

The management of Zyden Gentec Limited is pleased to present the management Discussion and Analysis Report covering the operations and financial performance of the Company for the year 2017-18.

INDUSTRY STRUCTURE & DEVELOPMENTS

The pharmaceutical industry in India would continue to remain under great international focus on international scenario despite price wars and huge import from Chinese firms. India being perceived as a stable, trustable and large consumption democracy has been getting encouraged responses from many MNCs and overseas strategic investors in Indian businesses, especially in Pharmaceutical Sector in last couple of years. Moreover, the Pharmaceutical Sector will continue to grow further as the cost of health care in India is substantially lower, in comparison with many western & developed countries. Indian pharmaceutical sector is currently one of the largest and most developed in the world and has the quality of being recognized as high-quality, low-cost skilled producer of pharmaceuticals.

INDUSTRY OPPORTUNITIES:

Outlook on the Indian Pharmaceutical market continues to be positive despite of the economic & slowdown pressures, as commonly felt by all the businesses, continue to exert its affect. As stated earlier, with the introduction of the product patent regime beginning January 1, 2005 the Indian market continue to remain an attractive option for introduction of research based products. Industry consolidation is expected to bring in economies of scale and provide access to regional players. The biggest growth driver continues to be the pipeline of patent expiries. Consequently, companies are recognizing the importance of pipelines and are making significant investments in research and drug development.

Your company would continue to consolidate on the present manufacturing facility. The company has widened its range of products with more emphasis on quality.

THREATS, RISK AND CONCERNS

The product patent regime poses the serious challenge to domestic industry unless it invests in R&D. The global pharmaceutical business has inherent risks of patent litigation, regulatory issues and product liability, particularly in the developed markets. Globally, over-investment and excess capacities weight on the generic industry has been resulting in increasing competition and pricing pressures. The industry faces risk of all Research & Development initiatives not leading to commercially viable and successful products. Rise in cost of raw materials, exchange rate fluctuations, environmental liabilities, tax laws, litigation, labour relations and significant changes in the global, political and economic environment exert tremendous influence on the performance of the Company. Since larger players are becoming more dominant, market impact may change the financial performance of the Company. Apart from this, the procedural hurdles & delays at DCA continue to act as growth deterrent in India.

SEGMENT WISE PERFORMANCE

Chart given below gives the breakup of sales between the Financial Year 2017-18 and 2016-17

Particulars	Financial Year 2017-18	Financial Year 2016-17
Income from Manufacturing & Allied Activities	74,21,250	5,37,595

Income from Financial, Investment & Allied Activities	1,87,96,078	Nil
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OPERATIONS

During the Financial Year 2017-18, the Revenue from Operations of the Company were Rs. 74,21,250/- as compared to Rs. 5,37,595/- in the Financial Year 2016-17 where as the Loss for the Financial Year 2017-18 were Rs. 2,18,38,112/- as against Rs. 1,32,124/- in the Financial Year 2016-17. Your Directors and Management along with the entire team is taking all possible actions to ensure that we are able to sustain our financial growth and business operational developments despite of all adverse external conditions and competition.

FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31.03.2018

FINANCIAL RESULTS:	(AMOUNT IN RS.)	
	2017-18	2016-17
Income:		
Revenue from operations	74,21,250	5,37,595
Other Income	1,87,96,078	--
Total Income	2,62,17,328	5,37,595
Total Expenditure	4,75,22,763	6,69,719
Profit / (Loss) before Tax	(2,18,38,112)	(1,32,124)
Less: Tax Expenses	Nil	Nil
Net Profit / (Loss) after Tax	(2,18,38,112)	(1,32,124)

DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has to make constant efforts to manage labour shortages. To develop skilled labour, training facilities are provided to the employees in house or by deputing them to the machinery suppliers and to training institutes for specific training.

The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company remains committed to ensure an effective internal control that provides assurance on the efficiency of operations and security of assets. Your company's well established and robust internal audit processes, both at business and corporate levels, continuously monitor the effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. The Company has also undertaken steps to implement new control measures in line with best global practices such as standard operating procedures as per CGMP requirement.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of the applicable provisions of applicable laws and regulations. Actual results may substantially or materially differ from those expressed or implied. Some important developments such as significant changes in the global, political and economic environment, environment in India and key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs etc. could affect the company's performance.

For and On behalf of Board of Directors

For Zyden Gentec Limited

sd/-

Vinod Shiv Kumar Gupta

Chairman

DIN: 00193202

Date: 01.09.2018

Place:Kota

ANNEXURE-IV