

ONYX RESEARCH CHEMICALS LIMITED, UNITED KINGDOM

DIRECTORS REPORT

To the Members

Your Directors are pleased to present the Company's Annual Report for the year ended March 31, 2015.

Incorporation

Your Company is a wholly owned subsidiary of Ipca Laboratories UK, Limited. The principle activity of the company in the year under review was that of the provision of management services and a holding company.

During the financial year under report, your Company had earned an income of ₹ 0.33 lacs (Previous year: ₹ 45.48 lacs) and has earned a net profit of ₹ 8.94 lacs (Previous year: earned a net profit of ₹ 35.16 lacs).

Dividend

Directors do not propose the payment of dividend on equity shares for the financial year under review. However, dividend on preference shares has been proposed and paid.

Directors' Responsibility Statement

Your Directors confirm:

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

that your 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 March 31, 2015 and of the profit and loss of the Company for the year;

that your Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

that your Directors have prepared the annual accounts on a going concern basis.

that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Subsidiary Companies

Your company had a wholly owned subsidiary by the name Onyx Scientific Ltd. (till 24th March'2015), the principle activity of that company in the year under review was that of the provision of chemical services to the pharmaceutical industry.

Onyx Scientific Ltd. is a chemistry outsourcing specialist that supplies a diverse array of chemistry research and development services to the pharmaceutical and related industries.

Onyx Scientific Ltd. offers contract research, custom synthesis, scale up, small-scale CGMP manufacturing and other services including analytical method development and validation plus novel proprietary technology.

Particulars of Employees

During the year under review, the company had no employees.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo and other related disclosures

During the year under review, the Company has not carried out any manufacturing activities nor the company has any manufacturing unit. This Company is incorporated outside India. Therefore, the above information required pursuant to the Companies Act, 2013 are not applicable.

For and on behalf of the Board



Ajit Kumar Jain

Chairman

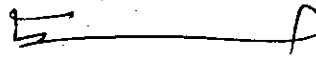
May 30, 2015

ONYX RESEARCH CHEMICALS LIMITED
Balance Sheet as at March 31, 2015

Particulars	Note Ref	₹ Lakhs	
		As at 31st March' 2015	As at 31st March' 2014
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	1.09	474.94
(b) Reserves And Surplus	2	(0.14)	2,198.87
(c) Money Received Against Share Warrants		-	-
		<u>0.95</u>	<u>2,673.81</u>
2 Share Application Money Pending Allotment			
		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Deferred Tax Liabilities (net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
4 Current Liabilities			
(a) Short-Term Borrowings	4	-	972.80
(b) Trade Payables	5	-	3.98
(c) Other Current Liabilities		-	-
(d) Short-Term Provisions	3	0.23	288.53
		<u>0.23</u>	<u>1,265.31</u>
TOTAL		<u><u>1.18</u></u>	<u><u>3,939.12</u></u>
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	6	-	3,891.57
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans & Advances		-	-
(e) Other Non-Current Assets		-	-
		-	<u>3,891.57</u>
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Bank Balances	7	1.18	0.37
(e) Short-term loans and advances		-	-
(f) Other current assets	8	-	47.18
		<u>1.18</u>	<u>47.55</u>
TOTAL		<u><u>1.18</u></u>	<u><u>3,939.12</u></u>

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss.

For and on behalf of the Board



Ajit Kumar Jain
Chairman/Director


Pranay Godha
Director

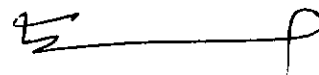
Place: Mumbai
Date: May 30, 2015

ONYX RESEARCH CHEMICALS LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note Ref	(₹ Lakhs) 2014-15	(₹ Lakhs) 2013-14
Revenue			
I Revenue from Operations (Gross):			
Sale of products		-	-
Sale of Services		-	-
Other operating revenue		-	-
Less : Excise duty		-	-
II Other Income	9	0.33	45.48
III Total Revenue (I + II)		0.33	45.48
IV Expenses			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee Benefit Expenses		-	-
Finance Cost		-	-
Depreciation and Amortisation		-	-
Other Expenses	10	(0.92)	2.30
Loss/(Gain) on Foreign Exchange Transactions		-	-
Total Expenses		(0.92)	2.30
V. Profit/(Loss) Before exceptional, extraordinary items and Tax (III-IV)		1.25	43.18
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before extraordinary items and Tax (V-VI)		1.25	43.18
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) Before Tax (VII-VIII)		1.25	43.18
X. Tax Expense			
1. Current Tax		(7.69)	8.02
2. Deferred Tax		-	-
3. Tax Provision for earlier years		-	-
XI. Profit/(Loss) after Tax (IX-X)		8.94	35.16
XII. Earnings per Equity Share: (₹)	12		
Basic		(0.71)	(7.90)
Diluted		(0.71)	(7.90)
Par Value		0.1p each	0.1p each

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss.

For and on behalf of the Board



Ajit Kumar Jain
Chairman/Director



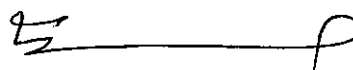
Pranay Godha
Director

Place: Mumbai
Date: May 30, 2015

ONYX RESEARCH CHEMICALS LIMITED
Cash flow statement for the year ended March 31, 2015

Particulars	2014-15 (₹ Lakhs)	2013-14 (₹ Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit/(loss) before taxation	1.25	43.18
Adjustments for :		
Interest Income	-	(45.48)
2. Operating profit before working capital changes	1.25	(2.30)
Decrease/(Increase) in Receivables	47.18	0.22
Increase/(Decrease) in Trade Payables and provisions	(3.98)	(0.64)
3. Cash generated from operation	44.45	(2.72)
Movement in Foreign Currency Translation Reserve	(3.08)	(0.75)
Income Tax paid	(0.10)	-
Net cash from operating activities (A)	41.27	(3.47)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase /(Decrease) in Short Term Borrowings	-	2.65
Repayment of Bank Loan	(40.46)	-
Net cash from Financing activities (B)	(40.46)	2.65
Net increase/(decrease) in cash and cash equivalents (A + B)	0.81	(0.82)
Cash and cash equivalents at beginning of period	0.37	1.19
Cash and cash equivalents at end of period	1.18	0.37
Components of Cash and Cash equivalents:		
Cash and Cheques on hand	-	-
Balance with Banks	1.18	0.37
	1.18	0.37

For and on behalf of the Board



Ajit Kumar Jain
Chairman/Director



Pranay Godhe
Director

Place: Mumbai
Date: May 30, 2015

Statement of Significant Accounting policies and Other Explanatory Notes

Background

ACCOUNTING POLICIES

a) Accounting convention

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) Conversion in to Indian Rupees:

The translation of financial statements into Indian Rupees is done in accordance with AS 11 (Revised) the Effects of Changes in Foreign Exchange Rates notified by the Companies (Accounting Standards) Rules 2006. The resultant Foreign Currency Translation Reserve is shown separately under Reserves and Surplus forming part of shareholders funds.

The Assets and Liabilities are translated at closing rate except share capital, which is translated at the rate as on transaction date. The income and expenditure are translated at a rate nearing the average rate during the year.

c) Investments: Long term Investments are stated at cost. Provisions are made for diminution in value of investments other than temporary in nature. Current Investments are stated at cost or market value which ever is lower.

d) Turnover: Turnover represents net invoiced sales of services, excluding value added tax.

e) Revenue: Revenue in respect of insurance/other claims, interest, commission, etc., are recognized only when it is reasonably certain that the ultimate collection will be made.

Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rates applicable. It is recognised only when ultimate collection is certain.

f) Cash and Cash Equivalents: Cash and cash equivalents in the Balance Sheet comprise cash at bank, cheques on hand, cash in hand and short term investments with an original maturity of three months or less.

g) Taxation:

Current Tax: Current Tax is calculated as per the provisions of the Income Tax in United Kingdom.

Deferred Tax: Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date.

Statement of Significant Accounting policies and Other Explanatory Notes (contd)

OTHER EXPLANATORY NOTES

1 SHARE CAPITAL

	31st March' 2015		31st March' 2014	
	No. of Shares	(₹ Lakhs)	No. of Shares	(₹ Lakhs)
Face Value				
Ordinary Equity Shares fully paid		0.1p each		0.1p each
A Ordinary Equity Shares fully paid		0.1p each		0.1p each
Preference Shares fully paid		STG 1 each		STG 1 each
Authorised Capital*				
Issued, Subscribed And Paid up Capital				
Ordinary Equity Shares fully paid	1,177,000	1.02	285,000	0.19
A Ordinary Equity Shares fully paid	100,000	0.07	100,000	0.07
Redeemable Preference Shares	-	-	700,000	474.68
PER BALANCE SHEET		1.09		474.94

*In accordance with the governing law of the country where the company is incorporated there is no provision for authorised capital. The same is therefore not disclosed.

The ultimate holding company is Ipca Laboratories Limited, India.

Disclosures:

Reconciliation of number of shares

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Ordinary Equity Shares				
Shares outstanding at the beginning of the year	285,000	0.19	285,000	0.19
Shares Issued during the year	892,000	0.82	-	-
Shares outstanding at the end of the year	1,177,000	1.01	285,000	0.19
A Ordinary Equity Shares				
Shares outstanding at the beginning of the year	100,000	0.07	100,000	0.07
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	100,000	0.07	100,000	0.07
Redeemable Preference Shares				
Shares outstanding at the beginning of the year	700,000	474.68	700,000	474.68
Shares Issued during the year	-	-	-	-
Shares redeemed during the year	(700,000)	(474.68)	-	-
Shares outstanding at the end of the year	-	-	700,000	474.68

Details of Shareholding in excess of 5%

Name of Shareholder	31st March' 2015		31st March' 2014	
	No. of shares	Percentage	No. of shares	Percentage
Ordinary Equity Shares				
Ipca Laboratories U.K. Ltd	1,177,000	100	285,000	100
A Ordinary Equity Shares				
Ipca Laboratories U.K. Ltd	100,000	100	100,000	100
Redeemable Preference Shares				
Ipca Laboratories U.K. Ltd	-	-	700,000	100

Particulars	31st March' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
2 RESERVES & SURPLUS		
a) Securities Premium Account		
Balance as per last Balance Sheet	1,210.11	1,210.11
Add : Addition during the year	-	-
Less : Capital Dividend	(1,210.11)	-
Balance as at year end	-	1,210.11
b) Other Reserve		
Foreign Currency Translation Reserve		
Balance as per last Balance Sheet	862.11	392.98
Add : Addition during the year	(827.54)	469.13
Balance as at year end	34.57	862.11
(Net exchange differences are accumulated in foreign currency translation reserve account)		
c) Surplus		
Balance as per last Balance Sheet	(31.86)	(1.43)
Add : Profit/(Loss) for the year	8.94	35.16
Less : Proposed Dividend on Preference Shares	(49.04)	(57.06)
Add : Capital Dividend	37.25	-
Less: Transfer to Preference Share Redemption Reserve	-	(8.53)
Balance as at year end	(34.71)	(31.86)
d) Preference Share Redemption Reserve		
Balance as per last Balance Sheet	158.51	149.98
Add : Addition during the year	-	8.53
Less: Capital Dividend	(158.51)	-
Balance as at year end	-	158.51
d) Capital Reduction Reserve		
Balance as per last Balance Sheet	-	-
Add : Addition during the year	1,815.12	-
Less: Capital Dividend	(1,815.12)	-
Balance as at year end	-	-
PER BALANCE SHEET	(0.14)	2,198.87

3 PROVISIONS

	Long Term		Short term	
	31st March' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)	31st March' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
Preference Dividend	-	-	-	280.51
Provision for Taxation	-	-	0.23	8.02
PER BALANCE SHEET	-	-	0.23	288.53

Particulars	31st March' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
4 SHORT TERM BORROWINGS		
Unsecured Loans:		
Loan from Related party from Onyx Scientific Ltd.	-	972.80
PER BALANCE SHEET	-	972.80
5 TRADE PAYABLES		
Trade Payables		
- Micro Small and Medium Enterprises	-	-
- Others	-	3.98
PER BALANCE SHEET	-	3.98

The Company represents that in the country of its operation there is no requirement of classification of business enterprises as Micro, Small and Medium enterprises.

6. Non Current Investments - At Cost

(₹ Lakhs)

Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			31/03/2015	31/03/2014			31/03/2015	31/03/2014	31/03/2015	31/03/2014		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investment in Equity Shares											
1	Onyx Scientific Limited	Subsidiary	-	368,122	unquoted	fully paid	0	100	-	3,891.57	Yes	
	PER BALANCE SHEET								-	3,891.57		

Disclosures:

Particulars

Aggregate amount of unquoted investments (Non Current - Trade)

- 3,891.57

Particulars	31st March' 2015 (₹ Lakhs)	31st March' 2014 (₹ Lakhs)
7 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks	1.18	0.37
PER BALANCE SHEET	<u>1.18</u>	<u>0.37</u>
8 OTHER CURRENT ASSETS		
Interest receivable	-	47.16
Indirect Taxes recoverable	-	0.02
PER BALANCE SHEET	<u>-</u>	<u>47.18</u>

Particulars	2014-15 (₹ Lakhs)	2013-14 (₹ Lakhs)
9 OTHER INCOME		
Bank Interest	0.33	45.48
PER STATEMENT OF PROFIT & LOSS	<u>0.33</u>	<u>45.48</u>
10 OTHER EXPENSES		
Bank Charges	0.05	0.02
Insurance	-	0.12
Professional charges	0.96	-
Auditor's Remuneration - Audit fees	0.02	1.94
- Others	-	0.21
Miscellaneous expenses	(1.95)	0.01
PER STATEMENT OF PROFIT & LOSS	<u>(0.92)</u>	<u>2.30</u>

11 Related Party Disclosure as required by Accounting Standard- AS 18 notified by the Companies (Accounting Standards) Rules 2006.

Relationship:	Country of Incorporation
Entities where control exists	
Ultimate Holding Company	
Ipca Laboratories Ltd., India	India
Holding Company	
Ipca Laboratories UK, Limited	United Kingdom
Subsidiary Company	
Onyx Scientific Ltd.	United Kingdom (till 24.03.2015)

Transactions

(₹ Lakhs)

Description	Entities where control exists	Total
	Subsidiaries	
<u>Loan taken/(Repaid)</u>		
Onyx Scientific Limited	(972.80)	(972.80)
Previous Year	2.65	2.65
Total	(972.80)	(972.80)
Previous Year	2.65	2.65
<u>Balances as on 31st March 2015</u>		
<u>Payable</u>		
Onyx Scientific Limited	-	-
Previous Year	972.80	972.80
Total	-	-
Previous Year	972.80	972.80

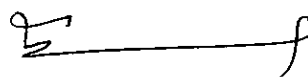
12 Earning per Share

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic and diluted EPS.

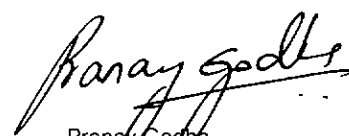
Particulars	2014-15	2013-14
Profit/(loss) after tax (₹ lakhs)	8.94	35.16
Proposed Dividend	(49.04)	(57.06)
Transfer to Preference Share Redemption Reserve	0.00	(8.53)
Capital dividend	37.25	0.00
Profit/(loss) available for Equity shareholders (₹ lakhs)	(2.85)	(30.43)
Equity Shares Outstanding (Nos)		
- Opening	385,000	385,000
- Issued during the year	17,107	-
- Closing	402,107	385,000
Weighted Average no. of shares outstanding (Nos.) - Basic	402,107	385,000
Weighted Average no. of shares outstanding (Nos.) - Diluted	402,107	385,000
Nominal value of equity share	0.1p each	0.1p each
Earning per share (₹)		
- Basic	(0.71)	(7.90)
- Diluted	(0.71)	(7.90)

- 13 During the year, as a part of group reconstruction, Ipca Laboratories UK Ltd. acquired the entire issued share capital of Onyx Scientific Ltd., UK from its wholly owned subsidiary Onyx Research Chemicals Ltd., UK on 25th March'2015 in lieu of capital dividend declared by the said company. Consequent to this, Onyx Scientific Ltd., UK has become wholly owned subsidiary of Ipca Laboratories UK Ltd. from the said date. From the said date, Onyx Research Chemicals Ltd., UK has ceased to trade and is in the process of being dissolved.
- 14 Prior period comparatives :
Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.
- 15 The accounts have been prepared on going concern basis as the directors of the parent company Ipca Laboratories Ltd have indicated their intention to financially support the company for the foreseeable future.
- 16 The Company is 100% subsidiary of Ipca Laboratories UK, Limited. The accounts have been prepared and restated in Indian Rupees for the purpose of attachment to the accounts of the ultimate holding company viz Ipca Laboratories Limited, India to comply with the provisions of Indian Companies Act.
- 17 The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the year ended on March 31, 2015.

For and on behalf of the Board



Ajit Kumar Jain
Chairman/Director



Pranay Godha
Director

Place: Mumbai
Date: May 30, 2015