Lifesciences Limited (herein after referred to as “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Eris Lifesciences Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Eris Lifesciences Limited (“the Company”) for the Financial Year ended on March 31, 2017 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The following laws which are specifically applicable to the Company.

- (a) The Drugs and Cosmetics Act, 1940 and rules framed thereunder
- (b) The Drugs Price Control Order, 2013
- (c) The Narcotics Drugs and Psychotropic Substances Act, 1985

We have also examined compliance with applicable clauses of the following

- 1. Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, changes took place in the composition of the Board of Directors and existing composition of the Board of Directors is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meeting and Committee Meetings were carried out unanimously. As per record available in the said minutes there were no dissenting views were expressed by any directors during the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above. However, during the period under review, Company has filed Draft Red Herring Prospectus (the "DRHP") with Securities and Exchange Board of India for initial public offer (IPO) of the Company, in the nature of offer for sale.

#### **For, Ravi Kapoor & Associates**

##### **Ravi Kapoor**

Company Secretary in practice

FCS No. 2587

C P No.: 2407

Place: Ahmedabad

Date: 17th August, 2017

To,  
The Members,  
Eris Lifesciences Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For, Ravi Kapoor & Associates**

**Ravi Kapoor**

Company Secretary in practice  
FCS No. 2587  
C P No.: 2407

Place: Ahmedabad

Date: 17th August, 2017

## Annexure - 2

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014****A. Conservation of energy:****Steps taken for conservation of energy:**

- Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.
- Use of LED lights to save electricity is being adopted.
- Regulation in usage of office lighting.
- Regular monitoring of high energy consumption areas and taking appropriate measures as and when required.

**The steps taken by the company for utilising alternate sources of energy:**

- The Company is evaluating all possibilities of utilizing alternate sources of energy in its operation, wherever possible.

**The capital investment on energy conservation equipment:**

- During the year, the company made no capital investment on energy conservation equipment.

**B. Technology absorption:**

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- Expenditure on research and development by the Company was NIL

**C. Foreign Exchange Earnings and Outgo details are as follows:**

		(₹ In million)	
Sr. No.	Particulars	2016-17	2015-16
1	Foreign Exchange Earnings	NIL	NIL
2	Foreign Exchange Outgo	20.59	31.91

**For Eris Lifesciences Limited****Amit Bakshi**

Chairperson & Managing Director  
DIN: 01250925

August 17, 2017  
Ahmedabad

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

#### Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Name of the subsidiary	Eris Therapeutics Private Limited	Aprica Healthcare Private Limited#	Kinedex Healthcare Private Limited
The date since when subsidiary was acquired	01.04.2010	12.07.2016	23.11.2016
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A
Share capital	1,00,000/-	1,00,000/-	18,25,040/-
Reserves and surplus	7,97,720/-	(4,18,45,536/-)	(5,88,80,075/-)
Total assets	9,20,820/-	8,30,05,635/-	16,26,80,740/-
Total Liabilities	23,100/-	12,47,51,171/-	21,97,35,775/-
Investments	NIL	NIL	NIL
Turnover	NIL	24,25,13,844/-	17,15,68,143/-*
Profit before taxation	7,05,927/-	(6,05,40,704/-)	(4,66,00,006/-)*
Provision for taxation	31,240/-	(1,86,95,168/-)	(1,52,15,078/-)*
Profit after taxation	6,74,687/-	(4,18,45,536/-)	(3,13,84,927/-)*
Proposed Dividend	NIL	NIL	NIL*
Extent of shareholding (in percentage)	100%	100%	75.48%

\* From 23rd November 2016 till March 31 2017.

# Aprica Healthcare was incorporated on 12th July, 2016

#### Part B Associates and Joint Ventures

Name of Associates or Joint Ventures	There are no associates or joint ventures of the Company during the year.
1. Latest audited Balance Sheet Date	N.A
2. Date on which the Associate or Joint Venture was associated or acquired	N.A
3. Shares of Associate or Joint Ventures held by the company on the year end	N.A
a) Numbers	N.A
b) Amount of Investment in Associates or Joint Venture	N.A
c) Extent of Holding (in percentage)	N.A
4. Description of how there is significant influence	N.A
5. Reason why the associate/joint venture is not consolidated	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	N.A
7. Profit or Loss for the year	N.A
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

- There are no subsidiaries or associates or joint ventures which are yet to commence operations.
- There are no subsidiaries or associates or joint ventures which have been liquidated or sold during the year.

#### For Eris Lifescience Limited

**Amit Bakshi**  
Chairperson & Managing Director  
DIN: 01250925  
Ahmedabad  
August 17, 2017

**Himanshu Shah**  
Whole Time Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No. A-26493

## Form No. MGT – 9

### EXTRACT OF ANNUAL RETURN

#### AS ON FINANCIAL YEAR ENDED ON 31.03.2017

[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	U24232GJ2007PLC049867 <b>Note</b> <sup>1</sup>
2. Registration Date	25TH JANUARY, 2007
3. Name of the Company	ERIS LIFESCIENCES LIMITED <b>Note</b> <sup>2</sup>
4. Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES / NON-GOVERNMENT
5. Address of the Registered office & contact details	21, NEW YORK TOWER- A, NR. MUKTIDHAM TEMPLE, THALTEJ CROSS ROAD, THALTEJ, AHMEDABAD- 380054 (T): 079-48903474 <b>Note</b> <sup>3</sup>
6. Whether listed company	No <b>Note</b> <sup>4</sup>
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED (W.E.F 28/09/2016) C – 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI – 400 083 (T): 91 22 49186000 <b>Note</b> <sup>5</sup>

**Note:** <sup>1</sup> Pursuant to listing of shares of the Company, and as approved by the office of RoC, the CIN of the Company stands revised from U24232GJ2007PLC049867 to L24232GJ2007PLC049867.

**Note:** <sup>2</sup> Pursuant to the conversion of the Company to a Public Limited Company, and as approved by the Shareholders through a resolution dated January 31, 2017, the name has been changed to “Eris Lifesciences Limited” and the RoC issued a fresh certificate of incorporation on February 2, 2017.

**Note:** <sup>3</sup> The Company has changed its Registered Office w.e.f. 17th August, 2017 from 21, New York Tower- A, Nr. Muktidham Temple, Thaltej cross road, Thaltej, Ahmedabad- 380054 to 8th floor, Commerce house- IV, Nr. Prahladnagar, 100 ft. road, Ahmedabad – 380 015 pursuant to approval of Board of Directors in their meeting held on 17th August, 2017.

**Note:** <sup>4</sup> Shares of the Company got listed on National Stock Exchange of India Limited and BSE Limited on 29th June, 2017.

**Note:** <sup>5</sup> The Company has changed its Registrar & Share Transfer Agent w.e.f 20/05/2016 from Sharepro Services (I) P. Ltd. to Bishare Services Private Limited and thereafter to Link Intime India Private Limited w.e.f. 28/09/2016.

#### 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% of total turnover of the company
1	PHARMACEUTICAL	2100	100%



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –SUBSIDIARY COMPANY

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Eris Therapeutics Private Limited 21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad – 380054	U24230GJ2009PTC057670	Subsidiary	100%	2(87)
2	Aprica Healthcare Private Limited A/4, Fourth Floor, Safal Profitaire, Corporate Road, Prahladnagar, Satellite, Ahmedabad- 380015 <b>Note (6)</b>	U24290GJ2016PTC092903	Subsidiary	100%	2(87)
3	Kinedex Healthcare Private Limited 28, Shiv Shakti Nagar, Near Indo-Bhart School, Nirman Nagar, Jaipur- 302019 <b>Note (7)</b>	U51397RJ2002PTC017820	Subsidiary	75.48%	2(87)

**Note:** <sup>6</sup> 100% Equity Shares of M/s. Aprica Healthcare Private Limited were acquired on 12th July, 2016.

**Note:** <sup>7</sup> 61.48% equity shares of Kinedex Healthcare Private Limited were acquired in November, 2016. An additional 14.00% equity shares were acquired in December 2016. Therefore the aggregate shareholding in Kinedex Healthcare Private Limited is 75.48%.

### 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 i.e 01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year (01.04.2016 to 31.03.2017)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual	81,373	-	81,373	59.18	81373000	-	81373000	59.18	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other Non Public & Non Promoter	33783	-	33783	24.57 Note (8)	-	-	-	-	(24.57)
Sub-total(A)(1):-	115156	-	115156	83.75	81373000	-	81373000	59.18	(24.57)
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	22344	-	22344	16.25	-	-	-	-	(16.25)
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	22344	-	22344	16.25	-	-	-	-	(16.25)
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year (01.04.2016 to 31.03.2017)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	-	-	-	- 22344000	-	- 22344000	-	16.25	16.25
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	33783000	-	33783000	24.57	24.57
c) Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	<b>56127000</b>	-	<b>56127000</b>	<b>40.82</b>	<b>40.82</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	<b>56127000</b>	-	<b>56127000</b>	<b>40.82</b>	<b>40.82</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,37,500</b>	<b>-</b>	<b>1,37,500</b>	<b>100</b>	<b>13,75,00,000</b>	<b>-</b>	<b>13,75,00,000</b>	<b>100</b>	<b>-</b>

**Note:** <sup>8</sup> Pursuant to reclassification of Promoter category of the Company through Board resolution passed at the meeting of the Board of Directors, held on 28th September, 2016, Mr. Rakesh. B. Shah, Mr. Bhikhalal C. Shah and Mr. Hetal R. Shah having aggregate shareholding of 24.57% are no more promoters of the Company w.e.f. March 31, 2016.

## 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	MR. AMIT I. BAKSHI	54959	39.97	-	54959000	39.97	-	NIL
2	MR. HIMANSHU J. SHAH	6972	5.07	-	6972000	5.07	-	NIL

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	
3	MR.INDERJEET SINGH NEGI	6971	5.07	-	6971000	5.07	-	NIL
4	MR. RAJENDRA R. PATEL	6971	5.07	-	6971000	5.07	-	NIL
5	MR. KAUSHAL K. SHAH	5500	4.00	-	5500000	4.00	-	NIL

## ii. Change in Promoters' Shareholding:

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>MR. AMIT INDUBHUSHAN BAKSHI</b>				
	At the beginning of the year	54959	39.97	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	549590	39.97	549590	39.97
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	54409410	39.57	54959000	39.97
	At the end of the year	<b>54959000</b>	<b>39.97</b>	<b>54959000</b>	<b>39.97</b>
<b>2.</b>	<b>MR. HIMANSHU J. SHAH</b>				
	At the beginning of the year	6972	5.07	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69720	5.07	69720	5.07
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6902280	5.02	6972000	5.07
	At the end of the year	<b>6972000</b>	<b>5.07</b>	<b>6972000</b>	<b>5.07</b>
<b>3.</b>	<b>MR.INDERJEET SINGH NEGI</b>				
	At the beginning of the year	6971	5.07		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69710	5.07	69710	5.07
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6901290	5.02	6971000	5.07
	At the end of the year	<b>6971000</b>	<b>5.07</b>	<b>6971000</b>	<b>5.07</b>
<b>4.</b>	<b>MR. RAJENDRA R.PATEL</b>				
	At the beginning of the year	6971	5.07		

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69710	5.07	69710	5.07
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6901290	5.02	6971000	5.07
	At the end of the year	<b>6971000</b>	<b>5.07</b>	<b>6971000</b>	<b>5.07</b>
<b>5.</b>	<b>MR. KAUSHAL K. SHAH</b>				
	At the beginning of the year	5500	4.00		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	55000	4.00	55000	4.00
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	5445000	3.96	5500000	4.00
	At the end of the year	<b>5500000</b>	<b>4.00</b>	<b>5500000</b>	<b>4.00</b>

**iv. Shareholding Pattern of top ten Shareholders:**

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>BOTTICELLI</b>				
	At the beginning of the year	22344	16.25	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	223440	16.25	223440	16.25
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	22120560	16.09	22344000	16.25
	At the end of the year	<b>22344000</b>	<b>16.25</b>	<b>22344000</b>	<b>16.25</b>
<b>2.</b>	<b>BHIKHALAL C. SHAH</b>				
	At the beginning of the year	12429	9.04	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	124290	9.04	124290	9.04
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	12304710	8.95	12429000	9.04
	At the end of the year	<b>12429000</b>	<b>9.04</b>	<b>12429000</b>	<b>9.04</b>

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>3.</b>	<b>RAKESH. B.SHAH</b>				
	At the beginning of the year	15854	11.53	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	158540	11.53	158540	11.53
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	15695460	11.41	15854000	11.53
	At the end of the year	<b>15854000</b>	<b>11.53</b>	<b>15854000</b>	<b>11.53</b>
<b>4.</b>	<b>HETAL R. SHAH</b>				
	At the beginning of the year	5500	4.00	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	55000	4.00	55000	4.00
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	5445000	3.96	5500000	4.00
	At the end of the year	<b>5500000</b>	<b>4.00</b>	<b>5500000</b>	<b>4.00</b>

**v. Shareholding of Directors and Key Managerial Personnel:**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>MR. AMIT INDUBHUSHAN BAKSHI</b>				
	At the beginning of the year	54959	39.97	-	-
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	549590	39.97	549590	
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	54409410	39.57	54959000	39.97
	At the end of the year	<b>54959000</b>	<b>39.97</b>	<b>54959000</b>	<b>39.97</b>
<b>2.</b>	<b>MR. HIMANSHU J. SHAH</b>				
	At the beginning of the year	6972	5.07		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69720	5.07	69720	5.07

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6902280	5.02	6972000	5.07
	At the end of the year	6972000	5.07	6972000	5.07
<b>3.</b>	<b>MR.INDERJEET SINGH NEGI</b>				
	At the beginning of the year	6971	5.07		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69710	5.07	69710	5.07
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6901290	5.02	6971000	5.07
	At the end of the year	6971000	5.07	6971000	5.07
<b>4.</b>	<b>MR. KIRIT NANUBHAI SHELAT Note <sup>9</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>5.</b>	<b>MR. SHARDUL SURESH SHROFF Note <sup>10</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>6.</b>	<b>MR. RAJIV GULATI Note <sup>11</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>7.</b>	<b>MRS. VIJYA SAMPATH Note <sup>12</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>8.</b>	<b>MR. SANJIV DWARKANATH KAUL Note <sup>13</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>9.</b>	<b>MR. KAUSHAL KAMLESH SHAH <sup>14</sup></b>				
	At the beginning of the year	5500	4.00		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	55000	4.00	55000	4.00
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	5445000	3.96	5500000	4.00
	At the end of the year	<b>5500000</b>	<b>4.00</b>	<b>5500000</b>	<b>4.00</b>
<b>10.</b>	<b>MR. RAJENDRA R.PATEL <sup>15</sup></b>				
	At the beginning of the year	6971	5.07		
	Shareholding increased in number due to sub- division of the equity Share of the Company having Face value of ₹ 10/- (Rupees Ten only) into 10(Ten) Equity Shares of Face value of Re. 1/- (Rupee One Only) each fully paid-up on 5th September, 2016	69710	5.07	69710	5.07
	Shareholding increased due to bonus issue of shares in the ratio of 99 equity shares for every 1 equity shares held on 6th September, 2016	6901290	5.02	6971000	5.07
	At the end of the year	<b>6971000</b>	<b>5.07</b>	<b>6971000</b>	<b>5.07</b>
<b>9.</b>	<b>MR. MILIND TALEGAONKAR Note <sup>16</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>10.</b>	<b>MR. SACHIN SHAH Note <sup>17</sup></b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

**Note:** <sup>9</sup> Mr. Kirit Nanubhai Shelat has been appointed as an Independent Director of the Company w.e.f. 3rd February, 2017

**Note:** <sup>10</sup> Mr. Shardul Suresh Shroff has been appointed as an Independent Director of the Company w.e.f. 3rd February, 2017

**Note:** <sup>11</sup> Mr. Rajiv Gulati has been appointed as an Independent Director of the Company w.e.f. 3rd February, 2017

**Note:** <sup>12</sup> Mrs. Vijaya Sampath has been appointed as an Independent Director of the Company w.e.f. 3rd February, 2017

**Note:** <sup>13</sup> Mr. Sanjiv Dwarkanath Kaul has resigned from the directorship of the Company w.e.f. 26th May, 2017

**Note:** <sup>14</sup> Mr. Kaushal Kamlesh Shah has resigned from the directorship of the Company w.e.f. 5th January, 2017

**Note:** <sup>15</sup> Mr. Rajendra Rambhai Patel has resigned from the directorship of the Company w.e.f. 5th January, 2017

**Note:** <sup>16</sup> The Company has designated Mr. Milind Talegaonkar as the Company Secretary of the Company w.e.f 21/09/2016

**Note:** <sup>17</sup> The Company has designated Mr. Sachin Shah as the Chief Financial Officer of the Company w.e.f 28/09/2016.

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	50,00,000	-	-	50,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>50,00,000</b>	<b>-</b>	<b>-</b>	<b>50,00,000</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		-	-	
* Reduction	(50,00,000)	-	-	(50,00,000)
<b>Net Change</b>	<b>(50,00,000)</b>	<b>-</b>	<b>-</b>	<b>(50,00,000)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	-	-	0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>

**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		Name of other Directors			(₹ In Million) Total Amount
		Amit I. Bakshi Managing Director	Himanshu J. Shah Whole Time Director	Inderjeet Singh Negi Whole Time Director	Rajendra R. Patel (Executive Director upto 5th January, 2017)	Kaushal K. Shah (Executive Director upto 5th January, 2017)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.73/-	9.82/-	9.81/-	5.89/-	7.37/-	52.62/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NA	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA	NA
4	Commission						
	- as % of profit	NIL	NIL	NIL	NIL	NIL	NIL
	- others, specify...						

(₹ In Million)

SN	Particulars of Remuneration	Name of MD	Name of other Directors				Total Amount
		Amit I. Bakshi Managing Director	Himanshu J. Shah Whole Time Director	Inderjeet Singh Negi Whole Time Director	Rajendra R. Patel (Executive Director upto 5th January, 2017)	Kaushal K. Shah (Executive Director upto 5th January, 2017)	
5	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	19.73/-	9.82/-	9.81/-	5.89/-	7.37/-	52.62/-
	Ceiling as per the Act						

#### B. REMUNERATION TO OTHER DIRECTORS: NIL

SN	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Kirit Shelat	Mr. Shardul Shroff	Mr. Rajiv Gulati	Mrs. Vijaya Sampath	Mr. Sanjiv Kaul	
1	Independent Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act						

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (₹ in Million)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.51/-	4.06/-	5.57/-
	(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	-	-	-	-

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	Others specify...				
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>1.51/-</b>	<b>4.06/-</b>	<b>5.57/-</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

#### For Eris Lifesciences Limited

##### Amit Bakshi

Chairperson & Managing Director  
DIN: 01250925

Ahmedabad  
August 17, 2017

# Annual Report on CSR Activities

*[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]*

## 1. BRIEF OF THE COMPANY'S CSR POLICY:

While the Company continues to expand and grow in its sector of business, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda.

The Company's focus areas under CSR are:

- Health
- Education
- Cleanliness and sanitation
- Environment

The CSR Policy has been put up on the Company's Website and can be accessed through the following link: <http://eris.co.in/policies>.

## 2. THE COMPOSITION OF THE CSR COMMITTEE:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on 31.03.2017 is:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1	Mr. Inderjeet Singh Negi – CHAIRPERSON	Executive	Non-Independent
2	Mr. Sanjiv Kaul - Member	Non-Executive	Non-Independent
3	Mr. Kirit Shelat- Member	Non-Executive	Independent

## 3. TOTAL NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

₹ 3203.2 million

## 4. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

₹ 1067.73 million

## 5. PRESCRIBED CSR EXPENDITURE :

₹ 21.35 million (2% of Average Net Profit)

## 6. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

Total amount to be spent for the financial year: ₹ 21.35 million

Total amount spent during the financial year: ₹ 1.1 million

Amount unspent: ₹ 20.25 million

Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the Project is covered.	Projects or Programs 1. Local Area or Other 2. Specify the State and district where projects or programmes were undertaken	Amount Outlay (budget) project or programmes wise	Amount spent on the projects or programmes Subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
1.	Agreement for Educational contribution with Sheiling House School Society	Education of Children	Kanpur	₹ 1.1 million	₹ 1.1 million	₹ 1.1 million	Direct

\* Give details of implementing agency: NA

## 7. THE REASONS FOR UNSPENT AMOUNT:

The Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving the quality of life of the communities in its operational areas. Company has spent substantial amount on certain initiatives which are philanthropic and socially useful in their nature. These activities have contributed to the well-being of the people in the community but could not get coverage in the CSR report due to fitment issues arising on account of the notified structure thereof in terms of the applicable Rules.

For instance, the Company embarked on a 'diabetic foot' project in the financial year 2016-17. The project aimed at free distribution of customised footwear insoles/foot-wears which help in alleviation of suffering caused by Diabetic Neuropathy. However, the project could not take off at the ground from the pilot stage as the responses received were not found very encouraging. The Company, even while having spent significant amount on the project, could not classify it as a CSR for the said reason.

A series of negotiations with prospective charitable bodies were unfruitful due to mismatch between Company expectations and deliverables which could be assured by those bodies. However, the Company is now well poised to comply with the CSR spending requirements in the year 2017-18 as some of its endeavours, notably one involving screening of population for possible ailments which do not usually manifest in visible symptoms, have taken off fairly well.

## 8. A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with the Company's CSR objectives.

### For Eris Lifesciences Limited

**Amit Bakshi**

(DIN: 01250925)

Chairperson and Managing Director

**Inderjeet Singh Negi**

(DIN: 01255388)

Chairperson, CSR Committee

Ahmedabad August 17, 2017



# Management Discussion & Analysis

## INDIAN PHARMACEUTICAL INDUSTRY

India is one of the fastest growing pharmaceutical markets in the world. As per the IMS Prognosis Global 2016-2020 report, it is set to enter the Top 10 position by FY 2020 from No. 12 in 2015 growing at a CAGR of 11.9% between FY 2015 and FY 2020. On the other hand, the overall global pharmaceutical market, major developed nations, top 21 Pharmmerging markets (as identified by IMS) and the rest of the world is expected to grow by 5.6%, 5.5% 7.6% and 2.6%, respectively.

### Growth rate of Pharmaceutical markets

Region	CAGR (2015-20)
India	11.9%
Global Pharma Market	5.6%
Major Developed Nations	5.5%
Pharmmerging markets <sup>(1)</sup>	7.6%
Rest of the World	2.6%

(Source: IMS Prognosis Global 2016-2020)

Indian pharmaceutical market (IPM) with market size of ₹ 1,143.3 billion in March 2017 had grown at a compounded annualised rate of 11.8% between FY 2012-13 and FY 2016-17. IPM is characterised by many unique factors. It is representing close to 20,000 companies (as per KPMG estimates) which employ large number of medical representatives. Companies serve a critical task of knowledge dissemination in the industry via various initiatives such as CMEs along with ensuring the healthcare needs of Indians in the far-reaching corners of country via a network of over 8.5 Lakh chemists (as per AIOCD). The fiercely competitive pharmaceutical industry results in quality healthcare at one of the lowest cost in the world. On the back of strong knowledge base in the domestic branded formulations ecosystem, Indian companies have forayed in the export as well and as of now, Indian companies command 20% share – by volume - in the global export market. In India, close to 550 manufacturing facilities are USFDA compliant, which is highest outside US.

India with a population of 1.3 billion people, has one of the lowest doctor-patient ratio in the world (0.7 doctors per 1,000 patients). The number of superspecialist and specialist are even lesser. To ensure availability of specialist doctors at the secondary and tertiary levels, the Indian Finance Minister in his

Union Budget Speech for FY 2018 has announced the creation of additional 5,000 post-graduate seats every year. The number of post-graduate medical seats presently available in India is approximately 27,000 (Source: Medical Council of India).

### Progression of super-specialty courses in India:

	2011 <sup>1</sup>	2014 <sup>2</sup>	2017 <sup>3</sup>
Cardiology	236	269	315
Endocrinology	42	55	78
Neurology	139	172	219
Gastroenterology	85	102	118
Nephrology	72	95	120

(1) National Health Profile 2011, Central Bureau of Health Intelligence

(2) National Health Profile 2015, Central Bureau of Health Intelligence

(3) Medical Council of India website as on February 2, 2017

The industry commands 20% share by volumes in the global export market. This success can be attributed to industry's low-cost manufacturing abilities.

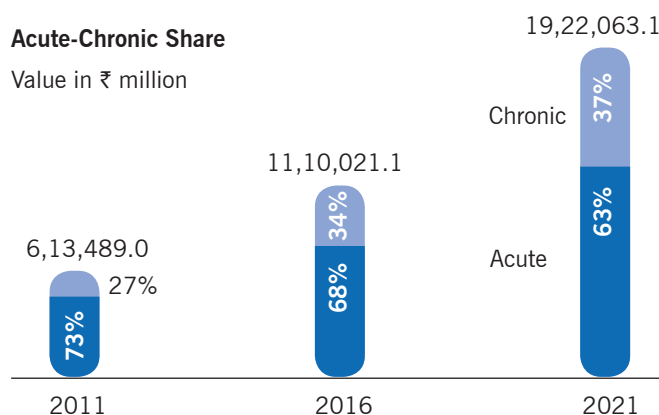
Nonetheless, the domestic pharmaceutical market is likely to grow significantly on account of improving penetration of medical services and insurance products, favourable demographic trends, the prevalence of chronic diseases and growing instance of lifestyle-related ailments. According to IMS, domestic market is likely to grow at a compounded annualised rate of 11.6%.

## INDUSTRY STRUCTURE & DEVELOPMENTS

Based on the nature of ailments, Indian pharmaceutical market can be divided into two categories-acute and chronic. While the industry is dominated by the acute category, the demand for drugs in the chronic segment has been on a steady rise. From 27% in FY 2011, contribution of chronic category increased to 34% in 2016, By 2021, its share is likely to touch 37%.

### Acute-Chronic Share

Value in ₹ million

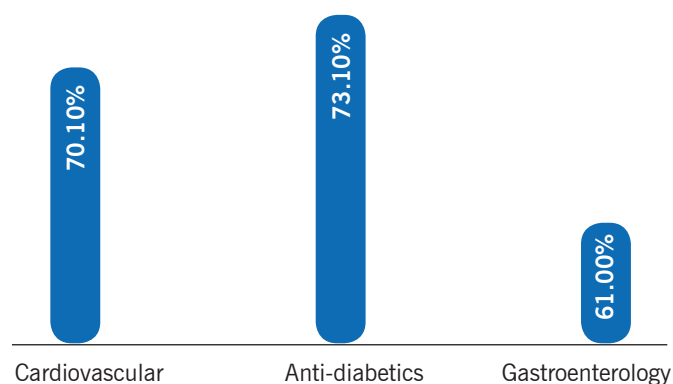


Source: IMS TSA MAT, March 2011 and March 2016; IMS Prognosis, 2016

Prevalence of chronic disorders and ailments has been high in the metros and class-1 towns.

### Lifestyle-related ailments are prevalent in megacities

### Contribution of metros and class-1 towns in industry's revenues



Source: IMS analysis; IMS TSA and Town Class MAT, March 2017

India which is primarily a prescription-based market is dominated by the domestic pharmaceutical companies. Their share in the aggregate revenues of the industry was 78.4% in March 2017. Branded generics command 98% share in the retail pharmaceutical market. In FY 2016-17, top 300 brands accounted for 30.3% of market share.

### COMPANY OVERVIEW

Eris Lifesciences Limited is one of the youngest and fastest growing companies having a presence in the high-growth chronic and acute therapeutic areas that require high intervention of specialists and superspecialists. Its diverse product portfolio which comprises 80 mother brand groups is focussed primarily on lifestyle-related disorders. In the prescription market, the Company holds a dominant position in key specialty areas such as cardiology, diabetology, CP, ENT, gastroenterology and paediatrics. It ranks among top choices in each of the representative segments within these categories. The Company has a state-of-the-art manufacturing facility at Guwahati, Assam which caters close to 80% of Company's production requirement. Our current market share of 0.7% in the IPM signifies that there is huge opportunity and headroom for growth.

The Company received the 'Competitive Strategy Leadership' Award in 2013 from Frost and Sullivan. In the same year, the Company's Promoter, Chairman and Managing Director, Mr. Amit Bakshi, was recognised as 'Entrepreneur of the year, 2013' by Ernst & Young.

The Company, in order to strengthen its marketing and distribution capabilities, created seven sales division having separate marketing strategies, under which various therapeutic areas and brands are allocated. This focussed marketing strategy has enabled the Company to deliver record performance over the years. The details of the various divisions are as follows:

Division Name	Therapeutic Areas Covered	Superspecialist / Specialist covered	Key Brands
Eris	Cardiovascular and Anti-diabetes	Cardiologists, Diabetologists-Endocrinologists, Consulting Physicians	Glimisave, Eritel, Remylin
Nikkos	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Consulting Physicians	Rabonik, Marzon
Adura	Cardiovascular and Anti-diabetes	Cardiologists, Diabetologists-Endocrinologists, Consulting Physicians	Olmin, Crevast, Tayo 60
Montana	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Metital, Calshine P
Inspira	Cardiovascular and Anti-diabetes	Cardiologists, Diabetologists-Endocrinologists, Consulting Physicians, Nephrologists	LN Bloc
Victus	Anti-diabetes	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
Eris2	Acute and Chronic Pain (analgesics)	Orthopaedicians	Mienta, Orthosenz

## BUSINESS AND FINANCIAL OVERVIEW

During the FY 2016-17, the Company undertook two noteworthy acquisitions – it acquired 75.5% stake in Kinedex Healthcare and acquired trademark of 40 brands in Amay Pharma. This shall facilitate the expansion of the Group's product portfolio in mobility-related disorders and strengthen its existing product line in the cardiovascular and anti-diabetics segment on the other. The Company also entered into distribution agreement with Medtronic to market 'i-Port Advance' injection port.

### Revenue analysis

The Company's revenues from operations on a consolidated basis improved by 21.5% Year-on-Year (Y-o-Y) to touch ₹ 725.0 crore in FY2016-17. The chronic category of the IPM contributed to 65.6% of the company's revenues in FY 2017 (Source: IMS TSA MAT, March 2017), Company is ranked 20<sup>th</sup> out of 377 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for FY 2017 (Source: IMS TSA MAT, March 2017). Company is the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 28.9%, between Fiscals 2013 and 2017 (Source: IMS TSA MAT, March 2017). Company has generated 34.4% of its revenues from the acute category of the IPM in FY 2017. Revenues from the acute category grew at a CAGR of 12.0% between Fiscals 2013 and 2017 (Source: IMS TSA MAT, March 2017).

### Profitability analysis

EBITDA for the year increased 56.4% Y-o-Y to ₹ 267.9 crore and Profit After Tax (PAT) clocked ₹ 241.2 crore thereby posting a 116.9% growth on a Y-o-Y basis. Backed by niche specialty product lines and robust operational efficiency, the Company continued to maintain strong margins. The EBITDA margin and PAT margin for the year stood at 37.1% and 33.4% respectively.

## RESEARCH AND DEVELOPMENT INTELLECTUAL PROPERTY RIGHTS

As on March 31, 2017, the Company had a team of 32 personnel working in its intellectual property and research and development department. It has about 142 registered trademarks including its flagship trademark 'Eris'. It also has made applications seeking registrations for more than 200 trademarks with the Registrar of Trademarks.

Furthermore, it intends to utilise its research and development efforts to study select products which are currently patent protected. The Company intends to consider launching branded prescription generics once the relevant patents expire. Company's emphasis is on the therapeutic areas in which it has a significant presence.

## MANUFACTURING OPERATION ENVIRONMENT, HEALTH AND SAFETY

The Company has a manufacturing facility at Guwahati, Assam. For FY 2016 and FY 2017, products manufactured at the Assam Facility, contributed to 51.56% and 59.30% of our revenues, respectively, with an additional 28.16% and 18.67%, for the same periods, contributed by products manufactured through the manufacturing facility of our erstwhile partnership firm, M/s Sozin Flora Pharma ("Sozin"). Our Company was a partner in Sozin up to August 31, 2016, and pursuant to our retirement, we transitioned certain products manufactured at the Sozin manufacturing facility to our Assam Facility.

The Company ensures that all manufacturing facilities (owned or contracted) availed for sourcing its products, comply with the Good Manufacturing Practices (GMP) stipulated by the statutes and administered by the state level food and drug administrations, Central Drugs Standard Control Organisation of India (CDSCO) and other regulatory agencies. The Company assures for the quality of their products for the entire duration of the shelf-life of the product whether manufactured by themselves or their third party. The Company also complies with all environmental norms imposed by authorities.

## OPPORTUNITIES AND THREATS

### OPPORTUNITIES

#### Dominant position in key chronic therapeutic areas

In FY 2016-17, the total market size of the cardiovascular category was ₹ 13,403 crore, while that of the anti-diabetic category was ₹ 10,058 crore. The Company has adequate unutilised production capacities to attain higher growth in sales without incurring any additional capex. The Company derives almost 3/4<sup>th</sup> of its revenues in cardiovascular and anti-diabetic segments from metro cities and class-1 towns. It is likely to benefit from the growth opportunities present in these categories. The Urban market for these segments is growing faster than the rural market. The Company is well-placed to capitalise on the growth opportunities and endeavours to grow faster than the market in these categories.

#### Higher proportion of growth phase products

It's noteworthy that Company's top 25 mother brand groups account for 92.2% of its revenues (Source: IMS TSA MAT March 2017) and it aims to grow its presence in the specialty therapeutic areas further. Based on the product lifecycle phase, 73% of Company's products are in the growth phase vis-à-vis the industry average of 30.7%. (Source: SMRSC, based on data for MAT February 2017)

**Off-patenting opportunities**

Leveraging its research and development capabilities, the Company endeavours to explore the possibilities in the branded prescription generic space upon expiry of patents in the major therapeutic areas.

**THREATS**

Industries high reliance on the branded products in the chronic category may be a cause of concern considering government's

generic push. NLEM (National List of Essential Medicine) exposure of its revenues is around 12%-14%.

**RISK AND RISK MITIGATION**

The Company has a Risk Management Framework in place which enables it to identify, monitor, mitigate and report key risks that impact its ability to meet the strategic objectives.

Some of the key risks have been identified and their mitigation measures have been appended below:

Nature of Risk	Description of Risk and Mitigation
<b>Economic and Political Risks</b>	<p>The industry is impacted by the various macro-economic factors and economic developments which may have an adverse effect not only on the industry, but also the Company as a whole. Any change in government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which we operate. These factors could depress economic activities and restrict our access to capital, which could have an adverse effect on our operations.</p> <p>The Company constantly evaluates the various developments happening in the economy to identify the risks, if any, arising from such developments.</p>
<b>Regulatory Risks</b>	<p>The Indian Pharmaceutical market is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licenses and permits, could impact our business.</p> <p>The Company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply chain processes, enable us to maintain high quality standards on one hand, while securing conformity with regulatory norms on the other.</p>
<b>Competition Risk</b>	<p>The industry is a highly competitive one, with presence of several major players. As a result of which, products face intense competition in various therapeutic areas.</p> <p>In order to mitigate the risks arising out of competition, we have developed capabilities in the commercialisation of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. Our capabilities are further enhanced with the presence of seven sales divisions that focus on developing and growing our industry engagement.</p>

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has internal control systems commensurate with the nature, size and complexity of its business operations. These systems facilitate the optimum use and protection of resources while ensuring accuracy in recording financial transactions, authorised use of assets and compliance with all statutes and laws. The Company also has a comprehensive Code of Business Conduct which lays down the ethical standards expected from each of its employees and business associates in their everyday actions.

The Company is required to have both internal and external auditors. The internal auditors periodically undertakes audit and flags-off significant observations and management actions to the Audit Committee, who in turn review the observations, assess sufficiency of proposed actions and monitor its implementation. All actions are adequately followed-up by the

internal auditors along with presenting its reports to the Audit Committee.

The Company also undertakes periodic review of these internal control systems to determine its continued effectiveness which is critical for ensuring the reliability of financial and operational information and statutory compliances.

**HUMAN RESOURCES**

The Company, being engaged in the business of manufacturing and marketing pharmaceutical products requires educated, updated and efficient employees to maintain quality and safety standards of products and manage its business growth. As on March 31, 2017, the Company had a robust team of 2,645 people, with nearly 80% of them comprising medical representatives and

field managers, who are the Company's greatest strength and play key role in strengthening its market share in the highly competitive industry.

The Company has developed a robust HR policy that ensures welfare of the employees and focusses on providing employees a healthy, safe and conducive work environment. The Company ensures that the employees are fairly compensated and provided performance-linked incentives as per the industry standards. Special attention is laid on safe manufacturing practices and adequate use of protection gear to safeguard employees from exposure to hazardous substances.

The employees are provided training on a regular basis to enhance their work and personal skills. This not only facilitates in enhancing the Company's operational excellence and productivity but at the same time enables the employees to have a structured career development planning. Besides, the employees are periodically provided information on the changing regulations to keep them updated and ensure the Company maintains high compliance standards. In addition to this, the Company also arranges for engaging programmes for strengthening bonding with the employees and building long-term relationships.

Since inception, the Company has continued to maintain cordial relationships with its employees ensuring smooth flow of operations.

## OUTLOOK

The domestic pharmaceutical market is likely to grow significantly on account of improving penetration of medical services, rising popularity of insurance spending, favourable demographic trends, the prevalence of chronic diseases and growing instance of lifestyle-related ailments. The Indian Pharmaceutical Market is expected to grow at a compounded rate of 11.6% to ₹ 1,922 billion and the chronic segment even faster at a CAGR of 13.9%.  
*Source: IMS Prognosis Global 2016-2020*

The Company is well poised to capitalise on the emerging opportunity. Favourable lifecycle positioning of products and their growing acceptance in the prescription market would present exciting growth opportunities for the Company in future. The Company intends to consolidate its position in therapeutic areas in which it has a significant presence through a plethora of initiatives including:

- Targeting new product categories within the existing therapeutic areas through launch of new products
- Continuous expansion of industry engagements in existing areas and increased focus on specialties to drive growth
- Continue executing on our doctor-patient engagement model by leveraging diagnostics and technology to aid better outcomes and enhance patient compliance

- Enhance our product lifecycle management by identifying clinical benefits and commercialising new extensions or combinations
- Enhance productivity and efficiency of our sales and marketing personnel through training, technology and exploiting synergies between divisions

In addition to consolidating presence in existing brands and therapeutic areas, the Company strives to focus its efforts on pursuing opportunities across lifestyle disorders and the chronic categories through identification of gaps in existing interventions, analysis of patient compliance, active industry engagement to develop, manufacture and market products which fulfil the unmet needs or are clinically differentiated.

The Company also intends to leverage the existing sales, marketing and distribution infrastructure to explore licensing opportunities. The Company, lays emphasis on research and development efforts to target select products which are approaching patent expiration, especially within the therapeutic areas of our presence. With this, the Company has laid thrust on building a product pipeline by aiming to exploit off-patenting opportunities that shall help grow its product portfolio and lower the dependence on maturing products. Favourable demographic developments may provide further impetus to growth in the key areas as well.

The Company also plans to leverage its IT (information technology) infrastructure in a way towards enhancing field staff efficiency and facilitating continuous industry engagements by providing daily news update related to the medical field.

## SAFE HARBOUR & CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.



# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in conscientiousness, innovation, fairness, transparency, pursuit of long-term value for all stakeholders, ethical & accountability driven processes and a purposeful existence. Your Company views the code of Governance as an opportunity to translate these beliefs into conduct which may assure all persons dealing or contemplating dealing with the company about these legitimate expectations from the Company.

## 2. BOARD OF DIRECTORS:

As on March 31, 2017, the Board of Directors comprised of 8 (eight) directors out of which 3 (three) were executive directors, 1 (one) Non Executive Nominee Director and 4 (four) were non-executive independent directors. All non-executive directors except Nominee Director were independent directors. The composition of the Board of Directors of the Company has been in conformity with the requirements of the Companies Act, 2013 ("the Act"), the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), as applicable, enjoining specified combination of Executive and Non-executive Directors, with one woman Director and with not less than 50 percent of the Board comprising of Non-Executive Director and at least one-half comprising of Independent Directors. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is compliant with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

### Board Meetings

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year ended on March 31, 2017 the Board met 11 (eleven) times on 20.05.2016, 10.08.2016, 11.08.2016, 06.09.2016, 28.09.2016, 30.09.2016, 12.12.2016, 05.01.2017, 02.02.2017, 04.02.2017 and 06.02.2017.

### Composition and category of Directors

The Composition of the Board, category of Directors' and their attendance at the Board Meeting held during the year is as follows.

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorships ^	No. of Committees in which Chairman/ member#	
					Chairperson	Member
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	11	Yes	2	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	10	Yes	2	0	1
Mr. Himanshu Jayantbhai Shah (DIN: 01301025)	Promoter, Executive and Whole-time Director	10	Yes	2	0	1



Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorships ^	No. of Committees in which Chairman/ member#	
					Chairperson	Member
Mr. Sanjiv Dwarkanath Kaul (DIN:01550413)	Non-Executive and Nominee Director of Private Equity Investor	10	Yes	2	0	2
Mr. Kaushal Kamlesh Shah* (DIN: 01229038)	Promoter, Executive Director	7	Yes	2	-	-
Mr. Rajendra Rambhai Patel* (DIN: 01229080)	Promoter, Executive Director	6	Yes	2	-	-
Mr. Shardul Suresh Shroff** (DIN: 00009379)	Non-Executive and Independent Director	0	NA	2	0	1
Mr. Kirit Nanubhai Shelat** (DIN: 00190619)	Non-Executive and Independent Director	0	NA	1	1	1
Mrs.Vijaya Sampath** (DIN: 00641110)	Non-Executive and Independent Director	0	NA	7	2	6
Mr. Rajiv Gulati** (DIN: 06820663)	Non-Executive and Independent Director	0	NA	1	0	1

\* Resigned from the Directorship of the Company w.e.f. 05.01.2017.

\*\* Appointed as an Independent Director w.e.f. 03.02.2017.

^ The above list of other directorships is based on declaration given by the respective Directors and does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

# The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Stakeholders' Relationship Committee only.

During the year under review no circular resolutions were passed.

All the information required to be furnished to the Board was made available to them along with detailed agenda notes.

As on March 31, 2017, none of the Non-Executive Director held any shares in the Company.

The familiarisation programmes imparted to independent directors shall be disclosed on <http://eris.co.in/>.

None of the Directors are related to each other in any way.

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as under:

Name of the Director	Mr. Himanshu Jayantbhai Shah, (DIN: 01301025)
Age	41 years
Date of Appointment on the Board	25/01/2007
Brief resume and nature of expertise in functional areas	Mr. Himanshu Jayantbhai Shah holds a bachelor's degree in science from the Indira Gandhi National Open University. He also holds a diploma in pharmacy from Gujarat University and a diploma in management from the Indira Gandhi National Open University.  He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry
Relationship between directors inter-se	None
Directorships held in other Listed Companies as on March 31, 2017	None
Memberships / Chairmanships of Committees in Listed Companies & public limited companies (other than Eris Lifesciences Limited and Section 8 Companies) as on March 31, 2017	None
Number of shares held in the Company as on March 31, 2017	6,972,000

### 3. INDEPENDENT DIRECTORS MEETING:

During the year, no meeting of independent directors was conducted as the Independent Directors were appointed on 3rd February, 2017.

### 4. AUDIT COMMITTEE :

The Board of Directors of the Company in their Meeting held on 04.02.2017 have constituted an audit committee pursuant to the provisions of the Act and the SEBI Listing Regulations to ensure compliance with the applicable provisions including the code of corporate governance.

The Composition as on March 31, 2017 of the Audit Committee is as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1	Mrs. Vijaya Sampath – Chairperson	Non-Executive	Independent
2	Mr. Sanjiv Kaul - Member	Non-Executive	Non-Independent
3	Mr. Rajiv Gulati - Member	Non-Executive	Independent

The committee carries out the functions enumerated in the SEBI Listing Regulations. During the year under review the Company was not required to conduct any audit committee meeting and no meetings were therefore convened.

**The terms of reference of the Committee inter alia includes the following:**

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, for the following:

**Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed ;
 

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the security and control aspects of the information technology and connectivity systems;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
19. Discussion with statutory auditors before the audit

commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
22. Reviewing the functioning of the whistle blower mechanism;
23. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. Review of statutory compliances and legal cases
25. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
26. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law. The Audit Committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- statement of deviations in terms of the SEBI Listing Regulations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
  - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Board of Directors of the Company in their Meeting held on 04.02.2017 have constituted a stakeholders relationship committee pursuant to the provisions of the Act and the SEBI Listing Regulations to ensure compliance with the applicable provisions including the code of corporate governance.

The Composition as on March 31, 2017 of the Stakeholders Relationship Committee is as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1.	Mrs. Vijaya Sampath- Chairperson	Non-Executive	Independent
2.	Mr. Himanshu Shah – Member	Executive	Non-independent
3.	Mr. Inderjeet Singh Negi - Member	Executive	Non-independent
4.	Mr. Sanjiv Kaul - Member	Non-Executive	Non-Independent

The committee carries out functions enumerated in the SEBI Listing Regulations. During the period under review the Company has not conducted any Stakeholders Relationship Committee meeting as there was no requirement to conduct the same. Mr. Milind Talegaonkar, Company Secretary acts as the Compliance Officer of the Company.

#### Number of Shareholder Complaints Received, Solved and Pending during the year:

No. of Complaint Received	No. of Complaint Solved	No. of Complaint Pending
0	0	0

#### The terms of reference of the Committee inter alia includes the following:

- Considering and resolving grievances of shareholders', debenture holders and other security holders;

- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law

The investors Grievance committee look after the matters related to the grievances of the shareholders as and when received. Further the committee also looks into other matters referred by the Board. During the period no complaints were received.

## 6. NOMINATION AND REMUNERATION COMMITTEE :

The Board of Directors of the Company in their Meeting held on 04.02.2017 has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Act and the SEBI Listing Regulations to ensure compliances with the applicable provisions including code of corporate governance.

The Composition as on March 31, 2017 of the Nomination and Remuneration committee is as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent
1.	Mr. Rajiv Gulati - Chairperson	Non-Executive	Independent
2.	Mr. Shardul Shroff – Member	Non-Executive	Independent
3.	Mr. Sanjiv Kaul - Member	Non-Executive	Non-Independent

The committee carries out functions enumerated in the SEBI Listing Regulations. During the Year Company has not conducted any Nomination and Remuneration committee meeting as the requirement was inapplicable during the said time.

The Nomination and Remuneration Committee, in its meeting held on 17th August, 2017, has adopted the following parameters to evaluate the performance of Non-Executive Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements, business performance.
- Overall contribution to the enhancement of brand image of the Company.

Managing Director and the Whole-time Director(s) and other Executive director(s):

- appropriate benchmarks set as per industry standards,
- the performance of the role occupant.

**The terms of reference of the Committee inter alia includes the following:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
- To administer and superintend the ESOP scheme of the company and
- Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.

## 7. CSR Committee:

The Company has duly constituted a CSR Committee. As on March 31, 2017, the CSR Committee comprised of 3 (three) members. The committee carries out functions enumerated in the Act. During the Year Company has conducted 5 Meetings on 21.05.2016, 10.08.2016, 30.09.2016, 12.12.2016 and 05.02.2017.

The Composition as on March 31, 2017 of the CSR committee is as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi** – <b>CHAIRPERSON</b>	Executive	Non-Independent	1
2	Mr. Sanjiv Kaul - Member	Non-Executive	Non-Independent	5
3	Mr. Kirit Shelat** - Member	Non-Executive	Independent	0
4	Mr. Rajendra Patel* - Chairperson	Executive	Non-Independent	4
5	Mr. Himanshu Shah** – Member	Executive	Non-Independent	4

\* Mr. Rajendra Patel ceased to be a Director of the Company and consequently ceases to be the Chairperson of CSR Committee w.e.f. 05.01.2017.

\*\* Mr. Inderjeet Singh Negi appointed as Chairperson and Mr. Kirit Nanubhai Shelat appointed as Member of the CSR Committee w.e.f. 04.02.2017 and Mr. Himanshu Shah ceased to be a Member of CSR Committee w.e.f. 04.02.2017.

The Company has spent ₹ 11 Lakh on CSR activities during the said financial year.

## 8. IPO COMMITTEE:

The Board of Directors of the Company in their Meeting held on 02.02.2017 has constituted the IPO Committee pursuant to the provisions of the Act and the Rules framed thereunder (including any statutory modifications or re-enactment thereof for the time being in force), and other applicable laws.

The Composition of the committee as on March 31, 2017 is as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Held	No. of Meeting Attended
1	Amit Indubhushan Bakshi – Chairperson	Executive	Non-Independent	2	2
2	Sanjiv Kaul - Member	Non-Executive	Non-Independent	2	2
3	Himanshu Jayantbhai Shah - Member	Executive	Non-Independent	2	2
4	Inderjeet Singh Negi – Member	Executive	Non-Independent	2	2

Mr. Sachin Shah, Chief Financial Officer and Mr. Milind Talegaonkar, Company Secretary of the Company assist the Committee.

During the year under review, your Company has conducted 2 Meetings on 03.02.2017 and 08.02.2017.

**The terms of reference of the Committee inter alia includes the following:**

1. to take on record the number of Equity Shares proposed to be offered by the Selling Shareholders respectively, and to decide along with the Investor Selling Shareholders, in consultation with the BRLMs, the actual size of the Offer, constituting the Offer for Sale by the promoters/shareholders, and/or reservation on a competitive basis, and/or Green Shoe Option
2. to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrars,

and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;



Offer grading agency, monitoring agency, legal counsels, printers, advertising agencies and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLMs and Selling Shareholders;

3. to finalise, settle, approve, adopt and arrange for submission of the DRHP, the RHP, the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, Stock Exchanges, RoC, institutions or bodies;
4. to issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act, 2013 and other applicable law;
5. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
6. to open separate escrow accounts to receive application monies from anchor investors/underwriters in respect of the bid amounts and refund account in respect of which a refund, if any will be made
7. to open account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013;
8. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow agreement, share escrow agreement, underwriting agreement, agreements with the registrar to the Offer and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
9. the opening of a bank account of the Company for the handling of refunds for the Offer;
10. to make any applications to the Stock Exchanges, SEBI, FIPB, RBI, and such other statutory and governmental authorities in connection with the Offer, as required by applicable laws;
11. to make applications for listing of the Equity Shares on one or more stock exchange(s), to execute and

to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;

12. to determine and finalize the price band for the Offer and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws ;
13. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
14. to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid document;
15. to approve the code of conduct, suitable insider trading policy, whistle blower/ vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
16. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with the applicable laws;
17. to determine, along with the Investor Selling Shareholders, the price at which the Equity Shares are offered, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or



any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;

18. to settle all questions, difficulties or doubts that may arise in relation to the Offer, as it may in its absolute discretion deem fit;
19. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
20. to authorize and approve the incurring of expenditure and payment of fees, commissions and remuneration in connection with the Offer;
21. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchanges where the Equity Shares are to be listed; and
22. to authorize and empower officers of the Company (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officers consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement and memorandum of understanding, the depositories agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the

stabilization agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, with the BRLMs, syndicate members, placement agents, bankers to the Offer, registrar to the Offer, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

## 9. REMUNERATION OF THE DIRECTORS

- a. During the year under review none of the non-executive directors of the Company had any pecuniary relationships or transactions with the Company.
- b. Criteria for making payments to Non-Executive Directors are available on the Company's website: <http://eris.co.in>.
- c. Disclosures with respect to remuneration:
  1. The details of remuneration and perquisites paid to the Executive Directors during the year 2016-17 are given below:

(Amount in Rupees)

Sr. No	Particulars	Mr. Amit Bakshi Managing Director	Mr. Himanshu Shah Whole-time Director	Mr. Inderjeet Singh Negi Whole-time Director
1.	Basic Salary	69,99,996/-	35,00,004/-	35,00,004/-
2.	Fixed components	1,27,25,884/-	63,24,444/-	63,10,044/-
3.	Variable components	-	-	-
	<b>Total</b>	<b>1,97,25,880/-</b>	<b>98,24,448/-</b>	<b>98,10,048/-</b>

### Non-Executive Directors:

During the year under review no payments were made to the Non-Executive Directors including Independent Directors of the Company.

2. Details of fixed components and performance linked incentives, along with the performance criteria:  
No performance linked incentives given to any Directors of the Company during the year under review.
3. There are no separate service agreements executed by the Company and its Directors however the Company has executed following agreements:
  - Managing Director Employment Agreement and its amendment thereof with Mr. Amit Bakshi,

- Employment Agreement and its amendment thereof with Mr. Himanshu Shah and Mr. Inderjeet Singh Negi,

The Non-Executive/Independent Directors are entitled for sitting fees in respect of the meetings of the Board and its committee/sub-committees attended by them and they are also entitled to reimbursement of all expenses for participation in the Board and other meetings in accordance with the Letter of Appointment issued to them.

Apart from the above agreements and letter of appointments there are no service agreements/severance fees executed / paid by the Company to the Directors.

4. The Company has not granted any ESOPs to any of the Directors of the Company.

## 10. GENERAL BODY MEETINGS:

The last three annual General Meetings were held as under:

Sr. No	Financial Year	Day and Date	Time	Location
1.	2013-14	Tuesday, 30th September, 2014	2.00 p.m.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad - 380054
2.	2014-15	Saturday, 31st October, 2015	3.00 p.m.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad - 380054
3.	2015-16	Tuesday, 25th October, 2016	1.00 p.m.	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad - 380054

The Company has not passed any special resolutions at the annual general meeting held during the last three years.

The company was not required to pass any resolution through postal ballot during the Year under review.

## 11. MEANS OF COMMUNICATION:

Since the Equity Shares of the Company got listed on 29th June, 2017 on the Stock Exchanges, this provision is not applicable during the year. However in compliance with the Regulation 46 of the SEBI Listing Regulations a separate section under Investors tab has been created on the Company's website ([www.eris.co.in](http://www.eris.co.in)) which gives information on various announcements made by the Company.

## 12. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting Day, Date, Time and Venue	Day : Friday Date: 29th September, 2017 Time: 11.00 a.m. Venue : HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
(ii) Next Financial Year	1st April, 2017 to March 31, 2018
(iii) Date of Book Closure	22nd September, 2017 to 29th September, 2017 ( both the days inclusive)
(iv) Dividend Payment Date	Not Applicable
(v) ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi) Registered Office (as on March 31 2017)	21, New York Tower - A, Nr. Muktidham Temple, Thaltej Cross Road, Thaltej Ahmedabad 380054
(vii) Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083
(vii) Investor Correspondence	7th Floor, Commerce House-Iv, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad - 380015

(ix) Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
(x) Any Website where it displays official releases	<a href="http://www.eris.co.in">http://www.eris.co.in</a>
(xi) Any presentation made to the institutional investor and analyst	No
(xii) Is half yearly report sent to the shareholders	No
(xiii) Whether Management Discussion and Analysis is a part of this report	No
(xiv) Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent.  The work of electronic transfer of shares is done through the depositories.
(xv) Auditors for the FY 2016-17 and Proposed Auditors for the FY 2017 – 2018	M/s Deloitte Haskins & Sells LLP
(xvi) Compliance Officer	Mr. Milind Talegaonkar
(xvii) Company Secretary	Mr. Milind Talegaonkar

**Listing on Stock Exchange(s):**

Your Company's Shares are listed w.e.f 29th June, 2017 on:

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1.	BSE Limited	Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2.	National Stock Exchange of India Limited	Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai-400051	ERIS

Notes:

Annual Listing fees for the year 2017 -18 have been duly paid to the stock exchanges.

**Market Price date:**

The Monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended on March 31, 2017 are not available as the equity shares got listed on 29th June, 2017.

**Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:**

Company's share price at BSE and NSE for the year ended on March 31, 2017 are not available as the equity shares got listed on 29th June, 2017.

**13. FINANCIAL CALENDER:**

Report Period	:	From 1st April 2017 to March 31 2018
First Quarter Result	:	Third Week of August, 2017
Second Quarter Result	:	Second Week of November, 2017 (tentative)
Third Quarter Result	:	Second Week of February, 2018 (tentative)
Fourth Quarter Result	:	Last Week of May, 2018 (tentative)

#### 14. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

(AS ON 31-03-2017):

##### Distribution schedule:

Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	-	-	-	-
501 – 1000	-	-	-	-
1001 – 2000	-	-	-	-
2001 – 3000	-	-	-	-
3001 – 4000	-	-	-	-
4001 – 5000	-	-	-	-
5001 – 10000	-	-	-	-
Above 10001	9	100	137500000	100
<b>Grand Total</b>	<b>9</b>	<b>100</b>	<b>137500000</b>	<b>100</b>

##### Shareholding Pattern:

##### CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoters	81373000	59.18
2	Clearing Member	-	-
3	Other Bodies Corporate – Overseas	22344000	16.25
4	Mutual Funds	-	-
5	Hindu Undivided Family	-	-
6	Bank, Financial Institutions	-	-
7	Government Nominee	-	-
8	Non-Resident Indian (Repatriable)	-	-
9	Non-Resident (Non Repatriable)	-	-
10	Public	33783000	24.57
	<b>Grand Total</b>	<b>137500000</b>	<b>100</b>

#### 15. Dematerialization of Shares and Liquidity.

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Shares of the Company are compulsorily traded in a demat form on the Stock Exchanges by all investors. All the shares of the Company have been dematerialised by investors as on March 31, 2017.

#### 16. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

#### 17. Foreign Exchange Risk and Hedging activities:

Risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The imports not being significant, do not require any hedging.

#### 18. OTHER DISCLOSURES:

##### (a) Materially significant related party transactions

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

##### (b) Details of noncompliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years:

NIL

##### (c) Whistle Blower Policy

In accordance with the requirements of the Act, read with Regulation 4 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has adopted the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.

- (d) The Company has adopted the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company- <http://www.eris.co.in/policies>.
- (e) The Company has adopted the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.
- (f) Disclosure of accounting treatment different from accounting standards: None

#### 19. Unclaimed Shares lying in Demat Suspense Account:

The balance in the demat suspense account or unclaimed suspense account is nil.

#### 20. MANAGING DIRECTOR /CFO CERTIFICATION:

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is given below:

##### **Compliance Certificate pursuant to Regulation 17(8) of SEBI LODR, 2015**

We, Amit I. Bakshi, DIN: 01250925, Chairman & Managing Director, and Sachin Shah, Chief Financial Officer of Eris Lifesciences Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement of the Company for the year ended on March 31, 2017 and to the best of our knowledge and belief:
  - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and the company has disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps the Company has taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that:

- 1. There has not been any significant changes in internal control over financial reporting during the year;
- 2. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- 3. There has not been any instance of any significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Amit Bakshi**

**DIN: 01250925**

**Chairperson & Managing Director**

**Place: Ahmedabad**

**Date: May 25, 2017**

**Sachin Shah**

**Chief Financial Officer**

#### 21. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior Management. The code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. The Code has been uploaded on the website of the Company.

#### 22. DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2016 – 2017

I, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2016 – 2017.

**Amit Bakshi**

**Chairperson and Managing Director  
(DIN: 01250925)**

**Place: Ahmedabad**

**Date: August 17, 2017**

# Certificate On Corporate Governance

TO  
THE MEMBERS OF  
ERIS LIFESCIENCES LIMITED

As requested by Eris Lifesciences Limited ("the Company") this report is prepared solely to communicate to the members of the Company on the compliance by the Company with the requirement of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and C,D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

I, Samita Arora, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and C, D & E of Schedule V of the Listing Regulations.

## MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

## MY RESPONSIBILITY:

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

## OPINION:

Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and C,D & E of Schedule V of the Listing Regulations during the year ended March 31, 2017 to the extent applicable to the Company.

The Company, an unlisted entity as on March 31, 2017, (The Company's shares got listed on the National Stock Exchange of India Limited and BSE Limited on 29th June, 2017) voluntarily complies with the requirements of the applicable provisions of the Listing Regulations.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

## **Samita Arora**

Company Secretary in Practice

ACS: 18564

COP: 13545

Place: Ahmedabad

Date: August 17, 2017

## Form No. AOC.2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Eris Lifesciences Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2017
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: Mr. Saurabh Shah (Brother of Mr. Himanshu Jayantbhai Shah, Whole Time Director of the Company)
  - (b) Nature of contracts/arrangements/transactions: Employment agreement
  - (c) Duration of the contracts/arrangements/transactions: Appointed w.e.f 1st September, 2016
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Regular employment; in the ordinary course of business of the Company at a remuneration of ₹31.98 lakhs per annum which has been approved at the General Meeting.
  - (e) Date(s) of approval by the Board, if any: 10th August, 2016. **Note:** <sup>1</sup>
  - (f) Amount paid as advances, if any: Nil

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

**Amit Bakshi**

(DIN: 01250925)

Chairperson and Managing Director

Ahmedabad, 17th August 2017

**Note:** <sup>1</sup> Appointment of Mr. Saurabh Shah was approved by the members of the Company through an ordinary resolution in an Extra ordinary general meeting held on 10th August, 2016.



## Policy on Remuneration of Directors, Key Managerial Personnel (“Kmp”) and Other Employees Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees (hereinafter referred as the “Policy”) of Eris Lifesciences Limited (“the Company”) is designed and formulated by the Nomination and Remuneration Committee (“the Committee”) of the Company pursuant to the Companies Act, 2013 (the “Act”) and rules made thereunder and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Board of Directors of the Company adopted this policy at their meeting held on August 17, 2017.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the company and its shareholders.

**B. Components of Remuneration:**

The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- Fixed compensation: The fixed salaries of the Company’s personnel shall be competitive and based on the individual personnel’s responsibilities and performance.
- Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
- Share based payments: The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffeur’s, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- Retirement benefits: The Company shall provide retirement benefits applicable in accordance with law.
- Sitting Fee and Commission: The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.

- C. Entitlement:** The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Whole Time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors
Other Directors	Board of Directors
Key Managerial Personnel	Human Resources Head subject to the approval of Board of Directors
Other employees	Departmental Heads in consultation with Human Resources Head

\*Sitting fee payable to the directors shall be in accordance with the provisions of the law.

- D. Amendment:** The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.



# **STANDALONE FINANCIAL**

# Independent Auditor's Report

To the Members of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)

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

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
**(Firm's Registration No. 117366W/W-100018)**

**Place: Ahmedabad**  
**Date: May 25, 2017**

**Kartikeya Raval**  
**Partner**  
**(Membership No. 106189)**

## **Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

#### **Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

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

For [Deloitte Haskins & Sells LLP](#)  
Chartered Accountants  
(Firm's Registration No. 117365W/W-100018)

Place: Ahmedabad  
Date: May 25, 2017

[Kartikeya Raval](#)  
Partner  
(Membership No. 106189)

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the sale deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loan are, in our opinion, *prima facie*, not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations give to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes.



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from Financial Institutions and Government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the 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 etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For [Deloitte Haskins & Sells LLP](#)

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

[Kartikeya Raval](#)

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: May 25, 2017

# Balance Sheet

as at 31st March, 2017

		(₹ in millions)	
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	137.50	1.38
(b) Reserves and surplus	3	5,303.16	3,022.27
<b>(2) Non current liabilities</b>			
(a) Long-term borrowings	4	-	-
(b) Other long-term liabilities	5	27.49	17.37
(c) Long-term provisions	6	185.35	230.98
<b>(3) Current liabilities</b>			
(a) Trade payables	7		
Due to micro and small enterprises		-	-
Due to others		251.10	278.95
(b) Other current liabilities	8	123.89	253.84
(c) Short-term provisions	9	233.03	175.30
<b>Total</b>		<b>6,261.52</b>	<b>3,980.09</b>
<b>II. ASSETS :</b>			
<b>(1) Non current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		537.50	640.96
(ii) Intangible assets		363.34	6.95
(b) Non current investments	11	874.74	625.95
(c) Deferred tax assets (net)	12	51.55	51.55
(d) Long-term loans and advances	13	595.54	284.51
(e) Other non-current assets	14	24.00	-
<b>(2) Current assets</b>			
(a) Current investments	15	2,584.83	1,437.35
(b) Inventories	16	472.01	494.57
(c) Trade receivables	17	413.02	253.62
(d) Cash and cash equivalents	18	20.55	85.30
(e) Short-term loans and advances	19	244.68	96.97
(f) Other current assets	20	79.76	2.36
<b>Total</b>		<b>6,261.52</b>	<b>3,980.09</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017

# Statement of Profit and Loss

for the year ended 31st March, 2017

(₹ in millions)

Particulars	Notes	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>REVENUE:</b>			
Revenue from operations (gross)	21	7,129.04	6,229.34
Less: Excise duty	21	(245.38)	(177.59)
<b>Revenue from operations (net)</b>		<b>6,883.66</b>	<b>6,051.75</b>
Other income	22	190.77	32.83
<b>Total Revenue (I)</b>		<b>7,074.43</b>	<b>6,084.58</b>
<b>EXPENSES:</b>			
(a) Cost of materials consumed	23	453.75	381.47
(b) Purchases of stock-in-trade		532.35	750.78
(c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	24	80.86	21.40
(d) Employee benefits expense	25	1,170.62	1,223.56
(e) Other expenses	26	1,949.64	1,973.04
<b>Total (II)</b>		<b>4,187.22</b>	<b>4,350.25</b>
<b>Profit before exceptional items, interest, tax, depreciation and amortisation (I - II)</b>		<b>2,887.21</b>	<b>1,734.33</b>
Finance costs	27	1.08	1.20
Depreciation and amortisation expense	10	231.34	195.49
<b>Profit before exceptional items and tax</b>		<b>2,654.79</b>	<b>1,537.64</b>
Exceptional item	36	-	329.51
<b>Profit before tax</b>		<b>2,654.79</b>	<b>1,208.13</b>
Tax expenses / (benefit):			
(a) Current tax expense		553.83	242.45
(b) (Less): MAT credit		(319.81)	(132.30)
(c) Short/(Excess) provision for tax relating to prior years		3.76	(2.94)
(d) Net current tax expense		237.78	107.21
(e) Deferred tax credit		-	(55.98)
<b>Net tax expense</b>		<b>237.78</b>	<b>51.23</b>
<b>Profit for the year</b>		<b>2,417.01</b>	<b>1,156.90</b>
<b>Earnings per equity share of face value ₹ 1 each</b>			
Basic and Diluted (₹)	41	17.58	8.41

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017

# Cash Flow Statement

for the year ended 31st March, 2017

Particulars	(₹ in millions)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,654.79	1,208.13
Adjustments for :		
Depreciation and amortisation expense	231.34	195.49
Loss on fixed assets sold / written off	1.87	0.55
Finance costs	1.08	1.20
Diminution in value of Investment	3.97	13.49
Profit on sale of Bonus shares / units	-	(63.40)
Dividend income	(0.35)	(0.30)
Interest income	(8.68)	(3.29)
Net gain on sale of investments	(168.11)	(29.07)
<b>Operating profit before working capital changes</b>	<b>2,715.91</b>	<b>1,322.80</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(159.40)	(17.41)
Inventories	22.56	43.76
Loans and advances	(222.21)	(41.12)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	16.92	334.06
<b>Cash generated from operations</b>	<b>2,373.78</b>	<b>1,642.09</b>
Net income tax paid	(522.07)	(315.54)
<b>Net cash flow from operating activities (A)</b>	<b>1,851.71</b>	<b>1,326.55</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets	(488.62)	(232.18)
Purchase of non-current Investments (including subsidiary)	(773.79)	(44.60)
Sale of current investments	132.91	-
Purchase of current Investment	(621.26)	(180.23)
Bank balances not considered as cash and cash equivalents-Placed	(0.02)	(0.47)
Proceeds from sale of fixed assets	0.35	0.29
Dividend income	0.35	0.30
Interest income	8.80	3.02
<b>Net cash used in investing activities (B)</b>	<b>(1,741.28)</b>	<b>(453.87)</b>

Particulars	(₹ in millions)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(5.00)	(5.00)
Finance costs	(1.08)	(1.20)
Dividend and dividend distribution tax paid	(169.12)	(830.78)
<b>Net cash flow used in financing activities ( C )</b>	<b>(175.20)</b>	<b>(836.98)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(64.77)</b>	<b>35.70</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>84.77</b>	<b>49.07</b>
<b>Cash and cash equivalents at end of the year {Refer note-18 (a) }</b>	<b>20.00</b>	<b>84.77</b>

**Footnotes:**

- (i) The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Accounting Standard 3- Cash Flow Statements.
- (ii) Cash and Cash Equivalents {Refer note- 18(a)}

Particulars	(₹ in millions)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Cash on hand	0.46	15.41
Balance with banks		
In Current Account	19.54	69.36
<b>Cash and Cash Equivalents as per Cash flow statement</b>	<b>20.00</b>	<b>84.77</b>

(iii) Previous year's figure have been regrouped to confirm with those of the current year.

**See accompanying notes forming part of the financial statements**

**In terms of our report attached**  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017

## Corporate Information:

“Eris Lifesciences Limited (“the Company”) was incorporated on January 25, 2007. The Company is engaged in the manufacture and trading business of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The company has filed DRHP in the month of February 2017 and is in the process of filing of RHP.”

## Note 1: Significant accounting policies

### 1.1 Basis of accounting and preparation of financial statements:

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 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 1.2 Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

### 1.3 Operating cycle:

All the 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 Schedule III to the Companies Act, 2013. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 1.4 Revenue recognition:

- a. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns. Excise duty collected on sales is shown by way of deduction from sales.

- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

- c. Other income:

- i) Dividend income is recognized when the right to receive dividend is established.
- ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

### 1.5 Fixed assets:

Fixed assets are stated at cost of acquisition / construction net of recoverable taxes less accumulated depreciation/ amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 1.6 Depreciation and amortization:

Depreciation on fixed Assets (other than 'Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

Trade Marks, Brand and other similar rights are amortized over their estimated economic life of ten years. Non-compete fees are amortized over their contractual life of five years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

## 1.7 Impairment of assets:

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

## 1.8 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and Stores, Spares and Consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of CENVAT and input tax credit availed], labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

## 1.9 Investments:

Investments are either classified as current or non-current based on the Management's intention on the balance sheet date. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties, if any.

## 1.10 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 1.11 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for effects of transactions of a non cash nature and any deferrals or accruals of past

or future cash receipts or payments. The cash flows from operating, financing, and investing activities of the company are segregated based on the available information.

## 1.12 Borrowing cost:

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

## 1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

## 1.14 Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

### (a) Long Term:

- (A) **Defined contribution plan:** The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.
- (B) **Defined benefit plan:** The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they occur.
- (C) Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date.



**(b) Short term:**

Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid or expected to be paid for services rendered by the employees during the year. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service."

**1.15 Taxes on Income:**

The Company's income taxes include current tax on the Company's taxable profits, adjustments attributable to earlier periods and changes in deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

**1.16 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is 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.

Contingent liability is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

**1.17 Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**1.18 Foreign currency transactions and translation:**

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement / restatement are adjusted in the statement of profit and loss.

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 2: Share capital

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Authorised:</b>		
30,00,00,000 Equity Shares of ₹1 each	300.00	100.00
(Previous year 10,000,000 Equity Shares of ₹10 each)		
<b>Total</b>	<b>300.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
13,75,00,000 Equity Shares of ₹1 each fully paid up	137.50	1.38
(Previous year 137,500 Equity Shares of ₹10 each fully paid up)		
<b>Total</b>	<b>137.50</b>	<b>1.38</b>

### 2.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No. of equity shares	₹ in millions	No. of equity shares	₹ in millions
Shares outstanding at the beginning of the year	137,500	1.38	137,500	1.38
Issued during the year :				
Share Split from ₹10 to ₹1 per share	1,237,500	-	-	-
Bonus shares issued during the year (99 fully paid up equity shares for every 1 share held)	136,125,000	136.12	-	-
Shares outstanding at the end of the year	137,500,000	137.50	137,500	1.38

### 2.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate Number of Shares	
	As at March 31, 2017	As at March 31, 2016
<b>Equity shares</b>		
Bonus shares issued during the year	136,125,000	-

### 2.3 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	54,959,000	39.97	54,959	39.97
2. Himanshu Jayantbhai Shah	6,972,000	5.07	6,972	5.07
3. Inderjeet Singh Negi	6,971,000	5.07	6,971	5.07
4. Rajendrakumar Rambhai Patel	6,971,000	5.07	6,971	5.07
5. Bhikhalal Chimanlal Shah	12,429,000	9.04	12,429	9.04
6. Rakeshbhai Bhikhabhai Shah	15,854,000	11.53	15,854	11.53
7. Botticelli	22,344,000	16.25	22,344	16.25

### 2.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

# Notes on Financial Statement

for the year ended March 31, 2017

## 2.5 Sub-division, bonus issue and increase in authorised capital:

In the EGM held on September 05, 2016;

- i) the authorised share capital of the company has been increased to ₹ 300 millions ,
- ii) the face value of every fully paid equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid equity shares of ₹ 1 each
- iii) 136,125,000 equity shares of ₹ 1 each have been resolved to be issued as fully paid bonus shares (99 bonus shares for every 1 fully paid equity share held)

The above events has been approved by the Board of directors in their meeting held on August 11, 2016 which has further been approved by the shareholders in their extraordinary general meeting held on September 05, 2016. The allotment of bonus shares was approved and concluded by the Board in their meeting held on September 06, 2016.

## Note 3: Reserves and surplus

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>General reserve (A)</b>	<b>7.00</b>	<b>7.00</b>
<b>Surplus in the Statement of Profit and Loss (B)</b>		
Opening balance	3,015.27	2,858.28
Less: Utilised for issuing bonus shares	(136.12)	-
Add: Profit for the year	2,417.01	1,156.90
Less: Interim dividend [(Current Year Nil) (Previous Year ₹ 6,042 per share)]	-	(830.78)
Less: Tax on interim dividend	-	(169.13)
<b>Closing balance</b>	<b>5,296.16</b>	<b>3,015.27</b>
<b>Total (A+B)</b>	<b>5,303.16</b>	<b>3,022.27</b>

## Note 4: Long-term borrowings

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Term loan</b>		
Secured term loan from bank	-	5.00
Less: Current maturities of long-term debt (Refer note-8)	-	(5.00)
<b>Total</b>	<b>-</b>	<b>-</b>

### Note

The term loan of ₹ Nil (Previous Year ₹ 5 millions) obtained for expansion at Guwahati, is secured by pledge of Debt Mutual Fund units with the bank.

## Note 5: Other long-term liabilities

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Trade deposits	17.19	17.37
Deferred Lease rent payment	10.30	-
<b>Total</b>	<b>27.49</b>	<b>17.37</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 6: Long-term provisions

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Compensated absences	37.58	50.86
Provision for sales returns (Refer note-36)	147.77	180.12
<b>Total</b>	<b>185.35</b>	<b>230.98</b>

## Note 7: Trade payables

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade payables</b>		
Other than acceptances		
Due to micro and small enterprises (Refer note-29)	-	-
Due to others	251.10	278.95
<b>Total</b>	<b>251.10</b>	<b>278.95</b>

## Note 8: Other current liabilities

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt (Refer note-4)	-	5.00
Book overdraft	71.12	32.03
<b>Other payables:</b>		
Dividend distribution tax payable	-	169.12
Statutory liabilities	49.83	42.64
Advances from customers	2.54	3.42
Payable on purchase of fixed assets	0.40	1.63
<b>Total</b>	<b>123.89</b>	<b>253.84</b>

## Note 9: Short-term provisions

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Compensated absences	21.87	20.32
Gratuity (Refer note-33)	17.67	5.58
Provision for sales returns (Refer note-36)	170.64	149.40
Provision for income tax (net of advance tax)	22.85	-
<b>Total</b>	<b>233.03</b>	<b>175.30</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 10: Fixed Assets

(₹ in millions)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at April 1, 2016	Additions During the Year	Deductions / Adjustments during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Additions During the Year	Balance as at March 31, 2017	Balance as at March 31, 2016
<b>(a) Tangible Assets</b>								
Freehold Land	31.03	-	-	31.03	-	-	31.03	31.03
Building	233.30	-	-	233.30	43.16	17.24	172.90	190.14
Plant and Machinery	272.87	6.44	-	279.31	88.77	33.96	156.58	184.10
Vehicles	162.55	1.68	5.73	158.50	108.54	17.18	37.49	54.01
Equipment	316.19	91.52	23.92	383.79	160.61	126.19	119.72	155.58
Furnitures and Fixtures	51.50	0.51	-	52.01	28.32	6.25	17.44	23.18
Electrical Installation	4.93	0.19	-	5.12	2.01	0.77	2.34	2.92
<b>Total</b>	<b>1,072.37</b>	<b>100.34</b>	<b>29.65</b>	<b>1,143.06</b>	<b>431.41</b>	<b>201.59</b>	<b>537.50</b>	<b>640.96</b>
<b>Previous year</b>	<b>848.73</b>	<b>228.42</b>	<b>4.78</b>	<b>1,072.37</b>	<b>242.95</b>	<b>192.39</b>	<b>431.41</b>	<b>640.96</b>
<b>(b) Intangible Assets</b>								
Trademark	2.00	0.19	-	2.19	1.03	0.14	1.17	0.97
Computer Software-Acquired	12.23	7.26	0.19	19.30	6.25	2.01	8.08	5.98
Brand*	-	328.70	-	328.70	-	21.16	307.54	-
Non-compete fees*	-	50.00	-	50.00	-	6.44	43.56	-
<b>Total</b>	<b>14.23</b>	<b>386.15</b>	<b>0.19</b>	<b>400.19</b>	<b>7.28</b>	<b>29.75</b>	<b>363.34</b>	<b>6.95</b>
<b>Previous year</b>	<b>11.08</b>	<b>3.15</b>	<b>-</b>	<b>14.23</b>	<b>4.18</b>	<b>3.10</b>	<b>7.28</b>	<b>6.95</b>
<b>Grand Total</b>	<b>1,086.60</b>	<b>486.49</b>	<b>29.84</b>	<b>1,543.25</b>	<b>438.69</b>	<b>231.34</b>	<b>900.84</b>	<b>647.91</b>
<b>Previous year</b>	<b>859.81</b>	<b>231.57</b>	<b>4.78</b>	<b>1,086.60</b>	<b>247.13</b>	<b>195.49</b>	<b>438.69</b>	<b>647.91</b>

\* Pursuant to agreement dated August 06, 2016 amongst Amay Pharmaceuticals Private Limited (Formerly known as Aprica Pharmaceuticals Private Limited) ("Amay"), ERIS Lifesciences Limited ("ERIS") and Mr. Maharshi Sanjaykumar Vyas, Amay has agreed to assign, convey and transfer the brands exclusively, irrevocably, perpetually, unconditionally and absolutely to ERIS for a consideration of ₹ 328.7 millions. ERIS has also paid ₹ 50 millions to Amay as non compete fees in relation to above brand.

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 11: Non current investments

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade investments (unquoted) (valued at cost) (Refer note 32.1)</b>		
Investment in equity instruments of subsidiaries	773.79	-
Investment in other equity instruments	25.95	25.95
<b>Non-trade investment (valued at cost) (Refer note 32.1)</b>		
Investment in equity instruments (quoted)	15.00	15.00
Investment in Mutual Fund (unquoted)	60.00	585.00
	<b>874.74</b>	<b>625.95</b>
Aggregate value of quoted investments	15.00	15.00
Market value of quoted investments	12.90	11.58
Aggregate value of unquoted investments	859.74	610.95

## Note 12: Deferred tax assets (net)

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax assets (Refer note below)</b>		
On difference between book balance and tax balance of fixed assets	27.41	26.91
Compensated absences	20.57	24.64
Lease Rent Equilisation	3.57	-
<b>Total</b>	<b>51.55</b>	<b>51.55</b>

Note : Previous year deferred tax credit (assets) includes Rs.35.39 millions, pertaining to earlier year.

## Note 13: Long-term loans and advances

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Security deposits	44.56	42.48
Advance income tax (net of provision)	68.23	71.66
Minimum Alternate Tax credit entitlement	452.11	132.30
Advances recoverable in cash or kind or for value to be received	30.64	38.07
<b>Total</b>	<b>595.54</b>	<b>284.51</b>

## Note 14: Other non-current assets

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Receivable on sale of Investment in subsidiary	24.00	-
<b>Total</b>	<b>24.00</b>	<b>-</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 15: Current investments

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade investments (unquoted) (valued at cost ) (Refer note 32.2)</b>		
Investment in partnership firm	-	162.91
<b>Non-trade investments (unquoted) (valued at lower of cost and fair value) (Refer note 32.2)</b>		
Investment in mutual funds	2,581.63	1,271.24
Investment in tax free bonds	3.20	3.20
<b>Total</b>	<b>2,584.83</b>	<b>1,437.35</b>

## Note 16: Inventories

(At lower of cost and net realisable value)

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Raw Material and Packing Material {including goods-in-transit ₹ 3.33 millions (Previous year ₹ 8.53 millions)}	114.83	55.88
Work-in-progress	12.95	19.89
Finished goods	255.77	205.34
Stock-in-trade {including goods-in-transit ₹ 3.52 millions (Previous year ₹ 0.25 millions)}	87.84	212.19
Stores, spares & consumables	0.62	1.27
<b>Total</b>	<b>472.01</b>	<b>494.57</b>

## Note 17: Trade receivables

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they were due for payment	3.10	2.20
Others	409.92	251.42
<b>Total</b>	<b>413.02</b>	<b>253.62</b>

## Note 18: Cash and cash equivalents

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.46	15.41
Balances with banks in current accounts	19.54	69.36
<b>(b) Other bank balances</b>		
In fixed deposit accounts having original maturity of more than 3 months	0.55	0.53
<b>Total</b>	<b>20.55</b>	<b>85.30</b>



# Notes on Financial Statement

for the year ended March 31, 2017

## Note 19: Short-term loans and advances

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
<b>Loans and advances to related parties (Refer note-28)</b>		
To subsidiaries*	152.15	5.86
Security deposits	0.01	0.23
Loans and advances to employees	8.63	15.40
Prepaid expenses	9.54	9.30
Advance income tax (net of provision)	-	9.24
<b>Balances with government authorities</b>		
Cenvat credit receivable	13.56	9.61
Others	23.36	1.26
Advance recoverable in cash or kind or for value to be received	37.43	46.07
<b>Total</b>	<b>244.68</b>	<b>96.97</b>
*Includes Loan given to kinedex healthcare private limited in which director is a common director	<b>84.25</b>	<b>5.86</b>

## Note 20: Other current assets

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Insurance claim receivable	0.07	2.09
Interest accrued	0.15	0.27
Receivable on sale of Investment in subsidiary	6.00	-
IPO Expense Recoverable (Refer note-44)	73.54	-
<b>Total</b>	<b>79.76</b>	<b>2.36</b>

## Note 21: Revenue from operations

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products <sup>(21.1)</sup>	6,884.23	6,020.17
Less: Excise duty	(245.38)	(177.59)
<b>Revenue from operations (net) (A)</b>	<b>6,638.85</b>	<b>5,842.58</b>
Excise duty refund	191.85	119.15
Share of profit from partnership firm	45.95	85.29
Others	7.01	4.73
<b>Other operating income (B)</b>	<b>244.81</b>	<b>209.17</b>
<b>Total (A+B)</b>	<b>6,883.66</b>	<b>6,051.75</b>

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>(21.1) Details of Products sold</b>		
Tablets and Capsules	6,521.57	5,641.77
Other	362.66	378.40
<b>Total</b>	<b>6,884.23</b>	<b>6,020.17</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 22: Other income

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest income	8.68	3.29
Dividend income from non current Investment	0.35	0.30
Net gain on current investments sold	168.11	29.07
Provision for diminution in value of Investment in subsidiary written back	13.49	-
Miscellaneous income	0.14	0.17
<b>Total</b>	<b>190.77</b>	<b>32.83</b>

## Note 23: Cost of material consumed (Refer note 38)

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Raw materials and packing materials</b>		
Opening stock	55.88	79.03
Add: Purchases during the year	512.70	358.32
Less: Closing stock	(114.83)	(55.88)
<b>Total</b>	<b>453.75</b>	<b>381.47</b>

## Note 24: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Opening stock</b>		
Stock-in-trade	212.19	207.18
Finished goods	205.34	222.93
Work-in-progress	19.89	28.71
	<b>437.42</b>	<b>458.82</b>
<b>Less: Closing stock</b>		
Stock-in-trade	87.84	212.19
Finished goods	255.77	205.34
Work-in-progress	12.95	19.89
	<b>356.56</b>	<b>437.42</b>
<b>Net (Increase) / decrease in stocks</b>	<b>80.86</b>	<b>21.40</b>

## Note 25: Employee benefits expenses

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	1,098.54	1,131.17
Contribution to provident and other funds	50.27	57.44
Staff welfare expenses	21.81	34.95
<b>Total</b>	<b>1,170.62</b>	<b>1,223.56</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 26: Other expenses

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel	29.32	27.38
Consumption of stores and spares (Indigenous)	21.11	20.82
Labour and security	17.76	13.13
Testing charges	5.84	9.08
Excise duties (Refer note-31)	44.29	7.85
Rent (Refer note-39)	40.61	54.78
Freight and forwarding	69.25	64.01
Commission	131.90	117.60
Advertising, publicity and awareness	315.83	444.39
<b>Repairs and maintenance</b>		
Buildings	14.92	15.13
Machinery	0.31	0.52
Other	9.78	5.37
Selling and distribution	212.95	197.49
Travelling and conveyance	640.97	615.68
Communication	20.33	22.14
Legal and professional	302.22	300.29
Rates and taxes	26.07	25.97
Insurance	7.02	6.95
Payments to statutory auditor-for audit (excluding service tax for current year)	2.50	1.38
Payments to cost auditor-for audit	0.08	0.08
Loss on fixed assets sold / written off	1.87	0.55
Corporate social responsibility expenditure	1.10	-
Donations	0.08	0.60
Prior period items (net) (Refer note-26.1)	7.47	0.40
Bank charges	0.59	1.57
Provision for diminution in Investment	-	13.49
Diminution in value of Investment	3.97	-
Loss on sale of Partnership firm (Refer note-32.2.1)	13.49	-
Miscellaneous	8.01	6.39
<b>Total</b>	<b>1,949.64</b>	<b>1,973.04</b>

### 26.1: Details of prior period items (net)

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Prior period income:</b>		
(Profit) / loss on sale of investments	-	(63.40)
<b>Prior period expenses:</b>		
Provision for compensated absences	-	63.80
Lease rent equilisation (Refer note-39)	7.47	-
<b>Total</b>	<b>7.47</b>	<b>0.40</b>

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 27: Finance cost

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on borrowings	1.08	1.20
<b>Total</b>	<b>1.08</b>	<b>1.20</b>

## Note 28: Related Party Disclosures

### A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Name of the entity	Nature of Relationship
1	Mr. Amit Bakshi, Managing Director	Key Managerial Personnel
2	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund	Enterprise controlled by the Company
3	Sozin Flora Pharma	Enterprise controlled by the Company (Upto August 31, 2016)
4	Eris Therapeutics Private Limited	Subsidiary
5	Aprica Healthcare Private Limited	Subsidiary (from July 12, 2016)
6	Kinedex Healthcare Private Limited	Subsidiary (from November 23, 2016)

### B) Transactions with related parties are as follows:

Sr. No.	Particulars	Nature of Relationship	(₹ in millions)	
			For the year ended March 31, 2017	For the year ended March 31, 2016
<b>1</b>	<b>Mr. Amit Bakshi</b>	Key Managerial Personnel		
	Salary and commission		19.73	25.39
<b>2</b>	<b>Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund</b>	Enterprise controlled by the Company		
	Contribution to gratuity fund		17.67	5.58
<b>3</b>	<b>Sozin Flora Pharma</b>	Enterprise controlled by the Company		
	Purchases of Stock-in-trade		172.71	440.18
	Sales of material		0.16	2.87
	Purchase of material		4.75	1.36
	Purchase of asset		3.14	-
	Share of profit from partnership		45.95	85.30
<b>4</b>	<b>Eris Therapeutics Private Limited</b>	Subsidiary		
	Loans Received Back		5.86	-
<b>5</b>	<b>Aprica Healthcare Private Limited</b>	Subsidiary		
	Net Loans and Advances Given		67.90	-
	Royalty Income		2.45	-
<b>6</b>	<b>Kinedex Healthcare Private Limited</b>	Subsidiary		
	Net Loans and Advances Given		82.00	-
	Interest Income		2.50	-

# Notes on Financial Statement

for the year ended March 31, 2017

## C) Balances with related parties at end of the year:

Sr. No.	Particulars	Nature of Relationship	As at March 31, 2017	As at March 31, 2016
<b>1</b>	<b>Sozin Flora Pharma</b>	Enterprises controlled by the Company		
	Trade payable		N.A.	55.04
	Investment in partnership firm			176.40
<b>2</b>	<b>Eris Therapeutics Private Limited</b>	Subsidiary		
	Loans and advances Given		-	5.86
<b>3</b>	<b>Aprica Healthcare Private Limited</b>	Subsidiary		
	Loans and advances Given		67.90	-
	Trade Receivable		2.55	-
<b>4</b>	<b>Kinedex Healthcare Private Limited</b>	Subsidiary		
	Loans and advances Given		84.25	-

### Note 29: Micro Small & Medium Enterprises

Based on the information available with the Company, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

### Note 30: Segment reporting

The primary and secondary reportable segments considered are business segments and geographical segments respectively. The company operates in a solitary business segment i.e. pharmaceuticals. Accordingly, no further disclosures for business segments has been given. Since the company has its operations in India only, disclosures relating to geographical segments have also not been presented separately.

### Note 31: Excise duties

Excise duties shown as deduction from sales represents the amount of excise duty collected on sales. Excise duty expenses under the head "Other expenses", represents

- (i) the difference between excise duty element in closing stocks and opening stocks, and
- (ii) excise duty paid on samples and on inventory write-off which is not recoverable from sales.

### Note 32.1: Non current investments

			(₹ in millions)		
Particulars	Face value in ₹ (per unit / share)	Units / Shares (Numbers)	As at March 31, 2017	Units / Shares (Numbers)	As at March 31, 2016
Trade investments					
In equity instruments (unquoted) (valued at cost)					
(i) of subsidiaries					
Eris Therapeutics Private Limited (Subsidiary), fully paid equity shares	10	10,000	1.06	10,000	1.06
Less: Provision for diminution in value of investments			(1.06)		(1.06)
Aprica Healthcare Private Limited (Subsidiary), fully paid equity shares	10	10,000	0.10	-	-
Kinedex Healthcare Private Limited (Subsidiary), fully paid equity shares	10	137,758	773.69	-	-

# Notes on Financial Statement

for the year ended March 31, 2017

Particulars	Face value in ₹ (per unit / share)	Units / Shares (Numbers)	(₹ in millions)		
			As at March 31, 2017	Units / Shares (Numbers)	As at March 31, 2016
<b>(ii) of other entities</b>					
S3V Vascular Technologies Private Limited, fully paid equity shares	10	381,588	25.95	381,588	25.95
<b>Non-trade investment (valued at cost)</b>					
Investment in equity instruments of HCL Technologies, fully paid equity shares (quoted)	2	14,745	15.00	14,745	15.00
<b>Investment in Mutual Funds (unquoted)</b>					
Reliance Fixed Horizon Fund XXV S17	10	-	-	6,000,000	60.00
BSL FTP-Series JX-Growth	10	6,000,000	60.00	6,000,000	60.00
ICICI Prudential FMP Series	10	-	-	16,500,000	165.00
BSL FTP Series LU (32.2.11)	10	-	-	10,000,000	100.00
Reliance FMP-XXVII-Series 3 (1109 days) (32.2.11)	10	-	-	10,000,000	100.00
Reliance FMP-XXVII-Series 4 (1105 days) (32.2.11)	10	-	-	10,000,000	100.00
			<b>874.74</b>		<b>625.95</b>
Aggregate value of quoted investments			15.00		15.00
Aggregate market value of quoted investments			12.90		11.58
Aggregate value of unquoted investments			859.74		610.95

## Note 32.2: Current investments

Particulars	Units (Numbers)	Face value in ₹ (per unit)	As at March 31, 2017	Units (Numbers)	As at March 31, 2016
(₹ in millions)					
Trade investments					
Investment in partnership firm <sup>(32.2.1)</sup>	-	-	-	-	176.40
Less: Provision for diminution in value of investments	-	-	-	-	(13.49)
Non-trade investment (unquoted) (valued at lower of cost and fair value)					
Investment in mutual funds					
LIC Nomura MF FMP Series 64 <sup>(32.2.2)</sup>	-	10	-	5,762,500	59.19
Kotak FMP Series 105 <sup>(32.2.3)</sup>	-	10	-	12,708,000	127.54
HDFC FMP 370D July 2013 <sup>(32.2.4)</sup>	-	10	-	9,366,640	96.05
Birla Sun Life Fixed Term Plan-Series IC	-	10	-	6,500,000	65.00
Sundaram Fixed Term Plan-DY	-	10	-	5,000,000	50.00
Reliance FMP Series 10	-	10	-	1,700,000	20.75
Reliance FMP Series 11	-	10	-	762,500	9.31

# Notes on Financial Statement

for the year ended March 31, 2017

Particulars	Units (Numbers)	Face value in ₹ (per unit)	As at March 31, 2017	(₹ in millions)	
				Units (Numbers)	As at March 31, 2016
Sundaram Money Fund <sup>(32.2.5)</sup>	1,289,414	10	11.63	1,289,414	15.60
Sundaram Select Debt Short Term Plan	958,168	10	10.00	958,168	10.00
J.M. Arbitrage Advantage Fund <sup>(32.2.6)</sup>	-	10	-	2,284,222	22.80
HDFC Corporate Debt Opportunity Fund <sup>(32.2.7)</sup>	18,193,890	10	200.00	18,193,890	200.00
Franklin India Corporate Bond Opportunities Fund <sup>(32.2.8)</sup>	33,988,577	10	530.00	16,451,486	230.00
BSL Short Term Opportunities Fund <sup>(32.2.9)</sup>	2,352,597	10	45.00	2,352,597	45.00
Kotak Medium Term Fund <sup>(32.2.10)</sup>	27,896,191	10	320.00	27,896,191	320.00
Reliance Fixed Horizon Fund XXV S17	6,000,000	10	60.00	-	-
ICICI Prudential FMP Series 74	16,500,000	10	165.00	-	-
BSL FTP Series LU (32.2.11)	10,000,000	10	100.00	-	-
Reliance FMP-XXVII-Series 3 (1109 days) <sup>(32.2.11)</sup>	10,000,000	10	100.00	-	-
Reliance FMP-XXVII-Series 4 (1105 days) <sup>(32.2.11)</sup>	10,000,000	10	100.00	-	-
Franklin India Income Opportunity Fund	40,891,891	10	800.00	-	-
ICICI Prudential Liquid Fund	145,442	100	35.00	-	-
Kotak Liquid Fund	10,617	1,000	35.00	-	-
SBI Premier Liquid Fund	13,717	1,000	35.00	-	-
Axis Liquid Fund	19,415	1,000	35.00	-	-
<b>Investment in Tax Free Bonds</b>					
REC Tax Free Bonds	1,000	1,000	1.07	1,000	1.07
IRFC Tax Free Bonds	1,000	1,000	1.08	1,000	1.08
HUDCO Tax Free Bonds	1,000	1,000	1.05	1,000	1.05
			<b>2,584.83</b>		<b>1,437.35</b>

## (32.2.1) Details relating to investment in partnership firm:

Name of the firm: Sozin Flora Pharma

Names of partners in the firm	(₹ in millions)	
	As at March 31, 2016	
	Profit sharing ratio (%)	Closing capital
Eris Lifesciences Private Limited	99.00%	176.40
Mr. Dinesh Jain	0.40%	1.28
Mr. Sukhmal Jain	0.30%	0.38
Mr. Rajesh Jain	0.30%	2.92
<b>Total</b>	<b>100.00%</b>	<b>180.98</b>

The company has received ₹ 65 millions on retirement from partnership firm "Sozin Flora Pharma". This has resulted in a loss of ₹ 13.49 millions to the company.



# Notes on Financial Statement

for the year ended March 31, 2017

## Details of pledged securities:

The following units / shares are marked under lien in favor of respective bank(s) against overdraft facilities availed by the company:

(32.2.2) Previous year 5,000,000 units are marked lien in favor of HDFC bank.

(32.2.3) Previous year 12,500,000 units are marked lien in favor of HDFC bank.

(32.2.4) Previous year 8,274,980 units are marked lien in favor of HDFC bank.

(32.2.5) 1,289,414 (Previous year 1,289,414) units are marked lien in favor of HDFC bank.

(32.2.6) Previous year 2,284,222 units are marked lien in favor of HDFC bank.

(32.2.7) 18,193,890 (Previous year 18,193,890) units are marked lien in favor of Axis bank.

(32.2.8) 8,451,486 (Previous year 8,451,486) units are marked lien in favor of HDFC bank and (Previous year 8,000,000) units are marked lien in favor of Axis bank.

(32.2.9) 2,352,597 (Previous year 2,352,597) units are marked lien in favor of HDFC bank.

(32.2.10) 27,896,191 (Previous year 27,896,191 ) units are marked lien in favor of HDFC bank.

(32.2.11) 10,000,000 (Previous year 10,000,000) units are marked under lien in favor of Axis Bank against overdraft facility availed by the company.

## Note 33: Retirement benefit plans:

### A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹39.47 million (Previous Year ₹41.65 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme. The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹4.04 million (Previous year ₹1.98 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

### B) Defined benefit plans:

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement / death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date. The following table sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Company's financial statements as at 31st March, 2017:

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
<b>Change in present value of obligations :</b>		
Obligations at beginning of the year	45.34	38.17
Service Cost	10.83	9.72
Interest Cost	3.15	2.57
Actuarial (gain) / loss	5.99	2.33
Benefits paid	(5.50)	(7.45)
Obligations at the end of the year	59.81	45.34

# Notes on Financial Statement

for the year ended March 31, 2017

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
<b>Change in plan assets :</b>		
Fair value of plan assets at the beginning of the year	39.76	29.18
Expenses deducted from the fund	(1.19)	(1.02)
Expected returns on plan assets	2.99	2.00
Actuarial (loss) / gain	(0.32)	0.67
Employer Contributions	6.40	9.82
Benefits paid	(5.50)	(7.44)
Adjustment to the fund	-	6.55
Fair Value of plan assets at the end of the year	42.14	39.76
<b>Return of plan assets :</b>		
Expected returns on plan assets	2.99	2.00
Actuarial (loss) / gain	(0.32)	0.67
Actual return on plan assets	2.67	2.67
<b>Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>		
Present value of the defined benefit obligation at the end of the year	59.81	45.34
Less : Fair value of plan assets	42.14	39.76
Funded status [Surplus / (deficit)]	(17.67)	(5.58)
Net liability recognised in the Balance Sheet	(17.67)	(5.58)
<b>Gratuity Cost for the year</b>		
Service Cost	10.83	9.72
Interest Cost	3.15	2.57
Expected returns on plan assets	(2.99)	(2.00)
Actuarial (gain) / loss	6.31	1.66
Expenses deducted from the fund	1.19	1.02
Adjustment to the fund	-	(6.55)
Net Gratuity cost charged to Statement of Profit and Loss	18.49	6.42
<b>Assumptions:</b>		
Discount rate*	6.75%	7.45%
Estimated rate of return on plan assets**	6.75%	7.45%
Annual increase in salary costs #	7.00%	7.00%

\* The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

\*\* Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.

# The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

# Notes on Financial Statement

for the year ended March 31, 2017

Particulars	(₹ in millions)				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Experience Adjustment</b>					
Defined benefit obligation	59.81	45.34	38.17	23.26	17.99
Plan assets	42.14	39.76	29.18	18.63	9.77
Surplus / (deficit)	(17.67)	(5.58)	(8.98)	(4.63)	(8.22)
Experience adjustments on plan liabilities [ (Gains) / Losses ]	5.99	2.33	6.21	(0.37)	8.22
Experience adjustments on plan assets [ Gains / (Losses)]	(0.32)	0.67	-	-	-

## Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
Policy of insurance	86%	84%
Deposits with banks in saving account	14%	16%

The expected contributions for defined benefit plan for the next financial year will be in line with F.Y.2016-17.

## Note 34: CIF Value of Imports

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Acquisition of fixed assets	3.24	9.05
Other	0.36	-

## Note 35: Expenditure in foreign currency

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Professional fees	16.65	-
Other	0.34	22.86

## Note 36: Provision for sales return

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Opening Provision	329.52	-
Add : Provision during the year	213.24	329.52
Less : Utilization during the year	224.35	-
Closing Provision*	318.41	329.52
<b>*Classified as</b>		
Long Term	147.77	180.12
Short Term	170.64	149.40

## Note 37: Corporate Social Responsibility (CSR) expenditure

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Gross amount required to be spent by the company during the year	21.35	19.94
(b) Gross amount spent by the company during the year (other than construction / acquisition of asset)	1.10	-

# Notes on Financial Statement

for the year ended March 31, 2017

## Note 38: Consumption of indigenous raw and packing materials

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Methocel K100M IH	33.54	42.26
Metformin HCl IP	32.56	34.96
Mecobalamin IH	27.36	29.17
Alphalipoic acid IH	29.95	28.82
Others	330.34	246.26
<b>Total</b>	<b>453.75</b>	<b>381.47</b>

## Note 39: Operating Leases:

The Company has entered into operating lease agreement for office premises and certain facilities.

Lease payments recognised in the statement of profit and loss ₹ 48.08 million (Previous year ₹ 54.78 million).

The Company has given refundable interest free security deposits ₹ 11.13 million (Previous year ₹ 10.60 million) in accordance with the agreed terms.

The total future minimum lease payments under non-cancellable leases are as below:

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Not later than one year	20.94	24.95
Later than one year and not later than 5 years	86.46	90.31
Later than five years	33.17	21.90

## Note 40: Contingent Liability (Also refer note-44):

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Notices relating to DPCO Matters (refer note below)	129.03	-

Note: The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during the year. Management does not expect any cash outflow from this matter.

## Note 41: Earnings per share

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	Net profit after tax for the year (₹. in millions)	2,417.01	1,156.90
2	Weighted average number of equity shares outstanding*	137,500,000	137,500,000
3	Basic and diluted earnings per share (in ₹)	17.58	8.41
4	Face value per equity share (in ₹)	1.00	1.00

\*Number of shares considered in the previous year are after giving effect of share split and issue of bonus shares.

# Notes on Financial Statement

## for the year ended March 31, 2017

### Note 42: Specified Bank Notes:

The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as under:

Particulars	(₹ in millions)		Total
	SBNs	Other denomination notes	
Closing cash in hand as on November 8, 2016	0.09	0.22	0.31
(+) Permitted receipts	-	0.70	0.70
(-) Permitted payments	-	0.66	0.66
(-) Amount deposited in Banks	0.09	-	0.09
Closing cash in hand as on December 30, 2016	-	0.26	0.26

### Note 43: ESOP

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017" / "Plan") through the resolution passed by the Board of Directors on 2nd February, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on 3rd February, 2017. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. 12th April, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options.

### Note 44: Initial Public Offer Expenses Recoverable

IPO expenses recoverable comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Company. These receivables includes fees paid to bankers, stock exchanges, SEBI, lawyers, auditors, etc., in connection with the IPO of the Company. As per offer agreement between the Company and the selling shareholders, upon successful completion of the offer, all expenses with respect to the IPO will be borne by the selling shareholders in proportion to their respective Offered Shares sold pursuant to the Offer. Accordingly, the Company has classified the expenses incurred in connection with the IPO as receivable from selling shareholders under Other Current Assets as IPO expenses recoverable.

### Note 45: Details of Subsequent events

Subsequent to the year ended March 31, 2017, the Company has acquired two trademarks for a consideration of ₹100 Million.

### Note 46: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year.

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

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017



# **CONSOLIDATED FINANCIAL**

# Independent Auditor's Report

To the Members of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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.

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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹ 246.61 million as at March 31, 2017, total revenues of ₹ 591.38 million and net cash inflows amounting to ₹ 1.54 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose



reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by Management of the respective Group entities.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Ahmedabad  
Date: May 25, 2017

Kartikeya Raval  
Partner  
(Membership No. 106189)

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)** (hereinafter referred to as “the Holding Company”) and its subsidiary companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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. 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the auditors of the subsidiary companies incorporated in India in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company and its subsidiary companies incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matter paragraph below, the Holding Company and its subsidiary companies incorporated in India have, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the 4 subsidiary companies incorporated in India, is based solely on the corresponding reports of the auditors of those companies. Our opinion is not modified in respect of the above matter.

For [Deloitte Haskins & Sells LLP](#)

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

[Kartikeya Raval](#)

Partner

(Membership No. 106189)

Place: Ahmedabad

Date: May 25, 2017

# Consolidated Balance Sheet

as at 31st March, 2017

Particulars	Note No.	(₹ in millions)	
		As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	137.50	1.38
(b) Reserves and surplus	3	5,223.22	2,961.22
<b>(2) Minority Interest</b>		-	32.02
<b>(3) Non current liabilities</b>			
(a) Long-term borrowings	4	4.94	-
(b) Other long-term liabilities	5	36.07	17.37
(c) Long-term provisions	6	211.53	230.98
<b>(4) Current liabilities</b>			
(a) Trade payables	7		
Due to micro and small enterprises		-	-
Due to others		385.17	245.66
(b) Other current liabilities	8	135.16	266.23
(c) Short-term provisions	9	237.86	177.62
<b>Total</b>		<b>6,371.45</b>	<b>3,932.48</b>
<b>II. ASSETS :</b>			
<b>(1) Non current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		553.12	706.70
(ii) Intangible assets		363.34	6.95
(iii) Capital Work in Progress		0.74	-
(b) Goodwill on consolidation		792.61	-
(c) Non current investments	11	100.97	625.97
(d) Deferred tax assets (net)	12	95.15	54.84
(e) Long-term loans and advances	13	596.75	315.61
(f) Other non-current assets	14	24.00	-
<b>(2) Current assets</b>			
(a) Current investments	15	2,584.83	1,274.44
(b) Inventories	16	558.20	476.21
(c) Trade receivables	17	488.59	253.70
(d) Cash and cash equivalents	18	24.21	96.95
(e) Short-term loans and advances	19	109.18	117.92
(f) Other current assets	20	79.76	3.19
<b>Total</b>		<b>6,371.45</b>	<b>3,932.48</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

Particulars	Notes	For the Year ended March 31, 2017	(₹ in millions) For the Year ended March 31, 2016
<b>REVENUE:</b>			
Revenue from operations (gross)	21	7,494.95	6,144.72
Less: Excise duty	21	(245.38)	(177.59)
<b>Revenue from operations (net)</b>		<b>7,249.57</b>	<b>5,967.13</b>
Other income	22	191.12	33.70
<b>Total Revenue (I)</b>		<b>7,440.69</b>	<b>6,000.83</b>
<b>EXPENSES:</b>			
(a) Cost of materials consumed	23	504.58	582.30
(b) Purchases of stock-in-trade		569.49	317.13
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(31.00)	77.56
(d) Employee benefits expense	25	1,319.71	1,246.63
(e) Other expenses	26	2,207.86	2,030.37
<b>Total (II)</b>		<b>4,570.64</b>	<b>4,253.99</b>
<b>Profit before exceptional items, interest, tax, depreciation and amortisation (I - II)</b>		<b>2,870.05</b>	<b>1,746.84</b>
Finance costs	27	2.42	1.20
Depreciation and amortisation expense	10	237.39	203.56
<b>Profit before exceptional items and tax</b>		<b>2,630.24</b>	<b>1,542.08</b>
Exceptional item	36	-	329.52
<b>Profit before tax</b>		<b>2,630.24</b>	<b>1,212.56</b>
Tax expenses / (benefit):			
(a) Current tax expense		566.56	281.88
(b) (Less): MAT credit		(319.81)	(132.30)
(c) Short / (Excess) provision for tax relating to prior years		3.79	(2.80)
(d) Net current tax expense		250.54	146.78
(e) Deferred tax credit		(30.62)	(59.26)
<b>Net tax expense</b>		<b>219.92</b>	<b>87.52</b>
<b>Profit after tax before share of profit/(loss) of minority interest</b>		<b>2,410.32</b>	<b>1,125.04</b>
<b>Less : Share of profit/(loss) attributable to Minority Interest</b>		<b>(1.79)</b>	<b>12.88</b>
<b>Profit for the year attributable to the shareholders of the company</b>		<b>2,412.11</b>	<b>1,112.16</b>
<b>Earnings per equity share of ₹ 1 each</b>			
Basic and Diluted (₹)	42	17.54	8.09

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017

# Consolidated Cash Flow Statement

for the year ended 31st March, 2017

(₹ in millions)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,630.24	1,212.56
Adjustments for :		
Depreciation and amortization expense	237.39	203.56
Loss on fixed assets sold /written off	1.86	0.55
Finance costs	2.42	1.20
Interest Income	(7.68)	(4.17)
Impairment of goodwill on consolidation	-	27.41
Profit on sale of Bonus shares/units	-	(63.40)
Profit on disposal of undertaking	(13.92)	-
Diminution in value of Investment	3.97	-
Dividend income	(0.35)	(0.29)
Net gain on sale of investments	(168.31)	(29.07)
<b>Operating profit before working capital changes</b>	<b>2,685.62</b>	<b>1,348.35</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(138.36)	(17.03)
Inventories	(37.25)	99.83
Loans and advances	(79.84)	(60.45)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable, liabilities & provisions	99.26	290.87
<b>Cash generated from operations</b>	<b>2,529.43</b>	<b>1,661.57</b>
Net income tax paid	(530.80)	(346.78)
<b>Net cash flow from operating activities (A)</b>	<b>1,998.63</b>	<b>1,314.79</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets	(497.46)	(236.40)
Purchase of non-current Investments	(773.79)	(25.95)
Purchase of current Investment (net)	(621.05)	(180.23)
Proceeds from disposal of undertaking	35.00	-
Bank balances not considered as cash and cash equivalents- Deposits Matured / (Placed)	7.70	(1.05)
Interest Income	7.80	3.91
Proceeds from sale of fixed assets	0.36	0.31
Dividend income	0.35	0.29
<b>Net cash used in investing activities (B)</b>	<b>(1,841.09)</b>	<b>(439.12)</b>

Particulars	(₹ in millions)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(5.52)	(5.00)
Repayment of Short-term borrowings	(59.57)	-
Finance costs	(2.42)	(1.20)
Dividend and dividend distribution tax paid	(169.12)	(830.78)
<b>Net cash flow from / (used in) financing activities ( C )</b>	<b>(236.63)</b>	<b>(836.98)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(79.09)</b>	<b>38.69</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>88.68</b>	<b>49.99</b>
Cash and cash equivalents acquired pursuant to acquisition	15.63	-
Cash and cash equivalents disposed pursuant to disposal	(1.80)	-
<b>Cash and cash equivalents at end of the year {Refer note-18 (a)}</b>	<b>23.42</b>	<b>88.68</b>

**Footnotes:**

- (i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements.
- (ii) Cash and Cash Equivalents:

Particulars	(₹ in millions)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Cash on hand	0.80	16.84
Balance with banks		
In Current Account	22.62	71.84
<b>Cash and Cash Equivalents as per Cash flow statement {Refer note- 18(a)}</b>	<b>23.42</b>	<b>88.68</b>

(iii) Previous year's figure have been regrouped to confirm with those of the current year.

**See accompanying notes forming part of the financial statements**

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Whole Time Director  
DIN: 01301025

**Kartikeya Raval**  
Partner

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017

Place: Ahmedabad  
Date: 25th May, 2017



## Corporate Information:

“Eris Lifesciences Limited (“the Company”) was incorporated on January 25, 2007. The Company is engaged in the manufacture and trading business of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The company has filed DRHP in the month of February 2017 and is in the process of filing of RHP.”

### 1.1 Basis of accounting and preparation of consolidated financial statements:

The consolidated 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 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

### 1.2 Principles of Consolidation:

- The Consolidated Financial Statements are prepared in accordance with principles and procedures required for preparation and presentation of Consolidated Financial Statements as laid down under Accounting Standard 21 “Consolidated Financial Statements”. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The financial statement of the subsidiary companies used in the consolidation have been drawn upto the same reporting date as that of the company. The Financial Statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits or losses unless cost can't be recovered. The financial statement of the partnership firm used in consolidation have been drawn upto date of sale i.e. August 31, 2016.
- The excess / shortfall of cost to the Parent Company of its investment over its share of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the consolidated financial statements as goodwill / capital reserve. Goodwill is tested for impairment at the end of each accounting year.

- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiaries were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of subsidiaries attributable to the minority interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the Company.
- Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Sr. No	Name of Entity	% of ownership held by the Company as at	
		March 31, 2017	March 31, 2016
a	Sozin Flora Pharma (Partnership firm) (in profit ratio) (Upto August 31, 2016)	N.A.	99%
b	Eris Therapeutics Private Limited	100.00%	100%
c	Aprica Healthcare Pvt. Ltd. (from July 12, 2016)	100.00%	N.A.
d.	Kinedex Healthcare Private Limited (from November 23, 2016)	75.48%	N.A.

### 1.3 Use of estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

### 1.4 Revenue recognition:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns. Excise duty collected on sales is shown by way of deduction from sales.

- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
  - i) Dividend income is recognized when the right to receive dividend is established.
  - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

### 1.5 Fixed assets:

Fixed assets are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 1.6 Depreciation and amortization:

Depreciation on fixed Assets (other than 'Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

In case of sozin flora pharma depreciation on fixed assets is provided as per rates specified in section 32 of Income Tax Act 1961, based on the useful life assessed by the management taking into account the nature of asset, estimated usage of asset, operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Trade Marks, Brand and other similar rights are amortized over their estimated economic life of ten years. Non-compete fees are amortized over their contractual life of five years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

### 1.7 Impairment of assets:

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

### 1.8 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and Stores, Spares and Consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of CENVAT and input tax credit availed], labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

### 1.9 Investments:

Investments are either classified as current or non-current based on the Management's intention on the balance sheet date. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties, if any.

#### 1.10 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 1.11 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing, and investing activities of the company are segregated based on the available information.

#### 1.12 Borrowing cost:

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

#### 1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

#### 1.14 Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

##### (a) Long Term:

- (A) **Defined contribution plan:** The Group's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.
- (B) **Defined benefit plan:** The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the

defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they occur.

- (C) Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date.

- (b) **Short term:** Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid or expected to be paid for services rendered by the employees during the year. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### 1.15 Taxes on Income:

Current Tax is the aggregation of the tax charge appearing in the group companies as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent year(s) and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be

available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **1.16 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is 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.

Contingent liability is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or

- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

#### **1.17 Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **1.18 Foreign currency transactions and translation:**

Transactions in foreign currencies entered into are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 2: Share capital

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Authorised:</b>		
30,00,00,000 Equity Shares of ₹1 each	300.00	100.00
(Previous year 10,000,000 Equity Shares of ₹10 each)		
<b>Total</b>	<b>300.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
13,75,00,000 Equity Shares of ₹1 each fully paid up	137.50	1.38
(Previous year 137,500 Equity Shares of ₹10 each fully paid up)		
<b>Total</b>	<b>137.50</b>	<b>1.38</b>

### 2.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No. of equity shares	₹ in millions	No. of equity shares	₹ in millions
Shares outstanding at the beginning of the year	137,500	1.38	137,500	1.38
Issued during the year:				
Share Split from ₹10 to ₹1 per share	1,237,500	-	-	-
Bonus shares issued during the year (99 fully paid up equity shares for every 1 share held)	136,125,000	136.12	-	-
Shares outstanding at the end of the year	137,500,000	137.50	137,500	1.38

### 2.2 Aggregate number and class of shares allotted as fully paid up bonus share during the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate Number of Shares	
	As at March 31, 2017	As at March 31, 2016
<b>Equity shares</b>		
Bonus shares issued during the year	136,125,000	-

### 2.3 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	54,959,000	39.97	54,959	39.97
2. Himanshu Jayantbhai Shah	6,972,000	5.07	6,972	5.07
3. Inderjeet Singh Negi	6,971,000	5.07	6,971	5.07
4. Rajendrakumar Rambhai Patel	6,971,000	5.07	6,971	5.07
5. Bhikhalal Chimanlal Shah	12,429,000	9.04	12,429	9.04
6. Rakeshbhai Bhikhabhai Shah	15,854,000	11.53	15,854	11.53
7. Botticelli	22,344,000	16.25	22,344	16.25

### 2.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

### 2.5 Sub-division, bonus issue and increase in authorised capital:

In the EGM held on September 05, 2016;

- the authorised share capital of the company has been increased to ₹ 300 million,
- the face value of every fully paid equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid equity shares of ₹ 1 each
- 136,125,000 equity shares of ₹ 1 each have been resolved to be issued as fully paid bonus shares (99 bonus shares for every 1 fully paid equity share held)

The above events has been approved by the Board of directors in their meeting held on August 11, 2016 which has further been approved by the shareholders in their extraordinary general meeting held on September 05, 2016. The allotment of bonus shares was approved and concluded by the Board in their meeting held on September 06, 2016.

### Note 3: Reserves and surplus

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>General reserve (A)</b>	<b>7.00</b>	<b>7.00</b>
<b>Surplus in the Statement of Profit and Loss (B)</b>		
Opening balance	2,954.22	2,841.97
Less: Utilised for issuing bonus shares	(136.12)	-
Add: Profit for the year	2,412.11	1,112.16
Less: Interim dividend (Previous Year ₹ 6,042 per share)	-	(830.78)
Less: Tax on interim dividend	-	(169.13)
Less: Adjustment relating to Minority Interest	(13.99)	-
Closing balance	5,216.22	2,954.22
<b>Total (A + B)</b>	<b>5,223.22</b>	<b>2,961.22</b>

### Note 4: Long-term borrowings

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Term loan</b>		
Secured term loan from bank (Refer note below)	6.48	5.00
Less: Current maturities of long-term debt (Refer note-8)	(1.54)	(5.00)
<b>Total</b>	<b>4.94</b>	<b>-</b>

#### Note

₹ 6.48 millions is secured against vehicles, repayable in the range of 18 to 52 balance monthly installments and the current interest rates are 9.10% to 10.70% p.a. (Previous Year ₹ 5 millions obtained for expansion at Guwahati, is secured by pledge of Debt Mutual Fund units with the bank. The balance outstanding was repayable in 4 equal quarterly installments and the current interest rate was 11.55% p.a.)

### Note 5: Other long-term liabilities

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Trade deposits	25.29	17.37
Deferred Lease rent payment	10.78	-
<b>Total</b>	<b>36.07</b>	<b>17.37</b>

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 6: Long-term provisions

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Compensated absences	39.63	50.86
Gratuity (Refer note-33)	6.42	-
Provision for sales returns (Refer note-36)	165.48	180.12
<b>Total</b>	<b>211.53</b>	<b>230.98</b>

## Note 7: Trade payables

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade payables</b>		
Other than acceptances		
Due to micro and small enterprises (Refer note-28)	-	-
Due to others	385.17	245.66
<b>Total</b>	<b>385.17</b>	<b>245.66</b>

## Note 8: Other current liabilities

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt (Refer note-4)	1.54	5.00
Book overdraft	71.11	32.03
<b>Other payables:</b>		
Dividend distribution tax payable	-	169.13
Statutory liabilities	58.61	54.68
Advances from customers	3.51	3.42
Payable on purchase of fixed assets	0.39	1.97
<b>Total</b>	<b>135.16</b>	<b>266.23</b>

## Note 9: Short-term provisions

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
Compensated absences	21.99	20.32
Gratuity (Refer note-33)	17.95	6.55
Provision for sales returns (Refer note-36)	175.07	149.40
Provision for income tax (net of advance tax)	22.85	1.35
<b>Total</b>	<b>237.86</b>	<b>177.62</b>



# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 10: Fixed Assets

(₹ in millions)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at April 1, 2016	Additions During the Year	Acquisition During the Year	Deductions/ Adjustments during the year	Balance as at March 31, 2017	Balance as at April 1, 2016	Additions During the Year	Acquisition During the Year	Deductions/ Adjustments during the year
<b>(a) Tangible Assets</b>									
Freehold Land	44.04	-	-	13.01	31.03	-	-	-	-
Building	270.35	-	0.52	37.05	233.82	63.35	17.97	0.27	20.89
Plant and Machinery	358.43	6.71	-	85.81	279.33	145.68	35.68	-	58.62
Motor Cars/ Vehicle	165.08	1.75	13.06	8.26	171.63	109.36	18.03	4.81	5.55
Equipment	317.90	98.95	12.88	25.65	404.08	161.86	128.73	10.06	24.01
Furnitures and Fixtures	52.20	0.51	0.65	0.69	52.67	28.63	6.28	0.48	0.33
Electrical Installation	15.18	0.19	-	10.25	5.12	7.60	0.96	-	5.79
<b>Total</b>	<b>1,223.18</b>	<b>108.11</b>	<b>27.11</b>	<b>180.72</b>	<b>1,177.68</b>	<b>516.48</b>	<b>207.65</b>	<b>15.62</b>	<b>115.19</b>
<b>(b) Intangible Assets</b>									
Trademark	1.99	0.18	-	-	2.17	1.03	0.12	-	-
Software	12.56	7.26	-	0.51	19.31	6.57	2.02	-	0.50
Brand*	-	328.70	-	-	328.70	-	21.16	-	-
Non-compete fees*	-	50.00	-	-	50.00	-	6.44	-	-
<b>Total</b>	<b>14.55</b>	<b>386.14</b>	<b>-</b>	<b>0.51</b>	<b>400.18</b>	<b>7.60</b>	<b>29.74</b>	<b>-</b>	<b>0.50</b>
<b>(c) Work In Progress</b>									
Leasehold Improvement	-	0.74	-	-	0.74	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (a+b+c)</b>	<b>1,237.73</b>	<b>494.99</b>	<b>27.11</b>	<b>181.23</b>	<b>1,578.60</b>	<b>524.08</b>	<b>237.39</b>	<b>15.62</b>	<b>115.69</b>
<b>Previous year</b>	<b>1,006.35</b>	<b>236.18</b>	<b>-</b>	<b>4.80</b>	<b>1,237.73</b>	<b>324.46</b>	<b>203.56</b>	<b>-</b>	<b>3.94</b>

\* Pursuant to agreement dated August 06, 2016 amongst Amay Pharmaceuticals Private Limited (Formerly known as Aprica Pharmaceuticals Private Limited) ("Amay"), ERIS Lifesciences Limited ("Holding Company") and Mr. Maharshi Sanjaykumar Vyas, Amay has agreed to assign, convey and transfer the brands exclusively, irrevocably, perpetually, unconditionally and absolutely to Holding Company for a consideration of ₹ 328.7 millions. Holding Company has also paid ₹ 50 millions to Amay as non compete fees in relation to above brand.



# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 11: Non current investments

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Trade investments (unquoted) (valued at cost) (Refer note 32.1)</b>		
Investment in equity instruments	25.95	25.95
<b>Non-trade investment (valued at cost) (Refer note 32.1)</b>		
Investment in equity instruments (quoted)	15.00	15.00
Investment in National Saving Certificate	0.02	0.02
Investment in Mutual Fund (unquoted)	60.00	585.00
	<b>100.97</b>	<b>625.97</b>
Aggregate value of quoted investments	15.00	15.00
Market value of quoted investments	12.90	11.58
Aggregate value of unquoted investments	85.97	610.97

## Note 12: Deferred tax assets (net)

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax assets (Refer note below)</b>		
On difference between book balance and tax balance of fixed assets	28.47	26.91
Compensated absences	21.24	24.64
Carry forward Losses	39.65	-
Lease Rent Equalisation	3.72	-
Others	2.07	3.29
<b>Total</b>	<b>95.15</b>	<b>54.84</b>

Note : Previous year deferred tax credit (assets) includes ₹ 35.39 millions, pertaining to earlier year.

## Note 13: Long-term loans and advances

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Security deposits	45.77	43.20
Advance income tax (net of provision)	68.23	71.66
MAT credit entitlement	452.11	132.30
Alternate Minimum Tax credit entitlement	-	30.38
Advances recoverable in cash or kind or for value to be received	30.64	38.07
<b>Total</b>	<b>596.75</b>	<b>315.61</b>

## Note 14: Other non-current assets

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Receivable on sale of Investment in subsidiary	24.00	-
<b>Total</b>	<b>24.00</b>	<b>-</b>

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 15: Current investments

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Non-trade investment (unquoted) (valued at lower of cost and fair value)</b> <i>(Refer note 32.2)</i>		
Investment in mutual funds	2,581.63	1,271.24
Investment in tax free bonds	3.20	3.20
<b>Total</b>	<b>2,584.83</b>	<b>1,274.44</b>

## Note 16: Inventories

*(At lower of cost and net realisable value)*

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Raw Material and Packing Material {including goods-in-transit ₹ 3.33 millions (Previous year ₹ 9.72 millions)}	114.83	62.30
Work-in-progress	12.95	43.28
Finished goods	255.77	205.92
Stock-in-trade {including goods-in-transit ₹ 5.54 millions (Previous year ₹ 0.25 millions)}	174.03	162.55
Stores, spares & consumables	0.62	2.16
<b>Total</b>	<b>558.20</b>	<b>476.21</b>

## Note 17: Trade receivables

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they were due for payment	3.10	2.20
Others	485.49	251.50
<b>Total</b>	<b>488.59</b>	<b>253.70</b>

## Note 18: Cash and cash equivalents

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.80	16.84
Balances with banks in current accounts	22.62	71.84
<b>(b) Other bank balances</b>		
In fixed deposit accounts having original maturity of more than 3 months	0.79	8.27
<b>Total</b>	<b>24.21</b>	<b>96.95</b>

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 19: Short-term loans and advances

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Security deposits	5.19	0.23
Loans and advances to employees	10.93	15.44
Prepaid expenses	11.16	9.81
Advance income tax (net of provision)	0.51	15.10
<b>Balances with government authorities</b>		
Cenvat credit receivable	13.56	9.61
Others	23.41	1.42
Advance recoverable in cash or kind or for value to be received	44.42	66.31
<b>Total</b>	<b>109.18</b>	<b>117.92</b>

## Note 20: Other current assets

Particulars	(₹ in millions)	
	As at March 31, 2017	As at March 31, 2016
Insurance claim receivable	0.07	2.92
Interest accrued	0.15	0.27
Receivable on sale of Investment in subsidiary	6.00	-
IPO Expense Recoverable (Refer Note 44)	73.54	-
<b>Total</b>	<b>79.76</b>	<b>3.19</b>

## Note 21: Revenue from operations

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products <sup>(21.1)</sup>	7,298.32	6,020.17
Less: Excise duty	(245.38)	(177.59)
<b>Revenue from operations (net) (A)</b>	<b>7,052.94</b>	<b>5,842.58</b>
Excise duty refund	191.85	119.15
Others	4.78	5.40
<b>Other operating income (B)</b>	<b>196.63</b>	<b>124.55</b>
<b>Total (A+B)</b>	<b>7,249.57</b>	<b>5,967.13</b>

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<sup>(21.1)</sup> Details of Products sold		
Tablets and Capsules	6,810.12	5,641.77
Other	488.20	378.40
<b>Total</b>	<b>7,298.32</b>	<b>6,020.17</b>

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 22: Other income

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest income	7.68	4.17
Dividend income from non current Investment	0.35	0.29
Net gain on current investments sold	168.31	29.07
Profit on disposal of the investment in subsidiary	13.92	-
Miscellaneous income	0.86	0.17
<b>Total</b>	<b>191.12</b>	<b>33.70</b>

## Note 23: Cost of material consumed (Refer note 37)

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Raw materials and packing materials</b>		
Opening stock	62.30	84.93
Add: Purchases during the year	557.11	559.67
Less: Closing stock	(114.83)	(62.30)
<b>Total</b>	<b>504.58</b>	<b>582.30</b>

## Note 24: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Opening stock</b>		
Stock-in-trade	162.55	190.63
Finished goods	205.92	224.71
Work-in-progress	43.28	73.97
	<b>411.75</b>	<b>489.31</b>
<b>Less: Closing stock</b>		
Stock-in-trade	174.03	162.55
Finished goods	255.77	205.92
Work-in-progress	12.95	43.28
	<b>442.75</b>	<b>411.75</b>
<b>Net (Increase) / decrease in stocks</b>	<b>(31.00)</b>	<b>77.56</b>

## Note 25: Employee benefits expenses

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	1,227.48	1,151.99
Contribution to provident and other funds	57.45	58.79
Staff welfare expenses	34.78	35.85
<b>Total</b>	<b>1,319.71</b>	<b>1,246.63</b>

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 26: Other expenses

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel	30.16	35.89
Consumption of stores and spares (Indigenous)	24.96	28.94
Labour and security	18.91	15.77
Testing charges	6.59	10.92
Excise duties (Refer Note-31)	44.29	7.85
Rent (Refer note-38)	46.13	55.06
Freight and forwarding	75.03	64.88
Commission	146.87	117.60
Advertising, publicity and awareness	378.27	444.46
<b>Repairs and maintenance</b>		
Buildings	17.87	15.27
Machinery	0.54	1.42
Other	18.99	6.35
Selling and distribution	243.05	200.59
Travelling and conveyance	733.57	616.28
Communication	21.59	22.45
Legal and professional	331.16	300.91
Rates and taxes	33.01	38.35
Insurance	7.50	7.29
Payments to statutory auditor-for audit (Excluding service tax for current year)	2.50	1.38
Payments to cost auditor-for audit	0.08	0.09
Loss on fixed assets sold/written off	1.86	0.55
Corporate social responsibility expenditure	1.10	-
Donations	0.12	0.60
Prior period items (net) (Refer note-26.1)	7.48	1.13
Bank charges	0.70	1.57
Diminution in value of investment	3.97	-
Miscellaneous	11.56	7.36
Impairment of goodwill on consolidation	-	27.41
<b>Total</b>	<b>2,207.86</b>	<b>2,030.37</b>

### 26.1: Details of prior period items (net)

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Prior period income:</b>		
(Profit)/loss on sale of investments	-	(63.40)
<b>Prior period expenses:</b>		
Provision for compensated absences	-	63.80
Lease Rent Equalisation (Refer note-38)	7.48	-
Provision for gratuity	-	0.73
<b>Total</b>	<b>7.48</b>	<b>1.13</b>

# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

### Note 27: Finance cost

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on borrowings	2.42	1.20
<b>Total</b>	<b>2.42</b>	<b>1.20</b>

### Note 28: Micro Small & Medium Enterprises

Based on the information available with the Group, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

### Note 29: Related Party Disclosures

List of Related Parties and description of their relationship is as follows:

Sr. No.	Name of the entity	Relationship
1	Mr. Amit Bakshi, Managing Director	Key Managerial Personnel
2	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund	Enterprise controlled by the Company

Transactions with related parties are as follows:

Sr. No.	Particulars	Relationship	Year ended March 31, 2017	Year ended March 31, 2016
1	<b>Mr. Amit Bakshi</b>	Key Managerial Personnel		
	Salary and commission		19.73	25.39
2	<b>Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund</b>	Enterprise controlled by the Company		
	Contribution to gratuity fund		17.67	5.58

### Balances with related parties:

There are no outstanding balances with related parties at the end of year.

### Note 30: Segment reporting

The primary and secondary reportable segments considered are business segments and geographical segments respectively. The group operates in a solitary business segment i.e. pharmaceuticals. Accordingly, no further disclosures for business segments has been given. Since the group has its operations in India only, disclosures relating to geographical segments have also not been presented separately.

### Note 31: Excise duties

Excise duties shown as deduction from sales represents the amount of excise duty collected on sales. Excise duty expenses under the head "Other expenses", represents

- (i) the difference between excise duty element in closing stocks and opening stocks, and
- (ii) excise duty paid on samples and on inventory write-off which is not recoverable from sales.

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

## Note 32.1: Non current investments

Particulars	Face value in ₹ (per unit/ share)	Units/Shares (Numbers)	(₹ in millions)		
			As at March 31, 2017	Units/Shares (Numbers)	As at March 31, 2016
Trade investments					
A. In equity instruments (unquoted) (valued at cost)					
S3V Vascular Technologies Private Limited, fully paid equity shares	10	381,588	25.95	381,588	25.95
Non-trade investment (valued at cost)					
Investment in equity instruments of HCL Technologies, fully paid equity shares (quoted)	2	14,745	15.00	14,745	15.00
Investment in National Saving Certificate			0.02		0.02
Investment in Mutual Funds (unquoted)					
Reliance Fixed Horizon Fund XXV S17	10	-	-	6,000,000	60.00
BSL FTP-Series JX-Growth	10	6,000,000	60.00	6,000,000	60.00
ICICI Prudential FMP Series	10	-	-	16,500,000	165.00
BSL FTP Series LU <sup>(32.2.10)</sup>	10	-	-	10,000,000	100.00
Reliance FMP-XXVII-Series 3 (1109 days) <sup>(32.2.10)</sup>	10	-	-	10,000,000	100.00
Reliance FMP-XXVII-Series 4 (1105 days) <sup>(32.2.10)</sup>	10	-	-	10,000,000	100.00
			100.97		625.97
Aggregate value of quoted investments			15.00		15.00
Aggregate market value of quoted investments			12.90		11.58
Aggregate value of unquoted investments			85.97		610.97

## Note 32.2: Current investments

Particulars	Face value in ₹ (per unit/ Bond)	Units/Bonds (Numbers)	(₹ in millions)		
			As at March 31, 2017	Units/Bonds (Numbers)	As at March 31, 2016
Non-trade investment (unquoted) (valued at lower of cost and fair value)					
Investment in mutual fund					
LIC Nomura MF FMP Series 64 <sup>(32.2.1)</sup>	10	-	-	5,762,500	59.19
Kotak FMP Series 105 <sup>(32.2.2)</sup>	10	-	-	12,708,000	127.54
HDFC FMP 370D July 2013 <sup>(32.2.3)</sup>	10	-	-	9,366,640	96.05
Birla Sun Life Fixed Term Plan-Series IC	10	-	-	6,500,000	65.00
Sundaram Fixed Term Plan-DY	10	-	-	5,000,000	50.00
Reliance FMP Series 10	10	-	-	1,700,000	20.75
Reliance FMP Series 11	10	-	-	762,500	9.31
Sundaram Money Fund <sup>(32.2.4)</sup>	10	1,289,414	11.63	1,289,414	15.60
Sundaram Select Debt Short Term Plan	10	958,168	10.00	958,168	10.00
J.M. Arbitrage Advantage Fund <sup>(32.2.5)</sup>	10	-	-	2,284,222	22.80

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in millions)

Particulars	Face value in ₹ (per unit/ Bond)	Units/Bonds (Numbers)	As at March 31, 2017	Units/Bonds (Numbers)	As at March 31, 2016
HDFC Corporate Debt Opportunity Fund <sup>(32.2.6)</sup>	10	18,193,890	200.00	18,193,890	200.00
Franklin India Corporate Bond Opportunities Fund <sup>(32.2.7)</sup>	10	33,988,577	530.00	16,451,486	230.00
BSL Short Term Opportunities Fund <sup>(32.2.8)</sup>	10	2,352,597	45.00	2,352,597	45.00
Kotak Medium Term Fund <sup>(32.2.9)</sup>	10	27,896,191	320.00	27,896,191	320.00
Reliance Fixed Horizon Fund XXV S17	10	6,000,000	60.00	-	-
ICICI Prudential FMP Series 74	10	16,500,000	165.00	-	-
BSL FTP Series LU <sup>(32.2.10)</sup>	10	10,000,000	100.00	-	-
Reliance FMP-XXVII-Series 3 (1109 days) <sup>(32.2.10)</sup>	10	10,000,000	100.00	-	-
Reliance FMP-XXVII-Series 4 (1105 days) <sup>(32.2.10)</sup>	10	10,000,000	100.00	-	-
Franklin India Income Opportunity Fund	10	40,891,891	800.00	-	-
ICICI Prudential Liquid Fund	100	145,442	35.00	-	-
Kotak Liquid Fund	1,000	10,617	35.00	-	-
SBI Premier Liquid Fund	1,000	13,717	35.00	-	-
Axis Liquid Fund	1,000	19,415	35.00	-	-
<b>Investment in Tax Free Bonds</b>					
REC Tax Free Bonds	1,000	1,000	1.07	1,000	1.07
IRFC Tax Free Bonds	1,000	1,000	1.08	1,000	1.08
HUDCO Tax Free Bonds	1,000	1,000	1.05	1,000	1.05
			<b>2,584.83</b>		<b>1,274.44</b>

## Details of pledged securities:

The following units/shares are marked under lien in favor of respective bank(s) against overdraft facilities availed by the company:

- (32.2.1) Previous year 5,000,000 units are marked lien in favor of HDFC bank.
- (32.2.2) Previous year 12,500,000 units are marked lien in favor of HDFC bank.
- (32.2.3) Previous year 8,274,980 units are marked lien in favor of HDFC bank.
- (32.2.4) 1,289,414 (Previous year 1,289,414) units are marked lien in favor of HDFC bank.
- (32.2.5) Previous year 2,284,222 units are marked lien in favor of HDFC bank.
- (32.2.6) 18,193,890 (Previous year 18,193,890) units are marked lien in favor of Axis bank.
- (32.2.7) 8,451,486 (Previous year 8,451,486) units are marked lien in favor of HDFC bank and (Previous year 8,000,000) units are marked lien in favor of Axis bank.
- (32.2.8) 2,352,597 (Previous year 2,352,597) units are marked lien in favor of HDFC bank.
- (32.2.9) 27,896,191 (Previous year 27,896,191) units are marked lien in favor of HDFC bank.
- (32.2.10) These 10,000,000 (Previous year 10,000,000) units are marked under lien in favor of Axis Bank against overdraft facility availed by the company.



# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

### Note 33: Retirement benefit plans:

#### A) Defined contribution plans:

The Group makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Group recognized ₹43.90 million (Previous Year ₹42.45 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme. The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹4.48 million (Previous year ₹2.21 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme.

#### B) Defined benefit plans:

The group makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date. The following table sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Group's financial statements as at 31st March, 2017:

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
<b>Change in present value of obligations :</b>		
Obligations at beginning of the year	46.32	38.17
Obligations due to acquisition beginning of the year	6.33	-
Service Cost	11.57	10.63
Interest Cost	3.16	2.62
Actuarial (gain)/loss	5.99	2.35
Benefits paid	(6.85)	(7.45)
Obligations at the end of the year	66.52	46.32
<b>Change in plan assets :</b>		
Fair value of plan assets at the beginning of the year	39.77	29.18
Expenses deducted from the fund	(1.20)	(1.01)
Expected returns on plan assets	2.99	2.00
Actuarial (loss)/gain	(0.32)	0.68
Employer Contributions	6.41	9.82
Benefits paid	(5.50)	(7.45)
Adjustment to the fund	-	6.55
Fair Value of plan assets at the end of the year	42.15	39.77
<b>Return of plan assets :</b>		
Expected returns on plan assets	2.99	2.00
Actuarial (loss)/gain	(0.32)	0.68
Actual return on plan assets	2.67	2.68
<b>Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>		
Present value of the defined benefit obligation at the end of the year	66.52	46.32

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
Less : Fair value of plan assets	42.15	39.77
Funded status [Surplus/(deficit)]	(24.37)	(6.55)
Net liability recognised in the Balance Sheet	(24.37)	(6.55)
<b>Gratuity Cost for the year</b>		
Service Cost	11.57	10.63
Interest Cost	3.16	2.62
Expected returns on plan assets	(2.99)	(2.00)
Actuarial (gain)/loss	6.31	1.67
Expenses deducted from the fund	1.20	1.01
Adjustment to the fund	-	(6.55)
Net Gratuity cost charged to Statement of Profit and Loss	19.25	7.38
<b>Assumptions:</b>		
Discount rate	6.75%	7.45%
Estimated rate of return on plan assets	6.75%	7.45%
Annual increase in salary costs	7.00%	7.00%

\* The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

\*\* Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.

# The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

Particulars	(₹ in millions)				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Experience Adjustment</b>					
Defined benefit obligation	66.52	46.32	38.17	23.26	17.99
Plan assets	42.15	39.77	29.18	18.63	9.77
Surplus/(deficit)	(24.37)	(6.55)	(8.99)	(4.63)	(8.22)
Experience adjustments on plan liabilities [ (Gains) / Losses ]	5.99	2.35	6.21	(0.37)	8.22
Experience adjustments on plan assets [ Gains / (Losses)]	(0.32)	0.68	-	-	-

## Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	(₹ in millions)	
	March 31, 2017	March 31, 2016
<b>Policy of insurance</b>	86%	84%
Deposits with banks in saving account	14%	16%

The expected contributions for defined benefit plan for the next financial year will be in line with F.Y.2016-17.

# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

### Note 34: CIF Value of Imports

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Acquisition of fixed assets	3.24	9.05
Other	0.36	-

### Note 35: Expenditure in foreign currency

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Professional fees	16.65	-
Other	0.34	22.86

### Note 36: Provision for sales return

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Opening Provision	329.52	-
Add : Provision during the year	248.04	329.52
Less : Utilization during the year	237.01	-
Closing Provision*	340.55	329.52
<b>*Classified as</b>		
Long Term	165.48	180.12
Short Term	175.07	149.40

### Note 37: Consumption of indigenous raw and packing materials

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Methocel K100M IH	33.54	42.26
Metformin HCl IP	32.56	34.96
Mecobalamin IH	27.36	29.17
Alphalipoic acid IH	29.95	28.82
Others	381.17	447.09
<b>Total</b>	<b>504.58</b>	<b>582.30</b>

### Note 38: Operating Leases:

The Group has entered into operating lease agreement for office premises and certain facilities.

Lease payments recognised in the statement of profit and loss ₹ 53.61 million (Previous year ₹ 55.06 million). The Group has given refundable interest free security deposits ₹ 15.95 million (Previous year ₹ 10.60 million) in accordance with the agreed terms.

# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

The total future minimum lease payments under non-cancellable leases are as below:

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Not later than one year	25.22	24.95
Later than one year and not later than 5 years	108.23	90.31
Later than five years	47.97	21.90

### Note 39: Specified Bank Notes:

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided.

Particulars	SBNs	(₹ in millions)	
		Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.11	0.38	0.49
(+) Permitted receipts	-	1.40	1.40
(-) Permitted payments	-	1.26	1.26
(-) Amount deposited in Banks	0.11	-	0.11
Closing cash in hand as on December 30, 2016	-	0.52	0.52

### Note 40: Contingent Liability (Also refer note 44):

Particulars	(₹ in millions)	
	Year ended March 31, 2017	Year ended March 31, 2016
Notices relating to DPCO Matters (refer note below)	129.03	-

Note: The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during the year. Management does not expect any cash outflow from this matter.

### Note 41: Consolidated Financial statement

Details of entities consolidated.

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2017
Eris Therapeutics Private Limited	Subsidiary	India	100.00%
Aprica Healthcare Private Limited from July 12, 2016	Subsidiary	India	100.00%
Kinedex Healthcare Private Limited from November 23, 2016	Subsidiary	India	75.48%

Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

# Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in millions)

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2017)		Share in Profit or (Loss) (For year ended 31-03-2017)	
	As % of consolidated net Assets	₹ in millions	As % of consolidated profit or loss	₹ in millions
<b>Parent</b>				
Eris Lifesciences Limited	98.94%	5,303.93	100.71%	2,429.12
<b>Subsidiaries</b>				
Eris Therapeutics Private Limited	0.02%	0.90	0.03%	0.67
Aprica Healthcare Private Limited	0.54%	28.70	-1.63%	(39.39)
Kinedex Healthcare Private Limited	0.77%	41.18	-0.90%	(21.64)
Sozin Flora Pharma	0.00%	-	1.87%	45.14
Minority Interest in subsidiaries	-0.26%	(13.99)	-0.07%	(1.79)
<b>Total</b>	<b>100.00%</b>	<b>5,360.72</b>	<b>100.00%</b>	<b>2,412.11</b>

## Note 42: Earnings per share

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	Net profit attributable to the shareholders of the company(₹. in millions)	2,412.11	1,112.16
2	Weighted average number of equity shares outstanding*	137,500,000	137,500,000
3	Basic and diluted earnings per share (in ₹)	17.54	8.09
4	Face value per equity share (in ₹)	1.00	1.00

\*Number of shares considered in the previous year are after giving effect of share split and issue of bonus shares.

## Note 43: ESOP

The Holding Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on 2nd February, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on 3rd February, 2017. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. 12th April, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options.

## Note 44: Initial Public Offer Expenses Recoverable

IPO expenses recoverable comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) only by way of offer for sale by existing shareholders of the Holding Company. These receivables includes fees paid to bankers, stock exchanges, SEBI, lawyers, auditors, etc., in connection with the IPO of the Holding Company. As per offer agreement between the Holding Company and the selling shareholders, upon successful completion of the Offer, all expenses with respect to the IPO will be borne by the selling shareholders in proportion to their respective Offered Shares sold pursuant to the Offer. Accordingly, the Holding Company has classified the expenses incurred in connection with the IPO as receivable from selling shareholders under Other Current Assets as IPO expenses recoverable.

# Notes on Consolidated Financial Statement

## for the year ended March 31, 2017

### Note 45: Details of Subsequent events

Subsequent to the year ended March 31, 2017, the Holding Company has acquired two trademarks for a consideration of ₹100 million.

### Note 46: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year. In current year holding company has acquired two subsidiaries and to that extend current year figures are not comparable with previous year.

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

**Amit I. Bakshi**

Managing Director  
DIN: 01250925

**Himanshu J. Shah**

Whole Time Director  
DIN: 01301025

**Sachin Shah**

Chief Financial Officer

**Milind Talegaonkar**

Company Secretary  
Membership No-A26493

Place: Ahmedabad  
Date: 25th May, 2017





## **Eris Lifesciences Limited**

### **REGISTERED & CORPORATE OFFICE**

8th Floor, Commerce House IV,  
beside Shell Petrol Pump,  
100 Feet Road, Prahladnagar,  
Ahmedabad 380 015, Gujarat, India  
Tel: +91 79 3045 1111  
Fax: +91 79 3017 9404





## ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad – 380015

Email: [complianceofficer@erislifesciences.com](mailto:complianceofficer@erislifesciences.com) Website: [www.eris.co.in](http://www.eris.co.in)

Tel: +91 79 3045 1000 Fax: +91 79 3017 9404

CIN: L24232GJ2007PLC049867

**NOTICE IS HEREBY** given that the Eleventh Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Friday, September 29, 2017, at 11:00 A.M., at HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Himanshu Jayantbhai Shah, (DIN: 01301025) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company and to fix their remuneration and in this regard to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the resolution passed by the members at the Tenth Annual General Meeting of the Company held on 25th October, 2016 and pursuant to Section 139, 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, the Company hereby ratifies the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), Ahmedabad as the Statutory Auditors of the Company to hold office from the conclusion of the Eleventh Annual General Meeting till the conclusion of the Twelfth Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company in consultation with the Statutory Auditors.”

### SPECIAL BUSINESS:

4. To approve the terms of remuneration of Mr. Amit Indubhushan Bakshi (DIN: 01250925), Chairman & Managing Director of the Company and in this regard to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 196, 197 and other applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and other statutory requirements, if any, the consent of the Company be and is hereby accorded to the remuneration payable to Mr. Amit Indubhushan Bakshi (DIN: 01250925), Chairman & Managing Director of the Company as per the proposal of the Nomination and Remuneration Committee which has been duly recommended by the Board of Directors as per terms set out in the explanatory statement annexed to the notice convening the eleventh AGM.

RESOLVED FURTHER THAT the Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as are deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to this resolution including filing of necessary E-form(s) with the O/o Registrar of Companies, Gujarat.”

5. To approve the terms of remuneration of Mr. Himanshu Jayantbhai Shah (DIN:01301025), Whole-Time Director of the Company and in this regard to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 196, 197 and other applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and other statutory requirements, if any, the consent of the Company be and is hereby accorded to the remuneration payable to Mr. Himanshu Jayantbhai Shah (DIN:01301025), Whole Time Director of the Company as per the proposal of the Nomination and Remuneration Committee which has been duly recommended by the Board of Directors as per terms set out in the explanatory statement annexed to the notice convening the eleventh AGM.

RESOLVED FURTHER THAT the Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as are deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution including filing of necessary E-form(s) with the O/o Registrar of Companies, Gujarat.”

6. To approve the terms of remuneration of Mr. Inderjeet Singh Negi(DIN:01255388), Whole-Time Director of the Company and in this regard to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 196, 197 and other applicable provisions of the Companies Act, 2013 and read with the relevant Rules made thereunder and other statutory requirements, if any, the consent of the Company be and is hereby accorded to the terms of remuneration payable to Mr. Inderjeet Singh Negi (DIN: 01255388), Whole Time Director of the Company as per the proposal of the Nomination and Remuneration Committee which has been duly recommended by the Board of Directors as per terms set out in the explanatory statement annexed to the notice convening the eleventh AGM.

RESOLVED FURTHER THAT the Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as are deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution including filing of necessary E-form(s) with the O/o Registrar of Companies, Gujarat.”

7. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2018 and in this regard, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 148 and the other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the eleventh AGM payable to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2017-18.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

8. To approve the revision in the remuneration of Mr. Saurabh Jayantbhai Shah, relative of a Director of the Company and in this regard, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions, if any, of the Companies Act, 2013 including the statutory modifications or re-enactment thereof for the time being in force, read with the SEBI (LODR) Regulations, 2015, the approval of the shareholders be and is hereby accorded to the payment of remuneration to Mr. Saurabh Shah, who is a relative of Mr. Himanshu Shah, Wholetime Director as per details set out below:

Sr. No	Particulars	Amount payable per Month (in Rs.)
1	Gross Monthly Earnings	292673/-
2	PF Contribution	1800/-
3	Mediclaime	550/-
4	Gratuity	4811/-
<b>Total Monthly Remuneration</b>		<b>299834/-</b>

**RESOLVED FURTHER THAT** various components of the aforementioned remuneration may be restructured by the Board or any of its designated Committee therefor within the overall amount of Total Monthly Remuneration prevailing at any time

**RESOLVED FURTHER THAT** Total Monthly Remuneration shall be subject to an annual review by the Board or any of its designated Committee therefor which may decide an annual increase, not exceeding 20%, over the Total Monthly Remuneration of the previous financial year.

**RESOLVED FURTHER THAT** the Board or any of its Committee be and are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.”

9. To ratify the Eris Lifesciences Employee Stock Option Plan 2017 and in this regard, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder, and other applicable laws, if any, the Eris Lifesciences Employee Stock Option Plan 2017 (ESOP 2017) approved at the Extra Ordinary General Meeting (EGM-3-2017) on February 3, 2017 be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, all the Directors, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in its absolute discretion, deem necessary and desirable.

10. To consider and determine the fees for service of any document through a particular mode of delivery to a member and in this regard to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules made thereunder, the Company hereby determines a fee of Rs.100/- (Rupees One hundred only) to be charged and recovered in advance from the member(s) requesting the service of any document from the company by any particular mode other than electronic mode.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to adopt and notify in such manner as they may consider fit, the modalities for recovery of the fees determined herein and other incidental or connected matters.”

By order of the Board of Directors

Date: August 17, 2017  
Place: Ahmedabad

Milind Talegaonkar  
Company Secretary

**Notes:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A Proxy form is attached herewith. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten per cent 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, then such proxy shall not act as a proxy for any other person or member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
3. Only Registered Members of the Company whose names appear on the Register of Members / Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non Members from attending the meeting.
4. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item Nos. 4 to 10 of the Notice, are annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall be closed from Friday, September 22, 2017 to Friday, September 29, 2017[both days inclusive]
6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The information of the Director retiring by rotation and being eligible seeking re-appointment at the ensuing Annual General Meeting is given in the Corporate Governance Report.
8. Notice of the Eleventh Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes unless any member has requested for a hard copy of the same.
9. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to carry your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
10. The Companies (Management and Administration) Rules, 2014 allows the companies to serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the Annual General Meeting along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website [www.eris.co.in](http://www.eris.co.in).
11. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to Link Intime India Private Limited (Company's Registrar and Share Transfer Agent). Members holding the Company's shares in dematerialized form are requested to register/ update their e-mail address with their Depository Participant(s) directly.
12. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection at the Annual General Meeting.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
14. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:
15. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours except on holidays.
16. Voting through electronic means
  - a) The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the

members to cast their votes from a place other than venue of the AGM [remote e-voting]. The facility for voting shall be made available at the AGM through polling paper and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for the members.

- b) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only
- c) The Notice will be displayed on the website of the Company [www.eris.co.in](http://www.eris.co.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com)
- d) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- e) The Members whose names appear in the Register of Members / List of Beneficial Owners prior to commencement of book closure date are entitled to vote on Resolutions set forth in the Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach CDSL for issuance of the USER ID and Password for exercising their right to vote by electronic means.
- f) Members are requested to follow the instructions below to cast their vote through e-voting:
  - I. The remote e-voting period will commence at 9:00 a.m. (IST) on Tuesday, September 26, 2017 and will end at 5:00 p.m. (IST) on Thursday, September 28, 2017. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 22, 2017 may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter.
  - II. The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - III. Click on Shareholders.
  - IV. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - V. Next enter the Image Verification as displayed and Click on Login.
  - VI. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - VII. If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB) .	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login
	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- VIII. After entering these details appropriately, click on "SUBMIT" tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant ERIS LIFESCIENCES LIMITED on which you choose to vote.
- XII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- XV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Members can also cast their vote using CDSL’s mobile app “m-Voting” available for all mobile phones. The “m-Voting app” can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- XIX. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- Contact Details: Mr. Rakesh Dalvi, Dy. Manager, CDSL 16th Floor, PJ Towers, Dalal Street, Fort, Mumbai–400 001 Email : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) Tel: 18002005533

A member can opt for only one mode of voting i.e. either through remote e-voting or voting at the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

17. The board of directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
18. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared. The results declared along with the Scrutinizer’s report, will be posted on the website of the Company [www.eris.co.in](http://www.eris.co.in) and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the results by the Chairman or any other person authorized by him and communicated to the Stock Exchanges.
19. Members are requested to bring their copy of the Annual Report to the meeting. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.

**By Order of the Board of Directors**

**Milind Talegaonkar**  
Company Secretary

Ahmedabad, 17th August, 2017

## Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

### Item No. 4

Mr. Amit Indubhushan Bakshi (DIN: 01250925), aged 42 years is the Chairman and Managing Director of the Company. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years of experience in the pharmaceutical industry.

Mr. Amit Indubhushan Bakshi holds 54271500 equity shares of the Company as on the date of this notice. Mr. Amit Indubhushan Bakshi is not related to any other Director and Key Managerial Personnel of the Company. The details of the attendance at the Board Meetings of the Company attended by Mr. Amit Indubhushan Bakshi during the year and the other details relating to Directorships, Membership/Chairpersonship of Committees are mentioned in the Corporate Governance Report.

Mr. Amit Indubhushan Bakshi (DIN: 01250925), has been on the Board of the Company since January 27, 2007 and was last reappointed with effect from April 1, 2016 for a period of 5 years (1st April, 2016 to 31st March 2021) in terms of the applicable provisions of the Companies Act, 2013 and the rules made thereunder and an Employment Agreement dated April 1st, 2016 ('Agreement') was executed between Mr. Amit Indubhushan Bakshi and the Company. On February 3rd 2017 certain terms & conditions of the said Agreement were amended and the same were approved by the Members of the Company at the Extra-Ordinary General Meeting (EGM-3-2017) dated February 3, 2017.

The terms of remuneration payable under the Agreement were valid till 31st March, 2017.

The terms of remuneration payable to Mr. Amit Indubhushan Bakshi, (DIN: 01250925) Chairman & Managing Director of the Company has been proposed by the Nomination & Remuneration Committee in its meeting held on April 12, 2017 and subsequently approved and recommended to the general body for its consent by the Board of Directors in their Meeting held on the same date.

The terms of remuneration is in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the Act.

The Board proposes to seek consent of the Members of the Company, for the terms of remuneration payable to Mr. Amit Indubhushan Bakshi as per details set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	6,999,996
Conveyance allowance	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	2,799,996
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	336,696
Other allowances	5,789,520
Bonus	8,400
Leave travel allowance	3,999,996
<b>Total Remuneration (per annum)</b>	<b>2,00,00,004</b>

The salary structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 during the term of the appointment of the Managing Director.

Except Mr. Amit Indubhushan Bakshi, none of the Directors and Key Managerial Personnel of the Company or their relative(s) are concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

The Board of Directors recommends the resolution at Item No. 4 for approval of the Members by way of an Ordinary Resolution.

### Item No. 5

Mr. Himanshu Jayantbhai Shah (DIN: 01301025), aged 41 years is an executive Director of the Company. He holds a bachelor's degree in science from the Indira Gandhi National Open University. He also holds a diploma in pharmacy from Gujarat University and a diploma in management from the Indira Gandhi National Open University. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry.

Mr. Himanshu Jayantbhai Shah holds 6284500 equity shares of the Company as on the date of this notice. Mr. Himanshu Jayantbhai Shah is not related to any other Director and Key Managerial Personnel of the Company. The details of the attendance at the Board Meetings of the Company attended by Mr. Himanshu Jayantbhai Shah during the year and the other details relating to Directorships, Membership/Chairpersonship of Committees are mentioned in the Corporate Governance Report.

Mr. Himanshu Jayantbhai Shah has been on the Board of the Company since its incorporation (January 25, 2007) and was last reappointed with effect from April 1, 2016. An Employment Agreement dated April 1st, 2016 ('Agreement') for a period of 5 years (1st April, 2016 to 31st March 2021) was executed between Mr. Himanshu Jayantbhai Shah (DIN: 01301025) and the Company. Mr. Himanshu Jayantbhai Shah was designated as the Whole-Time Director of the Company as approved by the Members at the Extra-Ordinary General Meeting (EGM-3-2017) dated February 3, 2017 in terms of the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the said Agreement was amended on February 3, 2017.



The terms of remuneration payable to Mr. Himanshu Jayantbhai Shah (DIN: 01301025) Whole-Time Director of the Company has been proposed by the Nomination & Remuneration Committee in its meeting held on April 12, 2017 and subsequently approved and recommended to the general body for its consent by the Board of Directors in their Meeting held on the same date.

The terms of remuneration is in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the Act.

The Board proposes to seek the consent of the Members of the Company, for the terms of remuneration payable to Mr. Himanshu Jayantbhai Shah as per details set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	3,500,004
Conveyance allowance	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	1,400,004
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	168,348
Other allowances	2,867,436
Bonus	8,400
Leave travel allowance	2,000,004
<b>Total Remuneration (per annum)</b>	<b>1,00,09,596</b>

The salary structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 during the term of the appointment of the Whole Time Director.

Except Mr. Himanshu Jayantbhai Shah, none of the Directors and Key Managerial Personnel of the Company or their relative(s) are concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

The Board of Directors recommends the resolution at Item No. 5 for approval of the Members by way of an Ordinary Resolution.

#### Item No. 6

Mr. Inderjeet Singh Negi (DIN: 01255388), aged 45 years is an executive Director of the Company. He holds a bachelor's degree in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). He has more than 13 years of experience in the pharmaceutical industry.

Mr. Inderjeet Singh Negi holds 5939833 equity shares of the Company as on the date of this notice. Mr. Inderjeet Singh Negi is not related to any other Director and Key Managerial Personnel of the Company. The details of the attendance at the Board Meetings of the Company attended by Mr. Inderjeet Singh Negi during the year and the other details relating to Directorships, Membership/Chairpersonship of Committees are mentioned in the Corporate Governance Report.

Mr. Inderjeet Singh Negi has been on the Board of the Company since January 27, 2007 and was last reappointed with effect from April 1, 2016. An Employment Agreement dated April 1st, 2016 ('Agreement') for a period of 5 years (1st April, 2016 to 31st March 2021) was executed between Mr. Inderjeet Singh Negi and the Company. Mr. Inderjeet Singh Negi was designated as the Whole-Time Director of the Company as approved by the Members at the Extra-Ordinary General Meeting (EGM-3-2017) dated February 3, 2017 in terms of the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the said Agreement was amended on February 3, 2017.

The terms of remuneration payable to Mr. Inderjeet Singh Negi, Whole-Time Director of the Company has been proposed by the Nomination & Remuneration Committee in its meeting held on April 12, 2017 and subsequently approved and recommended to the general body for its consent by the Board of Directors in their Meeting held on the same date.

The terms of remuneration is in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the Act.

The Board proposes to seek the consent of the Members of the Company, for the continuation of the terms of remuneration payable to Mr. Inderjeet Singh Negi as per details set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	3,500,004
Conveyance allowance	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	1,400,004
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	168,348
Other allowances	2,857,836
Bonus	8,400
Leave travel allowance	2,000,004
<b>Total Remuneration (per annum)</b>	<b>99,99,996</b>

The salary structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 during the term of the appointment of the Whole Time Director.

Except Mr. Inderjeet Singh Negi, none of the Directors and Key Managerial Personnel of the Company or their relative(s) are concerned or interested, financially or otherwise, in the resolution set out at item No. 6.

The Board of Directors recommends the resolution at Item No. 6 for approval of the Members by way of an Ordinary Resolution.

#### **Item No. 7**

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2017-2018, at a remuneration of Rs. 75000/-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors shall be ratified by the members of the Company. Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 7 of the Notice.

#### **Item No. 8**

Members may please note that the remuneration proposed to be paid to Mr. Saurabh Shah is commensurate with his experience and is in line with industry standards prevalent in India. Mr. Saurabh Shah, aged 39 years, holds a Bachelor degree. He has been associated with the company since the year 2011 and has a rich experience in his functional domain i.e. Information Technology. Since, he is the brother of Mr. Himanshu Shah, Whole time Director of the Company and this appointment is covered under Section 188(1)(f) of the Companies Act, 2013, therefore, approval of the shareholders by way of ordinary resolution at their General Meeting is required. The Board recommends this ordinary resolution. The monetary value of this transaction is embodied in the resolution and be construed accordingly. The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party : Mr. Saurabh Shah

Name of the director or Key Managerial personnel who is related : Mr. Himanshu Shah

Nature of relationship : Mr. Saurabh Shah is the brother of Mr. Himanshu Shah

Remuneration : As provided in the resolution

Payment Schedule : Not applicable

Nature, material terms and particulars of the arrangement: The remuneration of Mr. Saurabh Shah under his subsisting employment is proposed to be revised and a framework for its annual increase is proposed and embodied in the resolution given in item no. 8. The proposed framework ensures that the annual increase in the remuneration are subjected to the independent assessment of the Board or any of its designated committee in this regard who/which shall be guided by the remuneration policy of the company in this regard.

Any other relevant or important information: The appointment is in the ordinary course of business and at an arms-length. The Total Annual Remuneration last approved by the General Meeting for Mr.Saurabh Shah was Rs.31.98 Lakhs per annum.

Duration of the contract: Mr. Saurabh Shah has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment.

Except Mr. Himanshu Shah being his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 8.

The Board of Directors recommends the resolution at Item No. 8 for approval of the Members by way of an Ordinary Resolution.

#### **Item No. 9**

As per Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 '**SEBI SBEB**' Regulations), no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any scheme formulated prior to the listing of its equity shares under which share based benefits are provided to its employees unless such scheme is in conformity with these Regulations and such scheme is ratified by its shareholders subsequent to IPO.

The Company under the approval granted by shareholders prior to listing i.e. pursuant to the resolution passed by the members of the Company on February 3, 2017 had approved the Eris Lifesciences Employee Stock Option Plan 2017 (ESOP 2017).

Under the extant authority given by the Members, the Board of Directors of the Company (including any Committee thereof) was authorized to create, offer, issue and allot at any time, the options exercisable into such number of equity shares being not more than 0.28% of paid-up equity share capital



of the Company at any point in time, in one or more tranches. The Nomination and Remuneration Committee of the Company in exercise of its duly delegated powers granted 391599 options to the eligible employees of the Company on 12th April 2017.

The salient features of ESOP 2017 as per SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are set out below:

**a. Brief description of the scheme- ESOP 2017:**

- The objective of ESOP 2017 is to reward the eligible employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company intends to use this Plan to attract and retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the eligible employees to get a share in the value they create for the Company in the years to come.

**b. Total number of options to be granted:**

- The options granted to the eligible employees under ESOP 2017, in one or more tranches, shall result in the issue of not more than 3,91,599 equity shares of face value of Re. 1 each. This ceiling shall be adjusted for any corporate actions within the overall ceiling of 3,91,599 equity shares at the discretion of the Nomination and Remuneration Committee of the Company/ Compensation committee.
- If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options reserve specified above and shall become available for future Grants, subject to compliance with the provisions of the Applicable Laws.

**c. Identification of class of employees entitled to participate in ESOP 2017:**

- Following classes of employees are entitled in the ESOP 2017:
  - (i) A permanent employee of the Company working in India or out of India; or
  - (ii) A whole-time Director of the Company; or
  - (iii) An employee as defined in sub-clauses (i) or (ii) above of a Subsidiary Company, in or outside India, or of a Holding Company,
- Following persons are not entitled in the ESOP 2017:
  - (i) An Employee who is a Promoter or a person belonging to the Promoter Group;
  - (ii) A Director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the issued and subscribed Shares of the Company; and
  - (iii) The Independent Directors of the Company.

**d. Requirements of vesting and period of vesting and maximum vesting period within which the options shall be vested:**

- Options granted under ESOP 2017 would vest not earlier than 1 (One) year and not later than 5 (Five) years from the date of Grant of such Options.
- The Option would vest on completion of vesting period and the vesting of options would be subject to continued employment/service with the Company. The Nomination and Remuneration Committee of the Company/Compensation Committee may specify certain performance parameters subject to which the Options would vest.
- The Options would vest in a Director only if he continues to remain a Director of the Company on the date of the Vesting of Options.
- Vesting of Options in case of Employees on long leave: The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.

**e. Exercise price or Pricing formula:**

**Exercise price:** The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company/Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was Rs.451.04. Pricing formula: Discount to fair market value of the Equity Shares as on the date of grant.

**f. Exercise period and process of Exercise:**

- The Exercise Period would be a maximum of 5 (Five) years from the date of Vesting of Options.
- The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Nomination and Remuneration Committee of the Company /Compensation Committee, for the issuance Shares against the Options vested in him.

**g. The Appraisal process for determining the eligibility of employees for the scheme:**

- The grant of options to the eligible employees as per the Eligibility Criteria as determined by the Nomination and Remuneration Committee of the Company were based on parameters such as: Period of association/ period of service of the employee with the company, Performance of the employee, Grade/ designation of the employee

**h. Maximum number of options to be issued per employee and in aggregate:**

- The number of options to be granted to an Eligible Employee under the Plan can be decided by the Nomination and Remuneration Committee of the Company. However the maximum number of options that may be granted to the Eligible Employee under ESOP 2017, shall not be more than 0.28% of the issued and paid up equity capital of the Company.

- i. **Maximum quantum of benefits to be provided per employee under the scheme:**  
The maximum quantum of benefits of the options granted to the eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Option, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.
- j. **Whether the scheme(s) is to be implemented and administered directly by the company or through a trust:** The ESOP 2017 is to be implemented and administered directly by the Company.
- k. **Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both:** The ESOP 2017 contemplates only new issue of Equity shares by the Company.
- l. **The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.:** The Company has not provided any loan for implementation of ESOP 2017
- m. **Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme(s):** Not applicable
- n. **Accounting and Disclosure Policy:**  
The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other authority from time to time, including the disclosure requirements prescribed therein.
- o. **Method of valuation of the options:** The Company shall use any recognised method for valuation of the options.

**Other Disclosure:**

- a. **Lock- in period:**
  - The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in after such Exercise.
  - However, the transferability of the Shares arising out of Exercise of Vested Options shall be subject to the applicable laws.
- b. **The conditions under which options vested in employees may lapse e.g. in case of termination of employment for misconduct:**
  - In case the Vested Options remain unexercised at the time of termination they shall lapse with effect from the date of such termination.
  - The Unvested Options shall also lapse with effect from the date of termination.
- c. **The specific time period within which the employee shall exercise the vested options in the event of proposed termination of employment or resignation of employee:**
  - The Vested Options up may be exercised by on or before the last working day of the Option Grantee.
  - The Unvested Options shall lapse.
  - The Nomination and Remuneration Committee of the Company/Compensation Committee at its sole discretion and in terms of the ESOP 2017 shall decide the treatment of the Vested Options/Unvested Options and such decision shall be final and binding.

The Company has not granted any further options after the listing of its equity shares on the stock exchanges w.e.f. 29th June 2017. The Board recommends the ratification of the ESOP 2017 at this AGM. The Company shall obtain the in-principle listing approval from the stock exchanges for the listing of the Equity Shares arising on account of the ESOP 2017.

Accordingly, the Board recommends the special resolution set forth in Item No. 9, for your approval.

None of the Directors, Key Managerial Personnel or relative(s) thereof are, in any way concerned or interested, financially or otherwise, in the said Resolution except to the extent of the grants respectively received by them from the Company.

**Item No. 10**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member of the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a Member may request for delivery of any document through a particular mode, for which he shall pay such fees may be determined by the company in its Annual General Meeting. Accordingly, it is proposed that a fee of Rs.100/- be determined for recovery from the members in advance who exercise the aforesaid option.

Accordingly, the Board recommends the special resolution set forth in Item No. 10, for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relative(s) are in any way concerned or interested, financially or otherwise, in this resolution.

**By order of the Board of Directors**

**Milind Talegaonkar**  
Company Secretary

Date: August 17, 2017  
Place: Ahmedabad



## ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Beside Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad – 380015

Email: [complianceofficer@erislifesciences.com](mailto:complianceofficer@erislifesciences.com) Website: [www.eris.co.in](http://www.eris.co.in)

Tel: +91 79 3045 1000 Fax: +91 79 3017 9404

CIN: L24232GJ2007PLC049867



### ATTENDANCE SLIP

**VENUE OF THE MEETING:** HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

**DAY, DATE & TIME:** Friday, September 29, 2017, at 11:00 A.M

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

\*Applicable for investors holding shares in Electronic form.

I certify that I am a registered shareholder(s)/proxy for the registered shareholder of the Company.

I hereby record my presence at the Eleventh Annual General Meeting of the Company to be held on Friday, September 29, 2017, at 11:00 A.M at HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

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Signature of Member/Proxy

### Notes

1. Please check the details carefully for their correctness before submitting the slip.
2. Please carry this attendance slip (or its copy or printout) with you while coming to the meeting.





## ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Beside Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad – 380015

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CIN: L24232GJ2007PLC049867

### 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]*

**VENUE OF THE MEETING:** HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

**DAY, DATE & TIME:** Friday, September 29, 2017, at 11:00 A.M

Name of Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No.	

\*Applicable for investors holding shares in Electronic form.

I/We, \_\_\_\_\_, being the member(s) of \_\_\_\_\_ shares of Eris Lifesciences Limited hereby appoint the following as my/our Proxy to attend and vote on a poll (for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Friday, September 29, 2017, at 11:00 A.M and at any adjournment thereof) in respect of such resolutions as are indicated below;

- Name: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Emailid: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
- Name: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Emailid: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
- Name: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Emailid: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl.No.	Resolution	Number of shares held	For	Against
<b>ORDINARY BUSINESS</b>				
1	To receive, consider and adopt the Audited Financial Statements including consolidated financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon.			

2	To appoint a Director in place of Mr. Himanshu Jayantbhai Shah, (DIN: 01301025) who retires by rotation and, being eligible, offers himself for re-appointment.			
3	To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company and to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
4	To approve the terms of remuneration of Mr. Amit Indubhushan Bakshi, (DIN: 01250925) Chairman & Managing Director of the Company			
5	To approve the terms of remuneration of Mr. Himanshu Jayantbhai Shah (DIN:01301025), Whole-Time Director of the Company			
6	To approve the terms of remuneration of Mr. Inderjeet Singh Negi(DIN:01255388), Whole-Time Director of the Company			
7	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2018			
8	To approve the Revision in the Remuneration of Mr. Saurabh Jayantbhai Shah, relative of a Director of the Company			
9	To ratify the Eris Lifesciences Employee Stock Option Plan 2017			
10	To consider and determine the fees for service of any document through a particular mode of delivery to a member			

This is optional. Please put a tick mark(✓) in the appropriate column against there solutions indicated in . If a Member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a Member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

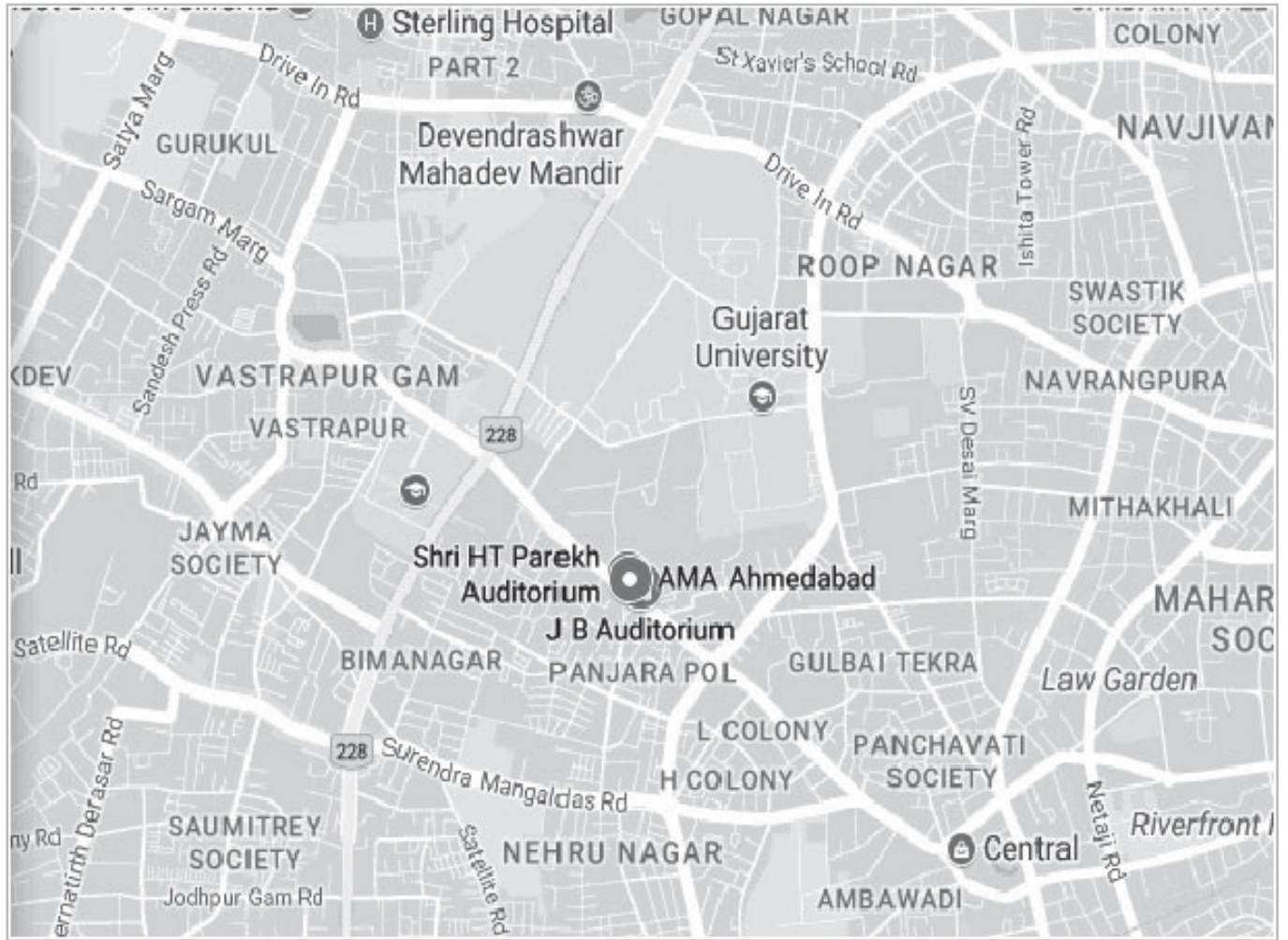
Signed this \_\_\_\_ day of \_\_\_\_\_ 2017.

Affix  
Revenue  
Stamp

Signature of Shareholder: \_\_\_\_\_ Signature of Proxy Holder(s): \_\_\_\_\_

#### Notes

1. Proxy form must be received at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.
3. In the case of joint holders, the vote of the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Shareholders may vote either for or against each resolution.



**HT Parekh Hall,**

Ahmedabad Management Association,  
ATIRA Campus,  
Dr. Vikram Sarabhai Marg,  
Ahmedabad – 380 015

