

Board's Report

Dear Members,

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

We are also delighted to introduce a new name to the relationship you have cherished with us for long. Strides Shasun Limited is now renamed as Strides Pharma Science Limited effective July 18, 2018.

1. Financial Summary (Consolidated & Standalone)

₹ in Million

Particulars	Consolidated Basis				Standalone Basis			
	FY 2017-18		FY 2016-17		FY 2017-18		FY 2016-17	
	INR	USD*	INR	USD**	INR	USD*	INR	USD**
1.1 Financial Results								
Continuing Operations								
Income	29,334.35	450.19	29,165.22	449.66	16,258.05	249.51	15,508.74	239.11
Operating Profit (EBIDTA)	4,906.02	75.29	6,884.33	106.14	3,532.89	54.22	3,397.75	52.39
Net Profit (PAT)	702.14	10.78	2,797.10	43.13	1,564.48	24.01	1,519.36	23.43
Reserve & Surplus	23,650.61	362.96	26,594.00	410.02	30,725.16	471.53	31,431.04	484.60
Non-Controlling Interest	1,546.48	23.73	1,335.01	20.58				
1.2 Profits								
Operating Profit (EBIDTA)	4,906.02	75.29	6,884.33	106.14	3,532.89	54.22	3,397.75	52.39
Less:								
Interest	1,962.43	30.12	1,831.03	28.23	819.70	12.58	719.64	11.10
Depreciation & Amortisation	1,540.35	23.64	1,261.51	19.45	778.05	11.94	700.06	10.79
Exceptional Items	435.78	6.69	364.28	5.62	293.81	4.51	151.59	2.34
Profit Before Tax	967.46	14.85	3,427.51	52.84	1,641.33	25.19	1,826.46	28.16
Share of profit / (loss) of joint ventures and associates	(167.99)	(2.58)	3.64	0.06				
Profit Before Tax	799.47	12.27	3,431.15	52.90	1,641.33	25.19	1,826.46	28.16
Less: Tax Expenses								
Current tax expenses	485.12	7.45	484.74	7.47	373.22	5.73	124.97	1.93
Current tax expenses relating to prior years	-	-	(6.61)	(0.10)	-	-	(6.61)	(0.10)
Deferred tax expenses	(107.03)	(1.64)	(3.86)	(0.06)	(15.61)	(0.24)	28.96	0.45
MAT Credit entitlement	(280.76)	(4.31)	159.78	2.46	(280.76)	(4.31)	159.78	2.46
Profit After Tax	702.14	10.78	2,797.10	43.13	1,564.48	24.01	1,519.36	23.43
Profit/ (Loss) from Discontinued operations	6,101.23	93.63	1,662.37	25.63	7,351.43	112.82	(433.99)	(6.69)
Total Profit	6,803.37	104.41	4,459.47	68.76	8,915.91	136.83	1,085.37	16.73
Other Comprehensive Income								
Items that will not be reclassified to profit/ (loss)	(202.39)	(3.11)	(209.46)	(3.23)	(0.87)	(0.01)	(94.13)	(1.45)
Items that may be reclassified to profit/ (loss)	42.12	0.65	(233.36)	(3.60)	(196.60)	(3.02)	130.75	2.02
Total Other Comprehensive Income (Net of Tax)	(160.27)	(2.46)	(442.82)	(6.83)	(197.47)	(3.03)	36.62	0.56
Total Comprehensive income	6,643.10	101.95	4,016.65	61.93	8,718.44	133.80	1,121.99	17.30
Opening balance of Profit and Loss	2,184.74	33.53	(1,362.00)	(21.00)	3,930.01	60.31	3,276.90	50.52
Pursuant to Scheme of Amalgamation	(7,038.43)	(108.02)	-	-	(7,038.43)	(108.02)	-	-
Available for appropriation	1,751.00	26.87	2,635.49	40.63	5,807.49	89.13	4,362.27	67.26
1.3 Appropriations								
Dividend on Equity Shares								
Final Dividend	(402.72)	(6.18)	(357.46)	(5.49)	(402.72)	(6.18)	(357.46)	(5.51)
Tax on Final Dividend	(40.50)	(0.62)	(74.80)	(1.15)	(75.48)	(1.16)	(74.80)	(1.15)
Dividend to non-controlling interest shareholders	(9.78)	(0.15)	(18.49)	(0.28)				
Tax on dividend from foreign subsidiaries (to the extent adjusted against final dividend)	(34.98)	(0.54)	-	-				
Balance carried to Balance Sheet	1,263.02	19.38	2,184.74	33.72	5,329.29	81.79	3,930.01	60.59

Note:

* 1 USD = INR 65.16 (Exchange Rate as on March 31, 2018)

** 1 USD = INR 64.86 (Exchange Rate as on March 31, 2017)

Previous year figures have been regrouped/ restated wherever necessary to make them comparable with those of the current year

2. Company's performance

During the reporting period, your Company recorded an overall subdued performance. While our strategy continues to build momentum, our execution did not match expectation, especially in the second half of FY 2017-18. We faced significant number of challenges primarily in our US partnered venture and the institutional business. During the year under review, we also launched our consumer health division in a difficult market environment. In hindsight, we believe we could have strategised better for improved outcomes. Additionally, we continue to struggle with the gap between our secondary and primary sales in Africa.

Despite several headwinds, our Australia operations reported a successful year. A non-US non-Australia regulated market was a win considering the significant growth that we have achieved, albeit on a low base. We also exited the India brands business that allowed us to pay significant debt and completed several corporate actions on schedule in line with our articulated strategy.

During FY 2017-18, your Company undertook several measures to develop itself as a diversified business-to-customer (B2C) player.

The US continues to be our largest market, but ~65% of our US business is currently partnered. At present, we are working very hard to reduce our dependency on our partners. We recalibrated our strategy for the US market and in FY 2018-19, we will be working towards building the frontend business ourselves. We are also pleased to report that over 50% of the revenues that were partnered have since been brought back to our own fold in terms of value. The US business still continues to be an exciting and profitable venture for a new player like us with our own frontend.

In Australia, our strategy is to bolster our leadership position. During the reporting period, our margins increased owing to operating leverage. We have also announced a transaction involving Apotex recently. We believe that our focus on markets outside the US and Australia have led to early success with some traction visible.

We have been fairly successful with our operations in the UK, parts of Europe and now South Africa. Our IP portfolio in Australia is very valuable but fungible across all other markets. Therefore, we are very focussed on leveraging it across Canada, Europe, the UK and South Africa with minimal regulatory costs. This will allow us to maximise our business in the segment and we are confident that in the next 2 to 3 years, it would emerge as a significant part of our revenue mix.

Our Africa business is shaping very well based on our robust secondary sales and we are tracking ~3x industry growth, which is great in the markets where IMS data is available. Besides, our Africa venture continues to have suboptimal base, offering us the headroom to grow; going forward, we will focus in this space.

Our institutional business had its toughest year due to compressed opportunity in malaria treatment and the margins remained almost negligible vis-à-vis previous years. The long-term contracts for our ARV business suffered significantly due to increase in prices of APIs. However, the increased pricing of APIs is now a very common trend and we expect to recover soon in this segment. We have been very frugal in how we are approaching this business and it still forms a very important part of our under-recovery strategy for manufacturing operations.

During the reporting period, our R&D operations remained effective as we filed 12 ANDAs against a target of 15-20 new product ANDA filings per year. Besides, we filed 5 additional ANDAs in April and May 2018. Our focus remains unwavering in receiving the approvals in 10 months and for that we intend to take a month or two extra to ensure our filing qualities are superior.

We received fairly quick approvals for 14 new products during FY 2017-18 and three additional approvals in April and May 2018. We also secured approval for Ibuprofen Softgel capsule, which is an extremely important product, during this phase.

Going forward, we will stay focussed on building our fortunes in the US market with constant emphasise on niche products or products on which we have complete control. Furthermore, we are confident that our high compliance status across our manufacturing plants will play a key role in this endeavour.

We have completely rewired your Company with Strides 2.0 that ensures a sharpened focus on productivity and outcomes. We are confident of our course correction strategies and expect all our businesses to bounce back in the next three to four quarters.

A detailed analysis of each of the business verticals of the Company is provided in the Management Discussion and Analysis Report.

3. Corporate Updates

During the year, the Company completed several corporate actions including exiting non-core operations and markets to sharpen its focus on the B2C business and achieve leaner operations.

Corporate Actions undertaken during the year are provided herein below.

Acquisitions & JVs

1) Amneal Pharmaceuticals, Australia

Arrow Pharmaceuticals, a step-down subsidiary of the Company in Australia, acquired 100% stake in Amneal Pharmaceuticals, Australia. Amneal is engaged in the business of selling generic pharmaceutical products in Australia.

The acquisition has enabled improve Arrow's generics market share thereby expanding its first-

line pharmacies to 1200+ stores and provided significant synergy opportunities with 100+ molecules being common with Arrow Portfolio.

The transaction achieved closure in September 2017.

- 2) **Controlling stake in Trinity Pharma, South Africa**
Strides Pharma Asia, the Company's wholly owned subsidiary in Singapore, acquired controlling stake in Trinity Pharma ("Trinity"), a company incorporated in South Africa.

Trinity is engaged in the business of supply and distribution of generic pharmaceutical products to pharmaceutical retailers and providing services relating to regulatory and registration of products.

The transaction enabled Strides to establish a presence in the high entry market of South Africa where product dossier approval takes more than 5 years; enabling access to pipeline of more than 110 product dossiers and facilitating ARV launch in private non-tender market in South Africa.

The transaction achieved closure in January 2018.

- 3) **JV between Amneal Pharmaceuticals and Douglas Pharmaceuticals, Australia**
Amneal Pharmaceuticals, Australia, a step-down subsidiary of the Company, entered into a Joint Venture arrangement with Douglas Pharmaceuticals Australia Pty Limited, Australia.

Amneal holds approx. 50% stake in the JV Company viz., MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd).

MyPak Solutions is expected to become the leading Dose Administration Aid (DAA) company in the Australian pharmaceutical and aged care industries. DAAs have been designed to assist consumers in the community to better manage their medicines and improve medication compliance.

MyPak will provide the Australian market with an end-to-end industry leading DAA solution and will enable the Company to provide the customers with a complete solution in the DAA market in Australia.

Divestments

- 4) **India Brand Business**
As part of the Company's portfolio re-prioritisation, the Company exited from the India Brand Business. India Brand Business comprising of a portfolio of 130+ brands in the domains of Neurology, Psychiatry, Nutraceuticals, Gastro etc., along with the employees forming part of the said business was sold to Eris Lifesciences Limited, India ("Eris") for a consideration of ₹410 Crore.

As part of the transaction, the Company also divested its stake in Strides Healthcare Private Limited, a subsidiary company which was catering

to the Brands Business to Eris for a consideration of ₹90 Crore.

The Company retains global rights for the divested portfolio, which have significant sales in Africa and will continue to grow the Company's emerging market business.

The transaction achieved closure in December 2017.

- 5) **Demerger of the Commodity Active Pharmaceutical Ingredients (API) Business**
During the year under review, through a composite Scheme of Arrangement between the Company, SeQuent Scientific Limited ("SeQuent") and Solara Active Pharma Sciences Limited ("Solara") and their respective shareholders and creditors under section 230-232 of the Companies Act, 2013, the Company completed the demerger of its Commodity API Business to Solara. Pursuant to the aforesaid Scheme, the Human API business of SeQuent was also demerged to Solara.

Appointed Date and Effective Date for demerger was October 1, 2017 and March 31, 2018, respectively.

The Scheme received nod of the Equity Shareholders of the Company on December 27, 2017 and approval of the National Company Law Tribunal, Mumbai Bench vide its Order dated March 9, 2018.

Consequent to the above, Solara allotted shares to the Equity Shareholders of the Company as at the Record Date, April 9, 2018, as consideration under the Composite Scheme on April 11, 2018. As provided in the Composite Scheme, Solara was listed on the Stock Exchanges (NSE and BSE) on June 27, 2018.

Events Post Balance Sheet Date

- 6) **Strides API Research Centre**
On April 20, 2018, the Company entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India (Solara) to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Company at Strides API Research Centre (SRC) along with the employees for a consideration of ₹357.28 Million and working capital subject to adjustment and finalisation for ₹8.26 Million.

The Company has classified the assets of the SRC unit as 'Assets Held for Sale' as on March 31, 2018.

- 7) **Proposed merger of Australian business of Strides and Apotex**
The Company and Apotex have agreed in-principle to merge their respective Australian business operations. Currently, Strides is one of the leading

generic players in the Australian pharmaceutical market and runs its business under the Arrow brand. Apotex is the leading generic player in the Australian pharmaceutical market and runs its business under the Apotex brand.

The Combination shall enable Strides, through the merged business, to become the leading player in the Australian generic pharmaceutical market by both volume and revenue. The proposed transaction will be EPS accretive from Year 1 through merger synergies. The merged business will have the largest portfolio of owned product IP for the Australian market. Potential synergies will accrue through higher volumes and improved COGS.

Strides' and Apotex's business will be run independently under the brands Arrow and Apotex respectively and will continue to enjoy preferred partner relationship with their respective wholesalers. The merged business will continue to be supported by Strides' and Apotex's manufacturing facilities and will have approx. 3200 first line pharmacy accounts.

The proposed structure will be arrived through a share swap. The existing hospital business of Apotex will not form part of the merged entity and will be retained by Apotex.

The transaction is subject to entering into definitive agreements between the parties, satisfactory due diligence, customary closing conditions and statutory approvals, including approval of Australian Competition and Consumer Commission.

8) **Proposed merger of Arrow Remedies and Fagris Medica into the Company**

The Board of Directors of the Company at its meeting held on May 18, 2018 have approved the Scheme of Amalgamation for merger of Arrow Remedies Private Limited and Fagris Medica Private Limited (collectively known as Transferor Companies, which are wholly owned subsidiaries of the Company) into the Company (Transferee Company) in terms of Section 230 to 232 of the Companies Act, 2013.

The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, the shareholders and creditors of each of the companies.

The appointed date for the said amalgamation is April 1, 2018 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the National Company Law Tribunal.

The Scheme of Amalgamation will enable the Company to consolidate and effectively manage the Transferor Companies and the Company in a single entity, eliminate duplication of operating and administrative expenses and simplify the group structure.

There will not be any change in the shareholding pattern of the Transferee Company pursuant to the Scheme of Amalgamation as both the Transferor Companies are wholly-owned subsidiaries of the Transferee Company.

9) **Divestment of Strides Chemicals Private Limited**

Pursuant to the approval of the Shareholders of the Company obtained by means of Postal Ballot, the Company proposes to divest its 100% stake in Strides Chemicals to Solara Active Pharma Sciences. The divestment is pursuant to evaluation conducted by the Management and as part of measure to improve and sharpen the focus on the formulations business and profitability of the Company.

As part of the arrangement, Solara has offered the Company long-term development and manufacturing arrangement and a 'Most Favoured Customer' status for all the DMF's required for the integrated formulations portfolio of the Company. The divestment will help Strides become leaner, while retaining supply chain security for the formulations portfolio.

The divestment process is expected to be completed post receipt of shareholder's approval for the same by Solara.

4. **Board of Directors and Key Managerial Personnel as at the date of this Report**

Board of Directors of the Company

- Mr. Deepak Vaidya, Non-Executive Director, Chairperson of the Board.
- Mr. S Sridhar, Mr. Bharat Shah, Ms. Sangita Reddy and Mr. Homi Khusrokhhan -Independent Directors of the Company.
- Mr. Arun Kumar, Group CEO and Managing Director
- Mr. Badree Komandur, Executive Director – Finance.

Key Managerial Personnel

- Mr. Arun Kumar, Group CEO and Managing Director
- Mr. Badree Komandur, Executive Director – Finance
- Ms. Manjula Ramamurthy, Company Secretary

Appointment, Re-designation of Director and Retirement by Rotation

1. Mr. Badree Komandur, Executive Director – Finance retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
2. Appointment of Mr. Arun Kumar as Executive Director of the Company for a period of 3 years.
3. Continuation of Mr. Homi Rustam Khusrokhhan as Independent Director of the Company till the

completion of his current term i.e upto May 17, 2022.

Number of meetings of the Board

During the year under review, the Board met 6 times. Details of the same are provided in the Corporate Governance Report, which is part of this report.

5. Share Capital

The Authorised Share Capital of the Company as at the date of this report is ₹1,767,500,000/- divided into 176,750,000 equity shares of ₹10/- each.

The Issued, Subscribed and Paid-up Share Capital of the Company as at the date of this report is ₹895,489,130/- divided into 89,548,913 equity shares of ₹10/- each.

There has been an increase in the Paid-up Equity Share Capital of the Company on account of allotment of 125,907 equity shares consequent to exercise of stock options by employees.

6. Dividend

Your Directors are pleased to recommend a Dividend of ₹2/- (Rupees Two Only) per equity share of face value of ₹10/- each for the financial year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting, which is scheduled on September 24, 2018.

The Register of Members and Share Transfer Books will remain closed from September 15, 2018 to September 24, 2018 (both days inclusive) for the purpose of payment of final dividend for the financial year ended March 31, 2018 and the AGM.

Dividend, if approved by shareholders, will be paid within 30 days from the date of declaration of dividend.

In terms of Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Dividend Distribution Policy. The said Policy is available on the Company's website and can be accessed at <http://www.strides.com/investor-committeboard.html>

7. Subsidiary, JVs and Associate Companies

As at March 31, 2018, the Company had 51 subsidiaries (46 overseas and 5 India), 3 Joint Ventures (2 overseas and 1 India), 4 Associate Companies (3 overseas and 1 India).

List of subsidiaries/ JVs/ Associates which have become or ceased to be part of the Company is enclosed as Annexure 1

Accounts of Subsidiaries

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. Statement containing salient features of the financial

statements of the subsidiary companies/ joint ventures as required in Form AOC 1 is enclosed as Annexure 2 to this Report.

8. Corporate Governance and Management Discussion and Analysis

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditor's Certificate thereon, and the Management Discussion and Analysis forms part of this report.

9. Employee Stock Option Scheme

The Company has 3 ESOP Schemes viz., Strides Arcolab ESOP 2011, Strides Arcolab ESOP 2015 and Strides Shasun ESOP 2016 Schemes.

Statement giving detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is enclosed as Annexure 3 to this Report.

10. Particulars of Employees

The statement containing particulars in terms of Section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as Annexure 4 to the Boards' report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

11. Corporate Social Responsibility (CSR)

The Company has undertaken "Corporate Social Responsibility (CSR)", initiatives in areas of Health, Education and Employability which are projects in accordance with Schedule VII of the Companies Act, 2013.

A detailed report on CSR activities undertaken during the financial year 2017-18 is enclosed as Annexure 5 to this Report.

12. Loans, Guarantees or Investments

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 40 to the standalone financial statements in the Annual Report.

13. Contracts or Arrangements with Related Parties

All the transactions with related parties are in the ordinary course of business and at arm's length basis. Hence disclosure under Form AOC - 2 is not part of this report. Transactions with related parties are disclosed in Note no. 45 to the standalone financial statements in the Annual Report.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the Company's website at <http://www.strides.com/investor-committeboard.html>

Further, there are no materially significant related party transactions made by the Company which may have potential conflict with the interests of the Company.

14. Auditors and Audit Reports

Secretarial Audit Report

M/s. Gopalkrishnaraj HH & Associates, a firm of Company Secretaries in Practice (Certificate of Practice No: 4152) is the Secretarial Auditor for the Company.

The Secretarial Audit for the financial year 2017-18, inter-alia, included audit of compliance with the Companies Act, 2013, and the Rules made under the Act, SEBI Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report is enclosed as Annexure 6 to the Board's Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Statutory Auditors

During the period under review, M/s Deloitte Haskins & Sells completed their term of appointment and were replaced by M/s B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) as Statutory Auditors of the Company at the 26th AGM held on September 15, 2017.

BSR & Co. LLP, Chartered Accountants holds office for a period of 5 years i.e., till the conclusion of the 31st AGM of the Company to be held in FY 2021-22.

In accordance with Companies (Amendment) Act, 2017 appointment of Statutory Auditors is not required to be ratified at every AGM.

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended March 31, 2018.

Internal Auditors

M/s. Grant Thornton India LLP, Chartered Accountants are the Internal Auditors of the Company. The Internal Auditors carry out audit as per the audit plan defined by the Audit Committee and regularly updates the committee on their internal audit findings at the Committee's meeting.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by the Company.

Cost Auditors

M/s. Rao, Murthy & Associates, Cost Accountants has carried out the Cost Audit for the applicable business for the year under review.

The Board of Directors of the Company have appointed M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2018-19.

15. Internal Financial Controls

The Company has in place well defined and adequate framework for Internal Financial Controls ("IFC") as required under Section 134 (5) (e) of the Companies Act, 2013.

During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

16. Risk Management

The Company has a risk management framework for identification and managing risks. Please refer the "Management Discussion and Analysis" report forming part of the Annual Report for additional details.

17. Other Disclosures

Nature of Business of the Company

There has been no change in the nature of business of the Company during the year under review.

Deposits

The Company has not accepted any deposits covered under chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

Whistle Blower Policy

The Company has a Whistle Blower Policy. The Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to the matters concerning the Company. Protected Disclosures are appropriately dealt with by the Whistle Officer or the Chairperson of the Audit Committee.

The Policy is also available on the Company's website and can be accessed at <http://www.strides.com/investor-committeboard.html>

Policy on Directors Appointment and Remuneration

The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the

Company's website and can be accessed at <http://www.strides.com/investor-committeboard.html>

Insurance

The assets/ properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, etc., and against other perils that are considered necessary by the management.

Significant and material orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

Extract of Annual Return

Extract of Annual Return in Form MGT 9 is enclosed as Annexure 7 to the Board's Report.

Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo

Details of Energy Conservation, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo are enclosed as Annexure 8 to this Report.

18. Declaration by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, each independent director has confirmed to the Company that he or she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations.

19. Board Evaluation

The evaluation of all the directors, committees, Chairperson of the Board, and the Board as a whole was conducted. The evaluation parameters and the process have been explained in the Corporate Governance Report, which is part of this report.

20. Directors' Responsibility Statement

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of your company state that:

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

- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Acknowledgement

Your Directors place on record their sincere appreciation for the significant contribution made by the employees through their dedication, hard work and commitment and the trust and confidence reposed on us by the medical profession and trade.

We also acknowledge the support extended to us by the bankers, financial institutions, Government agencies, analysts, shareholders and investors at large.

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board